Workshop on Electronic commerce – Legal framework and its enforcement
Slot 4 – Cross border and Export issues

Serbian Chamber of Commerce
Belgrade,
26 October 2010
Financial & Economic Crime Agency
Operational Directorate of Special Cases of Athens
Section of Information Technology & Electronic Trade
& Electronic Crime
Minister of Finance

Special Secretary

Financial & Economic Crime Agency

Directorate of Special Cases of Athens

Section of Information Technology & Electronic Trade & Electronic Crime

Operational since 18/7/2005
Directorate’s jurisdiction

- Supplies, financing, loans and gambling.
- Intellectual property, trademarks and relevant commercial rights.
- Falsification of currencies, titles and Government Bonds.
- Unlawful Stock Exchanging, banking and other financial transactions.
- Fraud, irregularities and illegal economic activities damaging EU interests.
Section’s jurisdiction

• Prevent and stop illegal activities and transactions on prohibited or goods under restriction, which are distributed or promoted over INTERNET, using electronic media or other contemporary IT means.

• Search the Internet, investigate, trace, detect, validate and fight economic crimes and other violations which are under the jurisdiction of Financial & Economic Crime Agency
Fields of Co-operation

**E.U.**

**International Organizations**
(United Nations, Interpol, Europol, World Customs Organization, O.E.C.D.)

**National Public Services**
(Ministries, Customs & Tax offices, National Administration offices, Scientific Institutes)

**Other Fields of International Cooperation**
(Marinfo, Liaison Officers, SHENGEN, BALKAN INFO)

**DATA BANKS**
(Bank of LAW Information, INTERNET, I.C.A.P., TEIRESIAS)
Cross-Border Trade (CBT) is a term for buying and selling that happens across international borders. Any good sold by a seller in one country and bought by a buyer in a separate country is considered to be CBT.
EXPORTATION

1. Income tax
2. VAT
3. Excise
4. Customs duties
IMPORTATION

1. VAT
2. Excise
3. Income tax
4. Customs duties
Electronic commerce

commonly known as e-commerce or e-Commerce, or e-business consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks.
How e-commerce works
How e commerce works v.2

Order placed by user

Shopping Cart

Credit card is charged

Order Form

Order is completed

Email is sent to Customer and merchant

Shipping carrier picks up shipment

Sent to Warehouse for fulfillment

Shipment sent to Customer

Workshop on Electronic Commerce 26 Oct 2010 George Vernadakis
CASE STUDY

One of the most known “e-shops”
You can either bid or buy instantly anything you can imagine.
The “SNEAKERS” Case
CASE INITIATION

information:

**Individuals** based in **Greece** sell

expensive sports **shoes** through **e-bay**

evading taxation
In these transactions we cannot confirm that the product is authentic

Anonymity of seller

In case of product loss no guaranty of money return

Usually no warranty, no legal receipt, no proof of V.A.T. payment
ANALYSIS

Our analysts identified three E-BAY users selling hundreds of pairs of shoes per week in almost half the usual price of the market.

Q1: Was VAT paid? (for sales in Greece)
Q2: Were the goods genuine?
Q3: Was the proper customs procedures followed?
Actions

Our goal is to find out the **seller’s identity** and identify his bank **accounts** and **assets**

- Search for sellers from Greece (data mining).
- Buy an item (the cheaper because... we pay it).
- Receive the package and analyze the bill of landing information (name, address, contact person, contact phone number etc).
- Locate seller’s products and co-operate with your specialists in order to certify the authenticity.
- Process gathered data.
- Locate the person/s and plan the operation.
Using search engines and filtering your search for the Greek Sellers Workshop on Electronic Commerce 26 Oct 2010 George Vernadakis
<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity</th>
<th>Price</th>
<th>Payment Options</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOMENS NIKE HIKING BOOTS PURPLE &amp; GREY SZ 6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nike Air Jordan XVII 18 18.5 XVII X XXI DS DMP IV R</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nike &quot;Voyager&quot; Shoes, Silver/Lavender - Size 6</td>
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<td>$20.00 Pickup only</td>
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<tr>
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<tr>
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<td>$6.00</td>
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<td></td>
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<tr>
<td>WOMEN BLACK NIKE AIR COLE HAAN BEAU SLIP ON SHOE 10</td>
<td></td>
<td></td>
<td>$75.00</td>
<td></td>
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</tbody>
</table>
The e-business profile

Minimum total transactions
# Shipping and Payment details

## Shipping, payment details and return policy

**Free shipping** for each additional item from this seller’s other listings!

Learn about shipping discounts

<table>
<thead>
<tr>
<th>Ships to</th>
<th>Services Available</th>
<th>Available to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR 7.00</td>
<td>Autre mode d'envoi de courrier</td>
<td>France only</td>
</tr>
<tr>
<td>EUR 7.00</td>
<td>UPS Express</td>
<td>Europe</td>
</tr>
<tr>
<td>EUR 29.00</td>
<td>UPS Express</td>
<td>N. and S. America, Asia, Australia</td>
</tr>
</tbody>
</table>

**Shipping insurance**

Included in shipping and handling cost

Shipping Discounts are offered directly from the seller. Restriction may apply.

## Payment methods accepted

- PayPal
- MasterCard
- Visa
- American Express
- Discover
- Check

- Personal check
- Money order/Cashiers check
- Other - See Payment Instructions for payment methods accepted

Learn about payment methods.
Time to pay

Congratulations, the item is yours. Please pay now!

Out Your Item

Pay Now

Click to confirm shipping, get total price and arrange payment.
Payment Details

Dear [Name],

This email confirms that you, [receiver's name], have paid [amount] EUR using PayPal. This credit card transaction will appear on your bill as "PAYPAL".

**Payment Details**

<table>
<thead>
<tr>
<th>Item #</th>
<th>Item Title</th>
<th>Quantity</th>
<th>Price</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>94G0269898</td>
<td><strong>NIKE AIR MAX 97 NERO 4S NEU NO DOCKING CON SCOLIA 92 15</strong></td>
<td>1</td>
<td>80.00</td>
<td>80.00</td>
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</tbody>
</table>

Shipping & Handling via Standard Delivery to 161XX: 15.00 EUR

Total: 95.00 EUR

Note:

[Image of a computer screen with a PayPal payment confirmation]
Goods arrive to buyers through international shipping companies
ACTIONS TAKEN

• Suspects’ bank accounts were identified
• Suspected eBay users and their assets were identified
• A pair of shoes was ordered and paid through their account
• Experts were asked to examine if the shoes were genuine
EBay users-sellers located in Greece sold 12,676 pair of shoes branded as NIKE and PRADA.

175 pairs seized. Turned out to be non-authentic.

The gross-income in a ten months period was €830,000.
Seized Items
Thank you for your attention!!!