



# PORT DIGEST

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The Official Newsletter of the Bureau of Customs



## BOC destroys P22-M worth fake cigarettes, various smuggled goods

The Bureau of Customs has destroyed P22 million worth of smuggled goods in Manila International Container Port in Baseco, Port Area.

Among the destroyed are 800 cartons of fake cigarettes bearing the brands of Mighty and Philip Morris, smuggled office supplies, rubber shoes, clothing apparels, slippers, stationery, bags, motorcycle parts and accessories, makeup tools, and drinking glasses.

The shredded fake cigarettes are part of the shipment of Zafari Trading that was declared as bags, fabrics, plastic film, and paper.

The shipment is estimated to be worth P18-million.

“After due process of law, the shipment is deemed property of the government after the consignee abandoned his shipment pursuant to Section 1129 of the Customs Modernization and Tariff Act,” Commissioner Isidro Lapeña.

Zafari for unknown reason has failed to claim the shipment within the prescribed period provided in the law, thus prompting the Bureau to declare a writ of abandonment for their lack of interest to claim.

Section 1129 states that goods are deemed abandoned when the importer expressly signifies in writing to the District Collector the intention to abandon the same; when the owner fails to file the goods declaration within the prescribed; having filed such goods declaration, the importer fails to pay the assessed duties, taxes and other charges thereon, or, if the regulated goods failed to comply with Section 117 within 15 days from the date of final assessment; having paid the assessed duties, taxes and other charges, the importer fails to claim the goods within 30 days from payment; or when the importer fails to claim goods in customs bonded warehouses within the prescribed period.

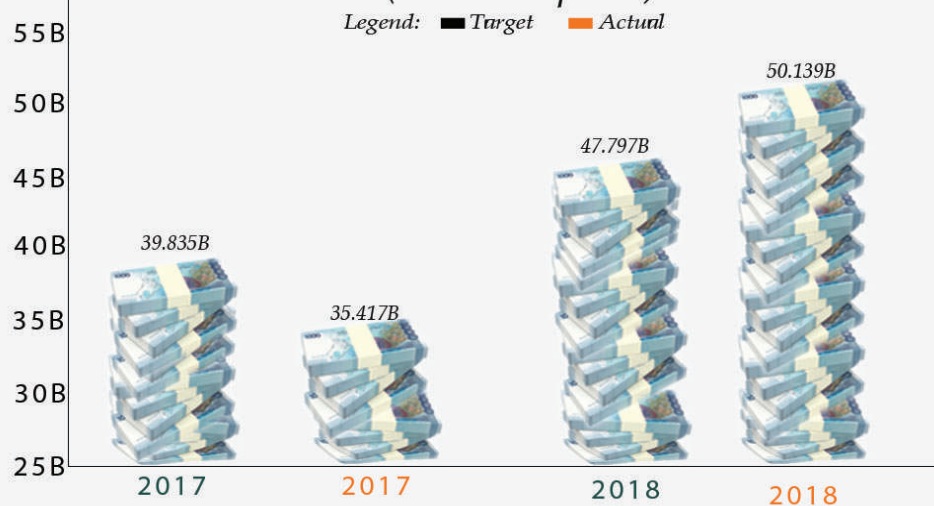
The other goods destroyed were consigned to Trikris Enterprises whose shipment arrived on August 21.

Commissioner Lapeña said the shipment, estimated to be worth P4-million, was found to contain clothing, shoes, slippers, stationery which do not have import permit from the Intellectual Property Office and clearance from Food and Drugs Administration (FDA). It underwent seizure and forfeiture proceedings and decision rendered is in favor to the government.

## PORT OF NAIA, CLARK FOILS P133.6-M WORTH OF DRUGS

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### JUNE REVENUE COLLECTION (in billion pesos)



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## Customs-NAIA seizes P40-M beauty products, skimming devices, shoes

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## BOC intercepts P74.8-M worth of drugs; 4 suspects nabbed in follow up operations

The strict profiling of a customs officer of the Bureau of Customs-Port of Clark has resulted in the interception of 11.5 kilograms of methamphetamine hydrochloride or shabu estimated to be worth P74.8 million in street value.

Customs chief Isidro Lapeña said the illegal drugs were concealed in separate parcels consigned to various individuals.

"After the customs examiner suspected the presence of drugs, the parcels were subjected to x-ray examination and K9 inspection. Immediately, after the examination indicated the presence of drugs, the joint elements of the Bureau's Enforcement and Security Service (ESS)-Customs Anti-Drugs Task Force, and Philippine Drugs Enforcement Agency (PDEA) Regional Office 3 and PDEA NCR conducted three controlled delivery operations on June 4," Lapeña disclosed.

One controlled delivery conducted in Brgy. San Martin de Porres involved the parcel consigned to a certain Arthur Santiago. It was declared to contain chair. The team arrested the suspect identified as Dolores Dela Cruz Lintag after receiving the parcel of shabu.

Another anti-illegal drugs controlled delivery operation composed of the same joint operatives from BOC and PDEA in the

same barangay led the arrest of Melchor Robelles Corocoto who received the alleged parcel of dangerous drugs consigned to Marilou Fabi Mendez. The parcel was declared as cooking grill.

