

**Testimony of Marc Firestone
Senior Vice President and General Counsel
Philip Morris International, Inc.**

United States Commission on Security and Cooperation in Europe

“A Hazy Crisis: Illicit Cigarette Smuggling in the OSCE Region”

July 19, 2017

INTRODUCTION

Mr. Chairman, Co-Chairman Smith, members of the Commission, thank you for holding today's hearing on the real and growing threat posed by the illicit trade in tobacco. I appreciate the opportunity to testify on this important issue. I am Marc Firestone, Senior Vice President and General Counsel at Philip Morris International.

Philip Morris International is the world's leading tobacco company, employing more than 80,000 people globally. We are one of the largest purchasers of American-grown tobacco leaf and support the livelihoods of American farmers in multiple states.

Outside of the United States we own the trademarks of six of the world's top international brands, including the iconic *Marlboro*. We operate in approximately 180 countries outside of the United States. Philip Morris USA, a subsidiary of Altria—our former parent company—owns the trademark rights to Marlboro, for example, and other brands in the U.S., and manufactures, distributes and sells products bearing these trademarks for the U.S. domestic tobacco market.

The illicit tobacco trade is deeply concerning to our company. But, we recognize that we have a shared challenge with governments, as the illicit trade in tobacco poses a threat to safety, security and the rule of law in Europe, the United States and around the globe.

I appear here today in the spirit of cooperation to describe what we consider industry best practices to fight illicit trade. We hope that this hearing will assist U.S. government leadership to prioritize this issue within the OSCE member nations, partners for cooperation, and global security community.

Within PMI's structure, I am ultimately responsible for our company's anti-illicit trade efforts, which are organized in a department we call Illicit Trade Strategies & Prevention (ITS&P). Our ITS&P group is a dedicated team of over 70 professionals around the world, including forensic specialists, logistics experts, researchers, intelligence analysts, businessmen and women, lawyers, government relations and communications specialists. This commitment of resources to fighting illicit trade is warranted, we believe, because of the magnitude and complexity of the problem.

According to the most recent estimate conducted by the World Health Organization in 2006, and echoed by the U.S. State Department in 2015, illicit trade represents 10-12% of global tobacco consumption, constitutes an illicit volume of approximately 600 billion sticks, and robs governments of USD 40-50 billion annually. This makes the value of the illicit tobacco trade greater than the value of illicit trade in oil, wildlife, timber, arts and cultural property, and diamonds combined.

The global auditing firm KPMG has published similar figures and identifies an illicit volume of more than 48 billion cigarettes in the E.U. alone. Aside from the risks to consumers from purchasing illicit and unregulated cigarettes, the effect on European tax revenues is substantial. KPMG estimates EUR 10.2 billion is lost in the E.U. every year to this criminal activity.

In addition to the macro-economic impact of the illicit tobacco trade, other negative implications are also significant and include:

- Threats to national security by providing a major source of illegal income for transnational organized criminal groups;
- Encouragement of corruption and threats to the rule of law in countries where illicit trade is rampant;
- Reduced effectiveness of public health policies;
- Threats to the sustainability of the legal supply chain; and
- Impact on the legitimate industry's business.

PMI has a clear business imperative to combat this problem and ensure our products are legally sold in the market for which they are intended. We lose significant revenues and market share because of illicit trade. For example, we earn as much as three times less revenue every time an adult smoker in a high-price market buys PMI branded cigarettes smuggled from low-price markets instead of buying the cigarettes through legal sales channels. Illicit trade also damages the reputation and value of our iconic brands.

However, the threat posed to safety, security, and the rule of law in Europe, the United States and around the globe is where the interests of our company and the concerns of this Commission most pointedly intersect. The concern for this issue is shared by multiple agencies within the U.S. government, including the State Department, which released a December 2015 interagency report entitled, "The Global Illicit Trade in Tobacco: A Threat to National Security." In this report, the State Department described the problem as follows:

"Like other forms of illicit trade, the illicit trade in tobacco products, commonly referred to as cigarette smuggling, is a growing threat to U.S. national interests. Internationally, it fuels transnational crime, corruption, and terrorism. As it converges with other criminal activities it undermines the rule of law and the licit market economy, and creates greater insecurity and instability in many of today's security "hot spots" around the world."

