

## Victoria Police Seize \$17M in Illicit Tobacco, Arrest Two

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Victoria Police have uncovered a massive illegal tobacco operation, seizing millions of dollars' worth of contraband cigarettes, loose-leaf tobacco, cash, and luxury watches during a series of raids across Melbourne. Authorities say the arrests are part of a broader crackdown on organized crime groups profiting from illicit trade.

Detectives from the Criminal Proceeds Squad, supported by the Australian Border Force, executed search warrants on Thursday morning at two residential properties and a factory. The operations led to the arrest of a 40-year-old man in Dallas, north of Melbourne. He is expected to be charged with possessing a commercial quantity of illicit tobacco and knowingly dealing with the proceeds of crime.

During the raid, police seized more than 475,400 cigarettes and 624 kilograms of loose-leaf tobacco, with a combined street value exceeding \$11.9 million. Officers also discovered approximately \$80,000 in cash and six high-end watches, including a Breitling, a Franck Muller, and four Rolex models collectively valued at more than \$119,000.

The investigation began earlier this year when police uncovered suspicious activity at a food business in Somerton. Authorities allege the business was being used to launder large sums of cash on behalf of an organized crime syndicate.

According to Victoria Police, more transactions linked to the alleged operation were traced back to a factory in Epping. Officers believe that since May 2021, more than \$83 million in

cash has been laundered through this network, with the business owner allegedly receiving a commission on each transaction.

In a separate but connected case, the Illicit Firearms Squad arrested a 34-year-old man at his Campbellfield home on Thursday. Police allege he was intercepted earlier in Laverton North, driving a truck containing more than four million cigarettes, estimated to be worth \$5 million.

During the search of his home, officers seized an additional \$100,000 in cash. The man is expected to face charges of possessing a commercial quantity of illicit tobacco and knowingly dealing with the proceeds of crime. Detectives also allege he visited the same Somerton business tied to the wider money laundering investigation, linking him to the organized crime syndicate.

Detective Inspector Graham Banks of Taskforce Lunar emphasized that the impact of illicit tobacco operations extends well beyond lost tax revenue.

“These investigations highlight the significant broader criminality that these serious and organized crime groups are engaged in,” Banks said. “We are never talking about just illicit tobacco; this offending consistently goes hand in hand with other serious and violent crime.”

Police say such activities often fuel money laundering, illicit firearms trafficking, arson, and extortion. “This money is undoubtedly funding further violent crimes committed by those involved in this syndicate,” Banks added.

Authorities stress that criminal enterprises operating in the black-market tobacco trade are undermining community safety and exploiting consumers. The financial gains from illegal sales, they warn, continue to bankroll organized crime networks across Victoria.

Detective Inspector Banks urged the public to recognize the serious nature of the trade, noting the community has every right to feel anger. “I think the public deserves to feel outraged that these criminals are reaping millions of dollars at the cost of community safety,” he said.

Both investigations remain ongoing, with further arrests expected as Victoria Police and Australian Border Force intensify their efforts to dismantle organized crime syndicates linked to illicit tobacco.