The third controlled delivery operation took place at Molino Road, Brgy. San Nicolas, Lessandra Executive Subd. Lot 5 Block 4 Bacoor, Cavite. Two individuals were arrested namely Wilkiam Ibanez Dela Piza and Daniel Roberts Andrada who both received the parcel of dangerous drugs. The parcel was consigned to a certain Mark Fojas declared as bar stools.

Lapeña commended the Port of Clark led by district collector Lilibeth Sandag for their strict profiling and monitoring of parcels arriving in their port. Lapeña also commended the ESS-CAIDTF and PDEA's Region Office 3 and National Capital Region offices for successfully conducting three anti-drugs controlled delivery operations in one day.

The Office of the District Collector of Port of Clark will issue the warrant of seizure and detention on the said contraband for violating Sections 118, 119, and 1113 of Republic Act 10863 or the Customs Modernization and Tariff Act and Section 5, Article II of RA 9165 or the Comprehensive Dangerous Drugs Act of 2002



## BOC seized P120.36-M worth of shabu masked as chair, stools

**The Bureau of Customs-Port of Clark seized on June 7 at least 17.7 kilos of shabu, with an estimated street value of P120.36 million, hidden in parcels declared as chair and bar stools.**

Four packages bearing the same description as the parcels seized on June 2 arrived at Clark Freeport Zone on June 5.

The parcels from California were consigned to Christian Santillan Frias, Robert Alejandro Nazareno, Dominic Espinosa Gallardo of Quezon City, and Gina Fernandez Santiago of Taguig City.

The senders are Rania Frias, Maria Nazareno, Vanessa Gallardo, and Rania Fernandez.

"With the heightened border control against illegal drugs, the customs examiners conducted a profiling on the incoming shipments with description of goods and country of origin strikingly similar to the scheme of Port of Clark's latest seizure," Commissioner Isidro Lapeña said.

The x-ray examination and K9 units and Philippine Drug Enforcement Agency (PDEA) sniffing dogs resulted positive for organic substances.

"After close coordination with PDEA, the four packages were subjected to 100% examination where the customs examiners and PDEA agents found two packs of crystalline substances in each of the four boxes. The PDEA agents utilized a drug meter reader detector which registered positive for methamphetamine hydrochloride," Commissioner Lapeña explained.

Port of Clark Acting District Collector

lawyer Lilibeth Sandag issued the Warrant of Seizure and Detention against the subject shipments for violation of the Customs Modernization and Tariff Act (CMTA), R.A. 10863 under Section 118 (g), Section 119 paragraph (d), Section 1113 paragraphs (e), (f), (i) and Section 5 (Transportation of Dangerous Drugs) Article II of Republic Act No. 9165 (Comprehensive Dangerous Drugs Act of 2002).

A controlled delivery operation was conducted by the joint elements of Customs Anti-Illegal Drugs Interdiction Task Force (CAIDTF) and PDEA Regional Office III today to the delivery addresses which led to the arrest of Everlyn R. Lunzaga who received the parcel consigned to Nazareno.

"We are suspecting that the sender of these packages is international drug cartels. Only recently, we put up several x-ray machines at the three terminals of NAIA to stop incidents of airport smuggling. Because of the stricter border protection in NAIA, perhaps the drug smugglers are now diverting their smuggled and contraband goods in other airports such as Port of Clark," the Customs chief said.

Recently, the Bureau of Customs through close coordination with PDEA intercepted 11.5 kilograms of shabu estimated to be worth P74.8 million. This led to the arrest of four suspects who received the parcels during the controlled delivery operation.

In June alone, a total of P195.16 million worth of illegal drugs is seized in Clark Freeport Zone concealed in chairs, bar stools, and griller.

From Page 1

### PORT OF NAIA, CLARK

**The Bureau of Customs seized 17.96 kilos of shabu and 1.03 kilos of marijuana estimated to be worth P133.6 million in Pasay and Clark.**

Seized inside FedEx warehouse in NAIA are 15.96 kilos of shabu and 1.03 kilos of marijuana while 2 kilos of shabu in Port of Clark, Commissioner Isidro Lapeña said.

The illegal drugs seized on several occasions in NAIA came from the United States. It was concealed inside five inbound parcels, Lapeña said.

The packages declared as DVD players, furniture, cereals, and baby carriers were intercepted in three weeks from May 26, 2018 to June 7, 2018, according to report from the Office of the District Collector of NAIA.

"The senders are Taylor Dizon, Eagle Po Box Rental, Gina Gamboa, Raven Mesina, Donna Mendoza and consigned to certain Christina Dizon, Alvin Santiago, Sergio Gamboa Natividad, Gracen Washington, and Ricardo Mendoza," Commissioner Lapeña said.

The parcels were subjected to a controlled delivery, however, the operations were not successful since the names and addresses of the consignees are fictitious.

The bureau chief continuously gives directives to ports to protect the borders against the illegal entry of contraband goods such as illegal drugs.

"The Port of NAIA, Customs Anti-Illegal Drugs Task Force, X-ray operatives and Enforcement Group are devoted to doing their duty and are in full support to the BOC drive to strengthen vigilance towards

curbing the entry of such anti-social and prohibited goods," Collector Carmelita Talusan said.

The strengthened vigilance of customs authorities in 2018 has resulted in the weekly foiling of more than P200 million worth of shabu in NAIA.

