

Where there's smoke: Embattled MP's brother caught selling smuggled Chinese ciggies

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At just \$16 a packet, they are sold for about half the price of a legitimate brand on which customs and excise has been paid.

Ask Khalil Eideh about either controversy though, and his answer is the same: he has no idea what you're talking about.

The trouble for the embattled politician is that well-placed Labor and community sources disagree.

And in the latest scandal to plague the Andrews government, some have now gone to authorities with an explosive claim: that the foreign cigarettes sold in this store are part of an illicit cigarette racket – the very kind that federal police are desperate to smash.

According to some estimates, the black market in cigarettes accounts for about 14 per cent of total tobacco consumption and cost Australian taxpayers about \$1.6 billion last year in lost excise.

Industry player Philip Morris International reports Melbourne's western suburbs are a hot-spot for illicit sales. More than 40 outlets in the area are suspected of offering under-the-counter tobacco.

When a packet of Marlboro in China costs about \$3, compared with \$27 in Australia, organised criminals see smuggling cigarettes as a low-risk but profitable pursuit.

[Double Happiness cigarettes were on sale for \\$16 at Yousef Eideh's store.](#)

Double Happiness cigarettes were on sale for \$16 at Yousef Eideh's store.

Photo: Justin McManus

The Double Happiness cigarettes Yousef Eideh sold our reporter are cheaper still, costing about \$1.50 a packet in China.

Hidden in coloured boxes at the side of the counter, Yousef charged \$16 for each packet – half the Australian price of cigarettes, but still a massive mark up on the original cost.

The question is, how did the tobacco get here?

Labor sources have told authorities that the cigarettes are sourced in Asia by a businessman with long-standing connections to the Eideh family and the ALP.

In a report filed this week, they also allege the cigarettes have occasionally been stored in a suburban warehouse also linked to the Eidehs.

[Yousef Eideh's Cairnlea cigarette shop.](#)

Yousef Eideh's Cairnlea cigarette shop.

Photo: Jason South

One witness told Fairfax Media deliveries were usually made "bright and early on a Wednesday morning" to the Cignall shop, and that Khalil Eideh, who also smokes, was well aware of the products available.

"This is a syndicate that is very well organised and has been operating for a very long time," sources wrote in a detailed tip-off to Crimestoppers, the agency that passes on information about alleged criminal activity to police.

Khalil Eideh, however, strongly denies any knowledge of the matter. Asked about the allegations, the state MP insisted that had no idea about any illicit tobacco trade.

"That's the first time I've heard anything about this," he said. "I never get involved in the business of my brothers. I don't know anything about it."

The business associate – who *The Age* has chosen not to name at this stage – also said he was not trading in illicit tobacco in any way, and his trips to China were related to sourcing industrial equipment for his own business projects in Syria.

Yousef Eideh says he doesn't know where the Chinese cigarettes come from.

Photo: Jason South

Yousef Eideh, on the other hand, was less emphatic in his denials. After initially claiming he didn't sell illicit smokes, he eventually fessed up – but wouldn't say where the cigarettes came from.

A man would simply drop them at the shop, he claimed, "but we don't know him".

The link to the tobacco trade is the latest in a series of controversies involving Khalil Eideh, who until this year had spent a decade in politics flying under the public radar, while raising his stocks within ALP ranks as a key fundraiser, particularly among the Alawite community.

[Khalil Eideh has had a low-profile parliamentary career.](#)

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Photo: Simon O'Dwyer

The state MP was thrown into the spotlight in July, when he was mysteriously barred from entering the US on an official parliamentary visit.

Federal Senator Kim Carr – a longstanding ally from Labor's left – rushed to Mr Eideh's defence, claiming he had been "a victim of Trumpism", while Daniel Andrews described him as a "good friend, someone who I can't understand why he would be denied entry into the United States".

After he was barred from entry to the US, Khalil Eideh (left) flew back to Melbourne where he was met by Senator Kim Carr (right).

Photo: Luis Enrique Ascui

It later emerged that Mr Eideh, an Australian-Syrian dual citizen, had lied about how many times he had previously visited Syria.

Come October, he was forced to step down as upper house deputy president after being embroiled in the so-called "cash for stacks" scandal.

The scheme – now being probed by the anti-corruption watchdog – allegedly involved his electorate office issuing false invoices to claim payments for printing work that was never done.

Mr Eideh maintains his innocence on all fronts, and told Fairfax Media he looked forward to IBAC completing its investigation so he could clear his name before retiring from politics at the next election.

But the scrutiny surrounding the politician is another unwanted headache for a government less than a year out from the poll, and with factional tensions simmering beneath the surface – particularly in Labor's western heartland.

Not surprisingly, the opposition sniffs blood.

"A fish rots from the head and there is a real stench about the Andrews government," said Liberal frontbencher Tim Smith.

[The Double Happiness cigarettes are no longer being sold in Yousef Eideh's store.](#)

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Photo: Jason South

As for the Cignall shop in downtown Cairnlea? When Fairfax Media returned to the store this week, Yousef Eideh insisted he no longer sold illicit tobacco – all you could buy now were genuine brands.

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Why the sudden change, we asked?

"Khalil told me to be careful after you called him ... So we don't have them anymore."

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