DIFFERENT FORMS OF ILLICIT TOBACCO

In the past, anti-illicit trade efforts were focused on fighting counterfeits, intellectual property violations and trademark infringement. Criminals have shown their agility, however, and we now fight a more diverse range of illicit tobacco activities. Research shows that contraband and excise tax avoidance schemes make up the vast majority of illicit trade in the tobacco industry.

This is a critical distinction. Counterfeiting and related trademark and other intellectual property violations, have been directly addressed in U.S. and foreign legal codes. In most countries, the law is clear on this point, and provides for severe penalties. Trademark owners can pursue remedies to support a case for prosecution and punishment.

However, smuggling is a much more diffuse and difficult criminal activity to tackle—and this is where many criminals have found safe haven. Cross-border smuggling, by definition, introduces jurisdictional challenges. The capacity to operate beyond national borders is an important advantage for organized criminal groups, which can quickly change their modus operandi or trafficking routes. Cross-border smuggling is also a substantial challenge for national law enforcement, because it requires obtaining evidence from multiple jurisdictions and effective exchange of information between law enforcement worldwide. Unfortunately, practice shows that legal tools or mechanisms for such exchange are insufficient. As a result, even if law enforcement agencies seize illicit shipments, criminal investigations rarely dismantle cross-border networks, and criminal groups continue to operate with impunity. The problem is made worse by certain manufacturers, which knowingly produce for markets in which they lack legal distribution or behave recklessly in their approach to supply chain control.

DRIVERS OF ILLICIT TRADE

A major driver of the growth in illicit trade is the substantial profits to be made by criminal organizations from selling illegal cigarettes, but other factors also contribute to the problem.

Price disparities encourage smuggling

The price of legitimate cigarettes varies substantially across countries (and sometimes within states or provinces of the same country) because of often vastly different tax rates and consumer disposable income levels. These large disparities motivate smugglers to target high-price countries with product from lower-price countries. The increased free flow of people and goods across national borders in areas such as the European Union brings many benefits but significantly reduces the risk for criminal gangs by providing easier access and transportation links between countries.

Excessive taxation and regulation

Taxation and regulation play an important role for governments as part of a public health policy to reduce smoking rates. However, when taken to an extreme, a heavily taxed and over-regulated market makes the unregulated and untaxed black market attractive for criminals. Tax increases on cigarettes that go well beyond inflation rates give smokers the incentive to seek out less expensive products. Criminals have taken advantage of this trend by offering illegal tobacco products at a significant price discount compared to legal products.

Criminals make huge profits

In China, counterfeiters produce approximately 190 billion counterfeit cigarettes annually. Just one 40-foot container of counterfeit cigarettes produced in China could generate up to USD 2.3 million in profit when sold in Europe. If all 190 billion Chinese counterfeit cigarettes were exported and sold in Europe, this criminal trade could be worth up to USD 44 billion a year.ⁱⁱ

Inadequate penalties and overstretched enforcement authorities

While the profits may be comparable, the penalties for smuggling cigarettes in some countries are far lower than for crimes such as smuggling drugs or firearms.

For example, in Germany, criminals caught and convicted of smuggling drugs regularly face a minimum prison term of two years, whereas convicted cigarette smugglers may get away with only a monetary fine. Coupled with the often limited government resources to combat the illegal tobacco trade, it is easy to see why cigarette smuggling has become an attractive proposition for criminals.

Poland, for example, has numerous border crossings with Russia, Ukraine and Belarus. High pedestrian and vehicle traffic at these borders combined with limited enforcement resources make it difficult to control the flow of goods. These borders are routinely used by smugglers to move cigarettes into Poland and from there the goods are transported to other EU countries without further border controls.

CONSEQUENCES OF ILLICIT TRADE

Among its many destructive consequences, the illicit tobacco trade:

- Robs governments of tax revenues;
- Exposes consumers to unregulated products often manufactured in unsanitary conditions;
- Poses threats to security by providing a major source of illegal income for transnational organized criminal groups;
- Encourages corruption and threatens the rule of law in countries where illicit trade is rampant;
- Reduces the effectiveness of public health policies;
- Makes it easier for minors to access tobacco products; and
- Undermines the legitimate industry's business.