Meanwhile, more or less 2 kilos of shabu were seized on June 20 at the Port of Clark estimated to be worth P13.6 million.

The shipment declared as foam bed, consigned to a certain Carlo Cruz Bintulan of Paranaque City was seized based on the profiling and x-ray examination of the customs authorities in the Port of Clark.

"The sender, Tanya Dela Cruz of North Hills, California, was also the sender of the seized shabu decoyed as cooking grill at the Port of Clark," Commissioner Lapeña said.

According to District Collector Atty. Lilibeth Sandag, the name of the consignee as well as its address are fictitious. Carlo Cruz Bintulan who resides in Paranaque City cannot be located by the customs officers.

"There are some circumstances when the package cannot be delivered to the consignee especially when the addresses are fictitious.

We have already apprehended several claimants. These cannot be done without the efforts of the customs officers doing the examination on the ground as well as the strengthened coordination of the bureau with the Philippine Drug Enforcement Agency (PDEA)." Commissioner Lapeña said.

The seized drugs are now turned over to PDEA for proper disposal.



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# PUBLIC HEALTH WARNING MULA SA BOC



**RENEW-D NEW FACIAL CREAM FORMULA-ONE  
GOREE® DAY & NIGHT WHITENING CREAM OIL FREE  
GOREE® BEAUTY CREAM WITH LYCOPENE WITH SPF 30 AVOCADO & ALOE VERA**

**MAG-INGAT SA PAGBILI NG MGA COSMETICS O BEAUTY PRODUCTS  
MULA ABROAD. ALAMIN KUNG ITO AY APRUBADO NG  
FOOD AND DRUG ADMINISTRATION (FDA).**

**AYON SA FDA, ANG MGA PRODUKTONG ITO AY MAY TOXIC  
MERCURY LEVELS NA MAAARING MAGING SANHI NG SKIN RASHES  
AT DISCOLORATION, PAGKASIRA NG KIDNEY ATBP.**

Reference: FDA Advisory 2017-289



## Customs-NAIA seizes P40-M beauty products, skimming devices, shoes

The Bureau of Customs –Ninoy Aquino International Airport (BOC-NAIA) seized P40 million worth of beauty products, skimming devices and collector's item branded shoes.

Among the seized are 6,500 pieces of beauty products and 182 packages of assorted cosmetics estimated to be worth P8 million at the Paircargo warehouse.

"These non-Food and Administration Agency (FDA) approved beauty products were disguised as balikbayan boxes declared to contain personal effects and household goods, consigned to Associated Freight Consolidators and other multiple consignees," Commissioner Isidro Lapeña said.

The 12 balikbayan boxes containing Abu Dhabi-imported beauty products such as Goree Day and Night Whitening Cream, Goree Beauty Cream, Goree Lotion, soaps, and other makeup kits were intercepted through strict profiling and examination of the customs authorities.

On October 30, 2017, the FDA has released a public advisory prohibiting the use and distribution of Goree products which were found to contain toxic mercury levels beyond the 1 parts per million (ppm) limit set by the agency. This was validated through a chemical screening conducted by the Ecowaste Coalition, a non-governmental organization.

The advisory states that highly toxic mercury in cosmetics products may cause adverse health effects such as kidney damage, skin rashes, skin discoloration and scarring. Chronic use reduces the skin's normal resistance against bacterial and fungal infections. Other effects include anxiety, depression or psychosis and peripheral neuropathy. The transfer of mercury to fetus of pregnant women may manifest as neurodevelopment deficits later in life.

"The proliferation and sale of Goree products on the internet, and the testimonials from its users have attracted a lot of consumers to use these products. Despite the public advisory, sellers are still trying to sneak in these prohibited items because of the increasing demand from the consumers," Commissioner Lapeña said.

Currently, the Customs NAIA has been extending their efforts to reach out with FDA for the plans of action to further curb the importation of Goree products in the Philippine market.

Moreover, Commissioner Lapeña reiterated the standing order on the importation of beauty products such as perfumes, lipsticks, shampoo, lotions, and bar soaps for personal use.

According to FDA and Department of Health Joint Circular 1-2015, cosmetic beauty products intended for personal use and within the specified limit sent through balikbayan boxes, baggage, and parcels may be imported without prior clearance from FDA.

"Any quantity of the covered products, whether declared or undeclared, beyond the specified limits which do not have the required FDA-DOH clearance, will be seized and forfeited in favor of the government. Those within the specified limit shall be allowed without FDA-DOH clearance subject to

payment of customs duties," the Joint Circular reads.

Meanwhile, BOC-NAIA and the X-ray Inspection Project (XIP) have apprehended more than 1,110 skimming devices at the three terminals of NAIA in seven months.

A total of 13 apprehensions have been recorded from December 16, 2017 to June 1, 2018 where passengers coming from China, Taiwan, Hongkong, Malaysia, and Indonesia are smuggling skimming devices.

The gadgets, according to Commissioner Lapeña, come in set, mostly containing one-time password card (OTP), sim cards, bank cards, mobile phones, rubber stamps, ATM pins, and other Chinese-scribed documents.

"These set of gadgets are used in committing cyber crimes and other bank frauds using online bank transactions. It can steal and clone the data which often results to money laundering by transferring money online thru bank to bank transactions," the Customs chief said.

