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Human excrement, asbestos and dead flies: The ingredients found in fake cigarettes that cost the taxpayer billions

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Fake cigarettes made from human excrement, asbestos, mould and dead flies are being smoked regularly in Britain, undercover detectives have found.

Investigators working for the tobacco industry have spent weeks rummaging through litter bins for fag packets to assess the scale of the black market.

They were astonished by the sheer volume of the illicit trade, with about one third of packets found to have contained fakes or cigarettes brought in by smugglers.



Hidden ingredients: Human excrement, asbestos, mould and dead flies have been found in counterfeit cigarettes

The survey in Birmingham by MS Intelligence, a Swiss-based brand protection company, found that 30.9 per cent of packets were either bogus or purchased abroad.

A similar study conducted last year found the proportion was only 14.1 per cent - indicating that the number of illicit cigarettes smoked in Britain's second-largest city has more than doubled in 12 months.

Customers who smoke counterfeit cigarettes have been warned they are taking huge health risks. The UK Border Agency has intercepted items containing asbestos, mould and human excrement.

A haul in Derbyshire found cigarettes made from the remains of crushed flies.

Experts believe that MS Intelligence's findings may be merely the tip of the iceberg.



Big business: Counterfeit and smuggled tobacco costs the taxpayer up to £3.6billion a year in lost revenue

HM Revenue and Customs (HMRC) estimates that non UK duty-paid cigarettes cost the taxpayer up to £3.6billion in revenue during the 2009-10 financial year.

A spokesman for the International Tax and Investment Centre, a lobby group, said: 'Duty goes unpaid on almost one in three cigarettes smoked in Birmingham.

'But that does not include hand-rolled tobacco, of which HMRC estimates as much as half is sourced on the black market.'

MS Intelligence carried out the research on behalf of a number of cigarette companies who are concerned that plans to introduce plain packaging will help black market tobacco barons flood the market with fakes.

Analysts collected 13,000 packets in Birmingham between April 3 and May 11.

Most of the bogus brands uncovered originated from the Far East, predominantly from China, and some packets were so sophisticated that they were almost identical to the real thing.

An MS Intelligence report on the investigation - codenamed Operation EDPC - concludes that criminals have changed tactics.

It warns of a rise in the number of 'illicit whites', which are cigarettes manufactured for the sole purpose of being smuggled into and sold illegally in another market, avoiding tax.

The report states: 'Historically, it (the illicit market) was made up of genuine brands of tobacco smuggled from lower-priced EU countries.

'Currently, there are much more counterfeits and, increasingly, illicit "whites".'



Costly and dangerous: Analysts spent weeks rummaging through litter bins and scouring pavements in Birmingham, looking for evidence of fake cigarettes

The report continues: 'Along with counterfeits, illicit whites represent the most significant threat to legitimate trade and tobacco revenues in the UK from large-scale organised criminality.'

One of the most popular 'whites' found in the Birmingham sweep is Jin Ling - a cigarette which has enjoyed staggering under-the-counter success.

In 2006, they were only found in Poland and neighbouring nations, but now they are changing hands in at least 16 EU countries.

Former Scotland Yard detective Will O'Reilly, currently carrying out research for tobacco giant Philip Morris International, said organised criminals were increasingly turning from peddling hard drugs to tobacco.

Profit margins are said to be just as high because of the scale of the operation, but detection rates are lower and punishment less severe.

Recently, heroin and cigarettes have been smuggled together.

'Bring a container of cigarettes into this country and you're talking a £1.5 million profit,' said Mr O'Reilly. 'Organised crime is all over it.

'After a number of years in decline, there has been a sharp rise in illicit cigarettes.

'That's partly down to the economy - people can't afford the real product - and it is easier for counterfeiters to copy the packets.

'Plans for plain packaging are simply playing into the hands of organised criminals and counterfeiters because it will be so much easier to make copies.'



Almost identical to the real thing: A pile of counterfeit cigarettes confiscated by French officials in 2010. Organised smuggling gangs operate in many countries

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