

SMUGGLING OF ILLEGAL NARCOTICS IN BRAZILIAN PORTS

CIRCULAR BPI 001/2022



INTRODUCTION

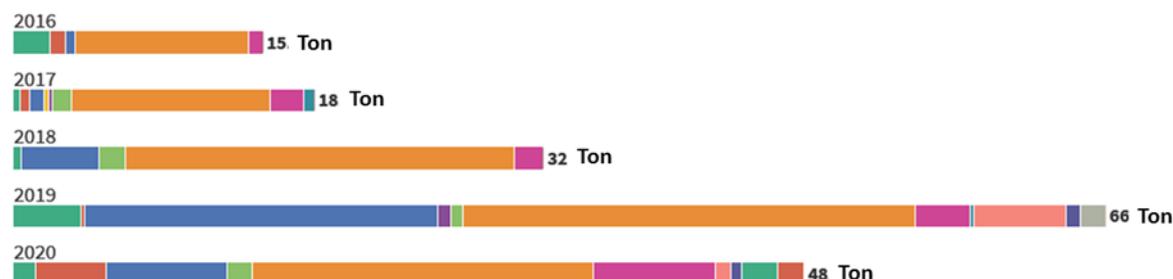
We have been recently requested by P&I Clubs to report news about smuggling of illegal substances in Brazilian Ports.

We have seen an increase in the number of reported incidents, which is related to both the increase of attempts from smugglers to load narcotics on ships and the improvement of the authorities' combat against this ongoing practice.

Following initiatives from BRAZIL P&I, a group was formed with the port of Santos local authorities and the terminals and agents' syndicates to discuss measures to improve the police work against smuggling at the ports.

The 2021 World Drug report issued by United Nations Office on Drugs and Crime (UNODC) reports on the Global quantity of cocaine seized in 2019, performed a breakdown by Country, showing that Colombia was in the 1st place with 34%, followed by the United States of America with 18% and Brazil with 7% .

The below graphic, with figures from the Brazilian Federal Police, shows the volume of cocaine seized in the ports (terminals and onboard) in the last 5 years years:



Fonte: Polícia Federal

The figures for 2021 are yet to be confirmed, but many cases were spotted at the Brazilian ports, related to narcotics found inside containers, ships holds and compartments, attached to the hull, inside the bow thruster and the rudder trunk, and other spaces of the vessels. Only at the port of Santos is reported the arrest of 16 tons of cocaine in 2021.

All the following incidents, the substances were found inside containers at the terminal, before loading.

Date	Type of Drug	Cargo Vessel	Volume(Kg)	Departure Port	Destination Port
24/08/2021	Cocaine	Container	350.50	Itapoá	Valencia
28/08/2021	Cocaine	Container	333.00	Paranaguá	Rotterdam
18/09/2021	Cocaine	Container	165.00	Salvador	Europe
18/09/2021	Cocaine	Container	339.00	Paranaguá	Antwerp
27/09/2021	Cocaine	Container	691.00	Santos	import cargo
05/10/2021	Cocaine	container	5,000.00	Rio de Janeiro	Mozambique
15/10/2021	Cocaine	container	37.00	Santos	Freetown
18/10/2021	Cocaine	Container	184.00	Santos	Antwerp

The strategies used and type of vessel vary. In example, 155 kilograms of cocaine were found last year hidden within the sugar cargo in a bulk ship during loading operations at the port of Santos, which resulted in unloading operation of the substance following order from the Federal Police.

After nearly two years of investigation, a criminal group that used divers to strap drugs to the hull of cargo vessels, in the "sea chest", was arrested. On 5th Aug 2021, in Itaguaí port, 400 kilograms of drugs were found using a similar technique and clearly indicating that new attempts are still happening.

Most of the narcotics arrests are the result of containers being scanned, use of sniffer dogs and anonymous denunciations.

Upon entering the terminal, the container undergoes a routine analysis that assesses the risks of exported cargo. The verification includes variables such as the exporter, the transporter, and the destination. Europe is one of the destinations that most raises the alert, as it is one of the main markets for international drug trafficking.

The containers that circulate through the terminals - whether for export or import, with or without goods - are subjected to a survey by a scanner.

Although part of the arrests have been performed on board vessels, owners are not facing criminal investigations as the authorities have an understanding that the substances are smuggled by criminals, not connected to the vessel operations, with few cases in which the crew was reported to be involved.

In most of the cases that narcotics were found during operations, the police was called on board and the substances removed, and the vessels sailed without relevant delays.

At this point we highlight the importance of reporting any suspicious fact on board to the authorities, to agents and the P&I correspondents, collaborating with the authorities on the work against drug trafficking.

Although the authorities are making a strong effort to increase the combat against this matter, the volume of illegal substances not discovered is still high, with reports of narcotics being found at the destination ports, which depending on the local legislation, is bringing judicial matters to owners, ship, and cargo agents.

The Special Enclosure for Export Customs was created as a non-customs export facility for Terminals and/or post office warehouses for public use. The aim is to move cargo for export under the control of customs inspection, while this enclosure provides agility and speed in the bureaucratic inspection procedures and aims at lower costs for the exporter.

The procedures and requirements for authorization, inspection, and customs control in a Special Enclosure for Export Customs Clearance (Redex), shall be carried out under the terms and provisions defined by Brazilian Federal Revenue.

On 14.01.2022 MSC Shipping Company decided, with immediate effect, to suspend the inland operations in Brazil.

Follows the free translation of MSC statement

Quote

MSC Mediterranean Shipping Company and MEDLOG Mediterranean Logistic understand supply chain security as one of their top priorities. From this point of view, the action of criminals who intercept the transport of containers to promote the illicit transport of drugs, victimizing us, our customers and our partners, has been a great threat to our activities.

In view of this scenario, the MSC Group decided, with immediate effect and indefinite term, to suspend the operations of stuffing, pre-stacking and road, rail and barge transport for the export of cargo throughout the national territory.

The MSC Group encourages its partners and providers to remain vigilant in the logistical cycle of exporting shipments with MSC.

If in doubt, contact the operational team for more information.

Unquote

The referred inland operations involve cargo stuffing, transportation by road, rail and barges and pre-stacking of containers. Unlike the cases of narcotics found on board, where the authorities understand that the owner has no handling involvement with the cargo, inland operations are at greater risk, due to cargo handling, container movement and storage.

Although the customs legislation has strict security rules for the use of CCTV, guards, scanners and other measures, which are strictly followed by the operators, bonded terminals are susceptible to contamination.

Therefore, the severe measures adopted by operators are fully supported.

LOSS PREVENTION MEASURES

The Master and Ship Security Officer has the power to shift to a high level of the vessel security condition, irrespective of the established Port Security Level. This will enable the proper assessment of security risks and ensure that appropriate mitigation measures are implemented under the perceived ones.

On the other hand, Owners and Operators that usually trade to Brazil can improve their security plans keeping and assuring that ISPS CODE procedures are up to date as well as the Ship Security Plan of the vessel.

Other measures can be taken to enhance the security on board. Some are basic as proper illumination on the deck, vigilance always on gangway, keeping accurate records of activities of shore-based personnel and crew on board, keeping a constant lookout at holds.

Services can also be provided by third parties, such as sealing of the cargo holds by an independent surveyor and underwater inspections, in case of any suspicion of drug trafficking. Security guards can be arranged to increase the watch during loading operations.

Brazil P&I has extensive expertise to provide services to Clubs and members.