Republic Act 8484 or the Access Devices Regulation Act of 1998 has prohibited the use of unauthorized access devices and the unlawful manufacture and distribution of the access device.

Despite the government warning against unscrupulous traders and importers, there are still many of them who continue to sneak in prohibited goods that may pose threat to the public.

Also, 15 balikbayan boxes containing 111 pairs of original rubber shoes were seized with an estimated market value of P7 million according to BOC-NAIA.

The shipment from Italy is consigned to Associated Freight Consolidators, the same consignee of the seized Goree products. Brands included are Nike Airmax DLX, Airmax 1/97 VF SW, Nike Vapormax FK, Adidas Yeezy Powerhouse CG6420, Adidas PW Holi NMD MC, Vans Era 95 DX, Balenciaga sneakers, Air Jordan 1 Retro, and used Nike sneakers.

It was discovered by the customs examiners after it passed through x-ray machines.

Moreover, P25 million worth of glutathione products without the required FDA permit was also seized. The products which were sent through balikbayan boxes came from Thailand and Malaysia.

NAIA Customs authorities are still determining whether the whitening products are fake.

"The Bureau of Customs will remain vigilant and will continue to carry-on the fight against those who disrespect and disregard the Customs laws, rules and regulations," Commissioner Lapeña said.

Lapeña also warned these traders and importers not to take advantage and abuse the balikbayan boxes.

"Balikbayan boxes are sacred to our OFWs. I urge those unscrupulous importers not to use balikbayan boxes to disguise their regulated and taxable importations," he added.

The seized goods will undergo seizure and forfeiture proceedings in accordance with Section 400, 1113, and 1117 of the Customs Modernization and Tariff Act.



## BOC seized P28.92-M worth of misdeclared goods

Approximately P28.92 million worth of seized various misdeclared goods were seized at the two major seaports in Manila.

Three shipments consigned to I-Genex Cargo Forwarder, 188 Fortune Merchandising, and Hepomlan Trading, which arrived at the Manila International Container Port from Korea and China were busted.

I-Genex declared the shipment as personal effects and household goods but was found to contain used personal items mixed with boxes of beauty products such as hydrating creams, cleanser, mask, and rose water without the necessary Food and Drugs Administration (FDA) permit, Commissioner Isidro Lapeña said.

188 Fortune and Hepomlan Trading declared their shipments as kitchen wares, and bolts and screws but were found to contain speakers, cookware, CCTV, beams, textiles, tiles, rubber pads, food without the proper FDA permit, and G-shock watch.

All three shipments are estimated to be worth P 13.25 million.

"These shipments have violated Section 1400 in relation to Section 1113 of the Customs Modernization and Tariff Act (CMTA), possible violation of RA 9283 otherwise known as Intellectual Property Code of the Philippines, and RA 9711 also known as FDA Act of 2009," the Customs chief said.

A warrant of seizure and detention will be issued by District Collector lawyer Vener Baquiran while the accreditation of the importers will be revoked.

Meanwhile, 16 containers consigned to Janeri Import Trading and Megaabundancesteel Indent Trading Corporation containing misdeclared fake clothing apparels and galvalume steel coil were also seized.

The shipments which arrived at the Port of Manila on separate dates were declared to contain clothing apparels and hot rolled steel coil.

Report from the port shows that there is

misclassification in the tariff heading of the goods resulting in an adjustment in the customs value. Upon verification, there is a 100% discrepancy in duty and tax declared against the computed duties of the customs examiner.

"Hot-rolled steel coil is cheaper than cold rolled because it is manufactured without any delay in the process. While the galvalume costs higher since it has an aluminum and zinc coating," Commissioner Lapeña explained.

Previously, Megaabundancesteel was implicated in the 105 missing containers at the Port of Manila. A criminal case against the importer was filed at the Department of Justice by the bureau's Legal Service.

"These are their remaining shipment which arrived at the port after their accreditation was revoked. The examination of the customs officers showed that Megaabundancesteel made a high disregard of the law," Commissioner Lapeña said.

"Under Section 1400 of the CMTA, a discrepancy in duty and tax to be paid between what is legally determined and what is declared amounting to more than 30% shall constitute a prima facie evidence of fraud," Commissioner Lapeña explained.

The Office of the District Collector has already issued a warrant of seizure and detention against the shipments for violating Section 1400 in relation to Section 1113 of the CMTA.

District Collector Erastus Sandino Austria said the seized goods are worth more or less P15.67 million.

"I am telling the public that the 100% inspection of alerted shipments will continue unless the importers will follow the rules and pay what is due to the government. We are firm in our campaign against smuggling of fake products and contrabands," Commissioner Lapeña said.

The Commissioner has a standing order to revoke the accreditation of all erring importers and customs brokers.



## P75-M fake iPhones, smartphones, and tablets busted in Binondo



The Bureau of Customs, through the Enforcement and Security Service (ESS), intercepted more or less 25,000 units of fake iPhones, smartphones, and tablets worth P75-million in a warehouse in Sta. Cruz, Manila

“The operation stemmed from a tip we received last week from a brand owner representative that fake smartphones, iPhones, and tablets are stored in Warehouse 6, #641 Fernandez Street, Sta. Cruz, Manila,” said Commissioner Isidro Lapeña.