Threats to Security

The increasing threat to security was recently illustrated by the European Commission:

“The illicit tobacco trade has long been recognized as a main source of revenue for organized crime, and, in some cases, terrorist groups. The new European Agenda on Security adopted by the European Commission on 28 April 2015 recognizes the importance of fighting cigarette smuggling as a means of cutting off criminal groups from this revenue source.”ⁱⁱⁱ

Illicit tobacco trade as a threat to the national security of the United States:

The past two decades have provided a number of cases demonstrating the direct link between cigarette smuggling and serious organized criminal and terrorist activity in the United States. Illicit cigarette tax stamps helped to fund one of the convicted bombers in the first World Trade Center bombing in 1993, and U.S. government reports have found that illegal cigarette smuggling networks here in the U.S. are being used to fund terrorist networks in the Middle East like Hezbollah, Hamas, and al Qaeda. As an American company, we are particularly troubled by these cases and supportive of any efforts the U.S. government takes to shine a light on this problem.

Security threats in other parts of the world:

At the 2009 International Law Enforcement Intellectual Property Crime Conference, Ronald K. Noble, INTERPOL Secretary General, stated:

“Paramilitary groups and organized crime rely on counterfeiting – especially of cigarettes – to reap huge profits and even to fund terrorist activities.”

Experts have also said illegal cigarette trafficking is a source of funding for terrorist group Islamic State (ISIS). According to one of the witnesses appearing before this commission today, Dr. Louise Shelley:

“Oil is not ISIS’ only source of revenue...Still more funding comes from the sale of counterfeit cigarettes, pharmaceuticals, cell phones, antiques and foreign passports.” – Foreign Affairs Magazine, 2015

Christian Eckert, France’s Minister of Budget, also recognized the link between terrorism and illicit trade in an interview in 2014, where he stated the following:

“What is clearly evolving is to involve Customs in the fight against terrorism. It is demonstrated and known that many jihadists are involved in petty crime (counterfeit, contraband of tobacco, drugs).”

Damage to legitimate business

A study conducted by Frontier Economics, a leading European economics consultancy, reported that 2.6 million jobs have been lost in the G20 countries due to counterfeiting and piracy of a wide range of consumer products, including brand name luxury goods and tobacco.^{iv}

In the legal tobacco supply chain, manufacturers, suppliers, wholesalers, distributors, and retailers are all affected by illicit trade. Manufacturers suffer considerable financial losses, and long-term damage to their brands, which they have invested time and money to build. Wholesalers, distributors, and retailers lose because reduced demand for legal products leads to fewer sales. Small retailers not only lose cigarette sales, but also the sale of other items adult smokers usually buy when in their shops. To illustrate, in the two Canadian provinces of Ontario and Quebec, 2,300 convenience stores closed down in 2009, largely because they are unable to compete with the low prices of contraband cigarette offerings.^v

Illicit trade in tobacco is a threat to our business and to the entire legal tobacco supply chain. We welcome competition from competitors that respect the law. The problem we are discussing at this hearing is unlawful competition, which is inherently a threat to the entire lawful market. Moreover, the loss of legitimate sales to the black market results in fewer jobs and less taxable income for governments.

Billions in lost tax revenue

As previously stated, the World Health Organization (WHO) estimated in 2006 that global illicit trade costs governments USD 40-50 billion annually in lost tax revenues. These resources could have been used to fund other services such as public safety or education programs. The European Commission estimated that in 2015 the illicit trade in cigarettes resulted in tax loss of EUR 11.3 billion within the European Union.

Minors have access to illegal tobacco

PMI's unequivocal position is that children should not smoke or use products containing nicotine. Criminals who deal in and profit from the illicit trade in tobacco simply cannot say the same. By the very nature of their criminal activities, they do not differentiate between consumers on any basis. Independent experts and government authorities agree that the illicit tobacco trade—by operating outside lawful and regulated channels—provides easy access to tobacco products to youth.

In July 2010, the European Anti-Fraud Office (OLAF) stated:

“Illegal trade in tobacco undermines public health initiatives to curb tobacco consumption by making cheap cigarettes available in an unregulated environment where they may be sold to vulnerable groups such as minors.”

Furthermore, a study by the Canadian Centre for Addiction and Mental Health reported that 43% of secondary school smokers in the province of Ontario smoked contraband cigarettes.^{vi}

PMI'S COMMITMENT TO ENSURE CONTROL OF OUR SUPPLY CHAIN AND FIGHT ILLICIT TRADE GLOBALLY

Over the last few decades, PMI has led the industry by investing considerable resources to maintain strict controls over our supply chain. PMI products are sold in more than 180 countries to more than 900,000 direct customers, of which approximately 2,000 sell more than 25 million cigarettes per year. Supply chain control is not easy, but our efforts to maintain strong and robust control measures of our supply chain help prevent criminals from defrauding governments, legitimate businesses and consumers.