According to ESS, BOC has also received a derogatory report from a certain tipster about the subject warehouse and surveillance has been conducted since May prior to the raid.

On June 21, Customs agents immediately acted on the Letter of Authority number 06-21-028-2018 issued by the Commissioner to investigate and examine the said warehouse.

Local officials and representatives from the Philippine National Police and the Barangay 302 were also present during the inspection.

Found inside the warehouse are thousands of alleged fake iPhones, smartphones, and tablets without importation permit from the National Telecommunication Commission (NTC).

“Based on the initial report from the NTC, these smartphones and tablets of brands ZH&K, Chico Mobile, CKK, and Samsung bear fake NTC stickers,” said Lapeña.

Mr. Neil Crowther, the brand owner representative, also confirmed that the confiscated phones and tablets without NTC stickers are counterfeit versions of iPhone, Nokia, and Vivo.

The brand owner representatives of other confiscated phones are yet to issue certification that the phones are counterfeit versions of their products.

Initial investigation of the ESS shows that the warehouse is owned by certain Joseph Lee, Albert Chua, and Kevin Sy.

No one was arrested as the alleged owners were not in the premises during the raid, except the warehouse operations manager identified as Peter Lee.

“We have given the warehouse owners 15 days from the date of inspection to provide importation documents and other pertinent documents. We will proceed with the seizure and forfeiture proceedings of their goods,” Lapeña said.

Charges will be filed against the warehouse owners for violation of Section 118 (Prohibited Importation and Exportation) of the Customs Modernization and Tariff Act (CMTA) in relation to Republic Act 8293 or the Intellectual Property Code.

Lapeña commended all agents of the ESS, saying the successful operation manifests the strong commitment and dedication of Customs police to mitigate smuggling.

Last week, June 22, the BOC also seized P300 million worth of fake bags and shoes stored inside the warehouses in Baclaran, Pasay City.



## BOC busts P300-M worth of fake goods in Baclaran

**The Bureau of Customs uncovered thousands of boxes of fake goods estimated to be worth P300 million in several warehouses in Baclaran, Pasay City.**

Agents from the Bureau’s Enforcement and Security Service (ESS) raided the warehouses located inside Sunjoy Tower, Bagong Milenyo, and New Russel buildings in Baclaran.

“The operation was conducted after the BOC-ESS received a tip that fake items are stored in the buildings and this was also confirmed by brand representative Lee Bumgarner Inc. (LBI), brand owner of shoe and apparel brand “Vans”, said Commissioner Isidro Lapeña.

The Customs operatives, armed with five (5) letters of authority dated June 19, immediately conducted series of operations on the subject warehouses on June 20 to verify the report received.

Inside the warehouses, Customs agents found large volume of shoes, bags, backpacks, all believed to be counterfeit.

The brand representative from LBI, however, confirmed, after thorough examination on the intercepted shoes, that the items found in buildings Sunjoy Tower, Bagong Milenyo and New Russel are indeed counterfeit products of their original brand, Vans.

According to the brand owner representative, the intercepted shoes stored in the warehouses have an estimated market value of approximately P200 million while the bags are said to be worth P100 million.

Initial investigation shows that the subject warehouses are owned or leased to certain Cai Lu Zhi, Yang Yang, Yong Shun Chen, and Angkong – all are aliases. No arrest was made as the alleged owners of the warehouses were not in the premises during the raid. Only the warehouse security personnel was present during the raid.

Counterfeit goods are classified as prohibited under the Republic Act No. 8293 or the Intellectual Property Code of the Philippines.

The Bureau of Customs has given the warehouse owners 15 days from the date of inspection which was on June 20 to provide the needed documents to prove the legitimacy of their goods. Otherwise, the goods will be seized and destroyed immediately.

The warehouse owners will be charged with violations of Section 118 (Prohibited Importation and Exportation) of the Customs Modernization and Tariff Act (CMTA) in relation to Republic Act 8293 or the Intellectual Property Code.

From Page 1

## BOC DESTROYS

The disposal of the seized goods was led by the customs chief and MICP district collector, Atty. Vener Baquiran.

They were joined by witnesses including a representative from brand owner Philip Morris, Atty. Leo Salvador and the port’s Condemnation Committee composed of the District Collector for Operations, Michael Angelo Vargas and the chief of the Law Division, Atty. Giovanni Leynes as well as other customs officers from the Office of the Commissioner and the Enforcement and Intelligence Groups.

“There will be more condemnation of

smuggled goods to show the public that these goods are not recycled to the market. If they are dangerous to health, we do not sell them in auction, instead, we destroy them,” Commissioner Isidro Lapeña said.

Agricultural products without permits from FDA such as the frequently smuggled onions, carrots, and apples, fake goods, and other hazardous smuggled goods are destroyed by the Bureau through condemnation.

Aside from these, the Bureau also destroyed smuggled motorcycles and luxury cars in pursuant to the directive of President Rodrigo Duterte.

## P4.5M smuggled onions from China busted

**Three 40-footer containers containing smuggled onions were inspected on Monday after x-ray scanning revealed suspicious image different from the declared items, the Bureau of Customs (BOC) chief said during the regular spot inspection of alerted shipments at the Port of Manila.**

The alerted containers declared as mugs, saucer, and decors, all of which are ceramics, came from China, and arrived on May 22.

It is consigned to Precious Prince Enterprises with office address at 15320-B St. Michael St., San Agustin Village, Moonwalk, Paranaque City and the signing broker is Reymund Ledesma Cigaraya of Batasan Hills.

“These containers were subjected to a non-intrusive inspection by the X-ray Inspection Project (XIP), however, scanned

image showed other items that do not correspond to the declaration which are mugs, saucer, and decors,” Commissioner Isidro Lapeña said.

“A warrant for seizure and detention will be issued against the P4.5-million worth shipment for violating Section 1400 in relation to Sections 1113 and 1401 of the Customs Modernization Tariff Act,” Commissioner Lapeña said.

Appropriate charges will be filed against the importer and customs broker while their accreditation with the Bureau of Customs will be suspended or revoked immediately.

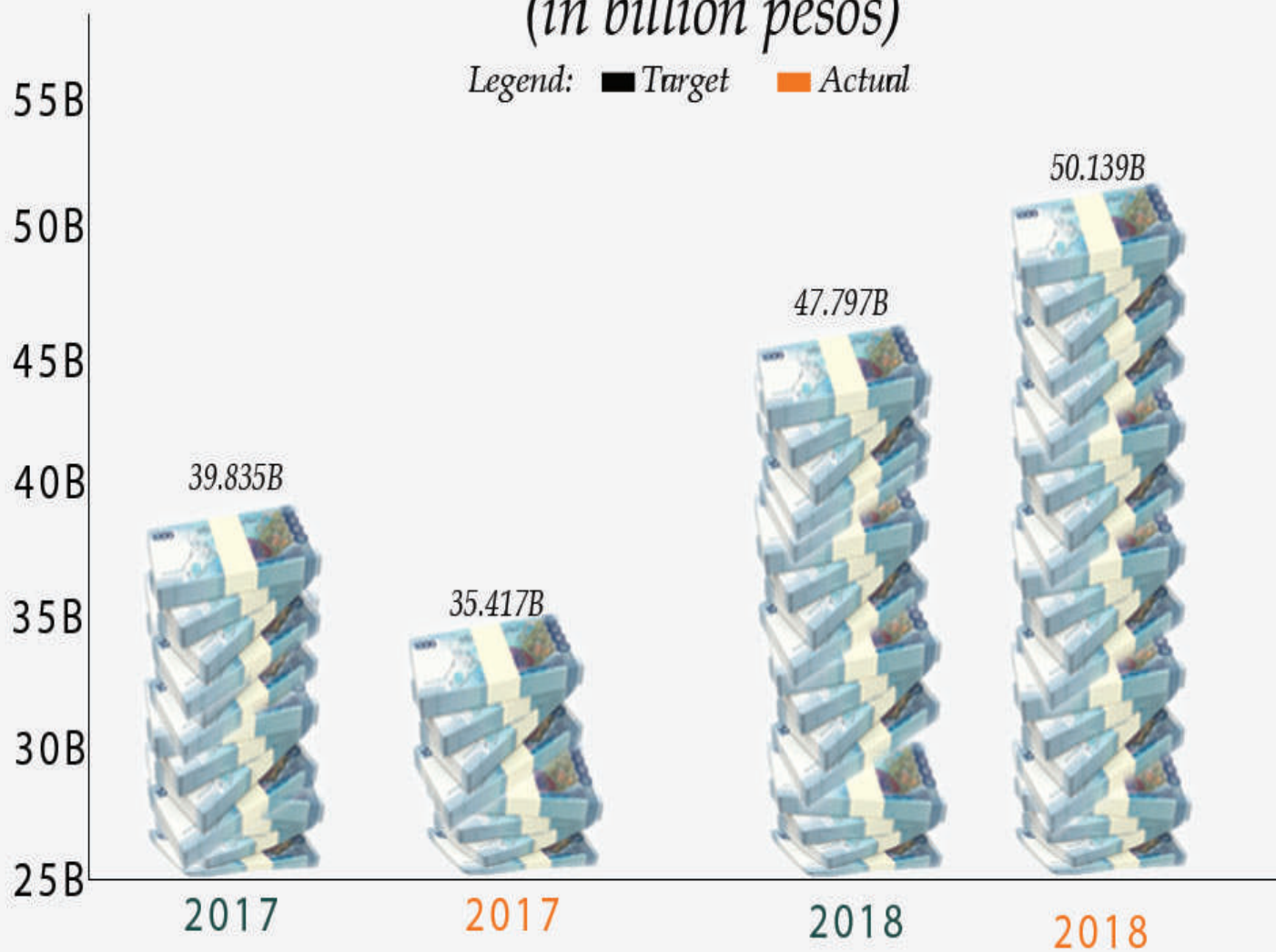
The blatant disregard of the customs and tariff laws has resulted to the revocation of the accreditation of several importers and customs brokers.



# JUNE REVENUE COLLECTION

(in billion pesos)

Legend: ■ Target ■ Actual



## BOC collects P50-B in June, 16 ports hit the target

For the second time in the history of the Bureau of Customs (BOC), 16 out of the 17 ports exceeded the collection target for June 2018, contributing to the bureau's total revenue collection of P50.139-billion.