In each country where we sell our products, our business presence, trade dynamics, size of the retail universe, geography of the country and legal constraints differ. Thus there can be no uniform distribution model. In some countries we operate through a direct sales and distribution model, meaning that a PMI representative delivers the product to a local retail shop. In others, we sell to customers via third-party distributors or through wholesalers. Where a longer distribution chain is warranted, there will be some increased risk involved. However, we have developed supply chain tools and processes to mitigate that risk, which we have detailed in the following pages.

Supply chain control aims to ensure that our products are sold legally in the market for which they are intended, which makes sound commercial sense for us. Fighting against the diversion of our products, and more generally against illicit trade in tobacco products, is a key component of our sustainability program and supports our commitment to the United Nations Global Compact—of which PMI is a member. Fighting illicit trade links directly to fighting corruption, contributing to improving human rights, labor rights and environmental standards, principles that organizations involved in illicit trade surely ignore or violate.

Over the years, our supply chain controls have been improved through our cooperation with regulators and other governmental agencies with whom we have specific commitments and obligations. PMI's 2004 signing of the Anti-Contraband and Anti-Counterfeit Agreement and General Release ("EC Agreement") and our commitments to, and cooperation with OLAF and the Member States under that Agreement have helped us to develop a better understanding of the evolving nature of the illicit trade in tobacco products and the potential solutions to this complex problem. Further to this point, we:

- apply Know-Your-Customer and Know-Your-Payment requirements in all PMI markets;
- have made large investments in state of the art tracking-and-tracing technology and developed other tools to effectively reduce the diversion of tobacco products from our supply chain; and
- use the information gathered from seizure inspections to identify the points of diversion with the aim of preventing reoccurrence.

The supply chain control measures developed through the EC Agreement have become part of the way we do business. We view these controls as global best practices, are committed to continuing them, and encourage others to adopt similar policies.

We have learned more about how to increase the effectiveness of our supply chain controls through our compliance with country-specific regulations, like the UK's Tobacco Products Duty Act 1979, and our ongoing cooperation with national customs and similar officials, such as the UK's HM Revenue & Customs (HMRC). During the course of 2014, HMRC conducted a review of our supply chain controls and recommended that PMI initiate a more formal global body to oversee coordination in the area of anti-diversion. We took this recommendation seriously, and launched a process that led to the creation of the Anti-Diversion Governance Committee and a review of the entire supply chain control program.

The Governance Committee's key objective is to ensure that PMI has the best possible approach to preventing the illicit flows of our products. The Committee's members are drawn from PMI's senior management. The creation of a global governance body comprised of senior company officials is further recognition that addressing product diversion requires effective coordination across countries, regions and departments. The Governance Committee is supported by an Anti-Diversion Working Group that includes representatives from Finance, Compliance, Law, Communications and ITS&P departments, reflecting the many PMI departments involved in supply chain control.

Under the Governance Committee's direction, we further refined our anti-diversion strategy and moved to a risk-based approach for our supply chain controls. We believe that a risk-based approach will enhance our efforts and efficacy by focusing resources and controls where they are most needed.

We classify markets from high to low risk into four risk categories. In a "high risk" market, profit opportunities and enabling factors make diversion of our products likely if not already evident. A "low risk" market, on the other hand, is a market where lack of profit opportunities and other factors make diversion of our products unlikely. For example, for a market with a simple distribution network and a high retail price, such as the U.K., the market risk profile would indicate limited or no incentives to smuggle product out of the country, and therefore, the U.K. would be classified as a "low risk" market. We continuously re-examine and adapt our supply chain control tools to fit the risk profile of the market.

TOOLS AND PROCESSES TO SECURE THE SUPPLY CHAIN

Each Philip Morris International employee, department, affiliate and region is aligned on our anti-diversion efforts. For us, alignment means common knowledge and a shared understanding of the interrelationships between the issues affecting different markets, as well as a shared commitment to the goal of preventing the diversion of our products.