Preliminary data from the Bureau's Financial Service show that the agency's latest collection feat is 4.9 percent or P2.342-billion up against the P47.797 billion revenue target for June.

The growth in collection is 41.6 percent or P14.01-billion higher compared to the P35.417-billion collection in the same period in 2017.

Of the 17 ports, sixteen exceeded their full month revenue target: Port of Batangas – collected P12.23-billion revenue, up by 10.5 percent or P1.16-billion; Port of Manila – collected P7.7-billion revenue, up by 7.2 percent of P515-million; Port of Limay – collected P3.806-billion revenue, up by 30.9 percent of P898-million; Port of NAIA – collection P3.24-billion revenue, up by 2.8 percent or P87-million; Port of Cebu – collected P2.44-billion revenue, up by 13.1 percent or P281-million; Port of Davao –

collected P2.414-billion revenue, up by 57.4 percent or P880-million; Port of Cagayan de Oro – collected P1.925-billion revenue, up by 42.6 percent or P575-million; Port of Subic – collected P1.724-billion revenue, up by 0.2 percent or P4 million; Port of Iloilo – collected P399-million revenue, up by 53.9 percent or P140-million; Port of San Fernando – collected P336-million revenue, up by 28 percent or P74-million; Port of Clark – collected P160-million revenue, up by 26.7 percent or P34-million; Port of Tacloban – collected P137-million revenue, up by 553.9 percent of P116-million; Port of Zamboanga – collected P29-million revenue, up by 24.2 percent or P5.6-million; Port of Legazpi – collected P26-million revenue, up by 15 percent or P3.5-million; Port of Aparri – collected P7-million revenue, up by 80.8 percent or P3-million; and Port of Surigao – collected P3.5 million revenue, up by 76.1 percent or P1.5-million.

The Port of Tacloban has already collected their annual revenue target for 2018, generating a total revenue of P394-million which is 47.57% up vs its P267 million annual target.

Meanwhile, the Manila International Container Port, the district with the highest revenue target of P14.738-billion collected only P13.507-billion.

The Bureau's initial total accrued revenue from January to June 2018 has already reached P280.33-billion, exceeding the P278.13-billion target by 0.8 percent or a revenue surplus of P2.2-billion in mid-2018.

The total accrued revenue in six months has already exceeded 50% of the P598 billion target for the year.

"This achievement is attributed not only to the consistent diligence of all BOC ports in terms of collection but also to the continuing application of correct valuation and tariff classification of goods.

"Our strengthened campaign against illicit trade and our effort to improve our trade system have significantly increased the bureau's revenue collection," said Lapeña.

Last month, the bureau posted P2.12 billion revenue surplus or a total collection of P52.748-billion as the majority or 16 of the 17 ports were also able to exceed their collection targets.

## Customs files charges vs importers of smuggled onions

Commissioner Isidro Lapeña filed criminal charges for violation of Sections 1401 and 1402 of Republic Act No. 10863 otherwise known as the Customs Modernization and Tariff Act in relation to Republic Act No. 10845 otherwise known as "Anti-Agricultural Smuggling Act of 2016", against Fernando M. Diana, Jr., proprietor of Skyrocket, and his licensed customs broker, Reynaline B. Turrado for unlawfully importing onions which were misdeclared as apples, valued at PHP 1,899,827.00.

Similarly, criminal cases were filed against the owners of Kasaligan International Marketing Corporation, namely: Emily F. Maslunga and Virgilio Q. Miranda, president and treasurer of Kasaligan, respectively, and their licensed customs broker, Carlos Andrew C. Alindogan, for the unlawful importation of onions valued at Php 881,765 in violation of Sections 1401 and 1402 of the CMTA.

The cases stemmed from the joint spot checking of 6x40' reefer containers in Manila International Container Port spearheaded by Lapeña and Secretary Manny Piñol of the Department of Agriculture, wherein the subject containers declared as fresh apples were found to contain fresh onions.

Lapeña stressed that large-scale smuggling of agricultural products is considered as economic sabotage, not to mention its adverse effect to the farmers and producers of agricultural products. He likewise emphasized that the Bureau shall remain steadfast and relentless not only in its effort to collect the much-needed revenue of the government but more importantly continue to curb all sorts of reprehensible smuggling activities.

The Customs chief added "More cases will be filed by the Bureau of Customs against importers and brokers involved in the smuggling of onions and other agricultural products. This should serve as a strong warning against unscrupulous individuals. The government is closely monitoring their smuggling activities and the BOC will make sure these smugglers will be prosecuted."





## BOC intercepts 200 containers of Thai rice worth P250-M

The Bureau of Customs has intercepted at the Manila International Container Port (MICP) 200 containers of Thailand white rice, estimated to be worth P250 million.

Sta. Rosa Farm Products Corp. of 2025 Ipil St., Sta. Cruz initially filed an import entry for the 150 containers of Thai rice, which arrived at the said port on various dates and has been immediately seized.

Upon checking of the lodged entries, Commissioner Isidro Lapeña said it was found that there was no import permit from the National Food Authority covering the shipments.

NFA Letter Circular No. AO-2013-04-002 states that importers of rice are required to secure the NFA permit prior arrival to the country. The absence of the permit shall be ground for seizure and forfeiture by the Bureau of Customs and the NFA.

“The duties and taxes of the 150 containers were assessed at P31,428,699, however, because of the lack of permit and the failure of the consignee to pay the duties and taxes within 15 days from the date of final assessment, the shipment is subject to seizure,” Commissioner Isidro Lapeña said.

District Collector Vener Baquiran issued a Warrant of Seizure and Detention (WSD) on June 13 to effect the apprehension of the imported rice of Sta. Rosa Farm.

BOC will be charging the importer with Section 1113 under the Customs and Modernization and Tariff Act in relation to NFA Letter Circular No. AO-2013-04-002 and under Republic Act No. 10845, which penalizes agricultural smugglers with life imprisonment, and a fine of twice the fair value of the smuggled agricultural products and the aggregate amount of the taxes/duties/charges avoided.

“Since my assumption, this is the biggest rice smuggling intercepted by the Bureau of Customs,” Commissioner Lapeña said.

The customs chief has a standing directive to examine all agricultural products arriving in the country.

The order has stemmed from the presence of misdeclared red and yellow onions concealed in several containers which were spotted by both the BOC and the Department of Agriculture during their spot inspection in MICP.

Commissioner Lapeña has ordered all the district collectors to subject all agricultural products under alert orders to prevent similar incidents of agricultural smuggling.

Agricultural smuggling does not only put local producers at a disadvantage but also put risk to the health of the Filipino consumers since it failed to pass quarantine and food safety inspection, Commissioner Lapeña said.

At present, no entry has been filed for the remaining 50 containers. This will be the subject of abandonment proceedings if no entry will be filed within the prescribed period.

## Customs installs more x-rays in airports

Seven new hand-carry x-ray machines are now installed in the three terminals of the Ninoy Aquino International Airport (NAIA) in a bid to strengthen vigilance in airports to prevent the entry of smuggled and contraband goods.

Two brand new Rapiscan x-rays have been placed at NAIA Terminal 3 while two units at the Terminal 2, and another three units at Terminal 1 are being set up, Commissioner Isidro Lapeña said. The x-ray installation started on June 5.

“These new x-rays will help us detect taxable items inside the passenger luggage such as jewelry, luxury bags and watches, undeclared foreign currency, and more importantly smuggled illegal drugs and other prohibited items,” Commissioner Lapeña added.

With the new x-rays, passengers are required to submit their hand-carry bags to the BOC x-ray personnel to conduct a non-intrusive examination.

It can be recalled that on April 2017, President Rodrigo Duterte called on the Bureau of Customs and Bureau of Immigration to stop the opening of baggage in airports after reports of baggage pilferage in airports.

“We will still observe the standing rule – no opening of bags in the airport. However, baggage marked by the x-ray machine which is suspected to contain contraband items and/or misdeclared items can be physically examined,” the Customs chief clarified.

The incidents of drug trafficking and



jewelry smuggling in airports prompted the BOC to implement stricter border security and safety measures.

“If you don't have anything illegal under your sleeve, then there's no need to be alarmed by the x-ray inspection,” Commissioner Lapeña said.

In October 2017, the BOC beefed up its anti-smuggling capacity by adding 19 new x-rays in the three terminals of NAIA.

Since March 2018, 12 apprehensions of illegal drugs importations were conducted in BOC-NAIA due to the strict profiling of customs

examiners on suspicious shipments and subsequent confirmation of xray examination and K9 inspection.

Recently, the BOC has seized 11.5 kilograms of methamphetamine hydrochloride or shabu at the Port of Clark estimated to be worth P74.8 million. The follow-up operation conducted together with the elements of Customs Anti-Drugs Interdiction Task Force and Philippine Drug Enforcement Agency led to the apprehension of four suspects who received the parcel decoyed as chairs and griller.

## BOC-Cebu confiscates ¥20-M in airport

A Japanese national was brought in to the custody of the Bureau of Customs –Cebu after failing to declare his money on June 12.

Yuki Sakaguchi, 32, flew on bard PR 435 from Tokyo when the x-ray machines detected the undeclared ¥20 million he from abroad.

“Sakaguchi failed to comply with Bangko Sentral ng Pilipinas (BSP) Circular No. 922-2016 and did not declare in his Customs Declaration Form the ¥20 million,” Commissioner Lapeña said.

BSP Circular No 922-2016 states that a person may carry up to the amount of \$10,000 or P50,000 (or equivalent in any other foreign currency), in cash or other monetary instruments, into and out of the Philippines.

Other monetary instruments include traveller's checks, other checks, drafts, notes, money orders, bonds, deposit certificates, securities, commercial papers, trust certificates, custodial receipts, deposit substitute instruments, trading orders, transaction tickets, and confirmation of sale/investment.

“If a person wishes to bring more than the equivalent \$10,000, a written declaration must be made in the form of the BSP's Foreign Currency and Other FX-Denominated Bearer Monetary Instruments Declaration Form,” Commissioner Lapeña added.

According to Lapeña, the confiscation of the ¥20 million which is equivalent to P9.6 million is a manifestation of the bureau's effort in curbing smuggling and protecting the border.







# BUREAU OF CUSTOMS STRENGTHENED ANTI-SMUGGLING CAMPAIGN