The following is a list and brief description of the tools and processes we believe are critical for a tobacco company to control its supply chain:

- Order Controls
- Enhanced Volume Monitoring for higher risk markets
- Reporting Suspected Compliance Violations
- Training for Our Employees
- Tracking and Tracing
- Seizure Follow-Up

Order controls

We have a control system in place to monitor customer orders. In markets with significant risk of diversion, this control often involves benchmarking, in each customer order, brands at most risk for smuggling against the total order. In other words, when we receive an order from a customer, the ratio of high-risk brands is compared to the total ordered volume. If the ratio is higher than a benchmark based on average market demand, we take appropriate action, which may include reducing or declining the delivery of the high-risk brand volume.

Enhanced volume monitoring

Where markets are identified as having a higher risk of product diversion, in addition to the standard requirements of PMI's Know-Your-Customer program, we introduce enhanced volume monitoring processes. On a monthly basis, as part of our Know-Your-Customer program, each PMI affiliate is required to analyze sales to Significant Volume Customers in an effort to identify any unusual activity or trends. When there is a higher risk of product diversion we work to extend our volume monitoring further into the supply chain to increase our ability to detect unusual purchasing patterns that may reflect diversion somewhere down the supply chain. This means that when significant and recurrent volume variation is reported, we can, as appropriate, decide to take action and limit the volumes provided to that customer.

Training for our employees

Well-informed and properly trained employees are a key pillar of our Know-Your-Customer program. In 2016, PMI affiliates trained 9,483 employees in the Fiscal Compliance Program and Supply Chain Controls. PMI Duty Free business also conducts regular anti-diversion training for employees in the field, marketing and finance functions.

Reporting suspected compliance violations

PMI employees must report any suspected violation of the law or of our compliance Principles & Practices, and have a number of options for how to report. Under our Know-Your-Customer and related anti-diversion policies, employees are required to report suspected compliance violations of a potential diversion occurring in our supply chain.

Tracking and tracing

We have made large investments to implement a broad range of measures and technologies that meet and exceed our historic EC Agreement contractual commitments and current regulatory requirements. These measures and technologies are effective solutions to prevent the diversion of genuine products from the legal supply chain.

Our tracking and tracing systems operate successfully across our global supply chain. Today, we have more than 700 tracking locations in 133 markets, an effort that has required an investment of more than EUR 100 million.

PMI's tracking and tracing technologies have proven instrumental in helping law enforcement identify the origin of seized cigarettes. Our sales conditions make clear to all PMI customers that tracking and tracing data may be shared with law enforcement. Whenever a PMI customer is identified as having been involved in a transaction that eventually led to a seizure of PMI cigarettes in contraband channels, our affiliates are required to perform prompt follow-up through a variety of actions, including warning letters, additional training, face-to-face meetings to thoroughly investigate the issue and enhance volume and order monitoring, along with volume caps, if appropriate.

Seizure follow-up

Our seizure follow-up processes ensure that our customers are informed of seizures involving products they purchased and that, together with them, we take the necessary actions to sell in volumes commensurate with consumer demand in the intended market of distribution. Our customers, in turn, must performing fulsome Know-Your-Customer follow-up with their own customers.

For example, in 2015, the UK Customs authorities informed us of a seizure of Polish domestic PMI cigarettes. PM Poland analyzed the tracking and tracing data collected and identified three customers as a potential point of diversion. Discussions with those direct customers identified a subsequent customer that was potentially involved in the diversion of products. Having already been warned and subjected to quotas because of potential involvement in a previous seizure of diverted products, our customer decided to terminate its business relationship with the downstream buyer under suspicion of diversion.

Law enforcement cooperation

As a private company there is a limit to what we can do to thwart the activities of serious organized crime groups who exploit the high profitability and relatively low risk of smuggling of tobacco products.

In this complex situation, we need, seek, and welcome cooperation with law enforcement and government authorities. In our ongoing cooperation with law enforcement authorities and in public-private partnerships we strive to be as transparent and effective as possible.

During 2016, PMI cooperated on many levels with authorities worldwide, including inspecting 392 seizures in 31 countries and delivering training to over 2,418 law enforcement officers on anti-illicit trade across all PMI regions. We are eager to continue and enhance such cooperation in the future, which can be achieved, for example, by direct cooperation agreements between PMI and each individual country and or authorities through a Memorandum of Understanding (MoU).

Currently, PMI has more than 50 MoUs in force in 40 countries related to the fight against the illicit trade of tobacco products. In some countries we have multiple MoUs, given the various departments within a single country that could—and many times do—contribute to this fight.

PMI IMPACT Grant Program

Launched in May 2016, PMI IMPACT is a global initiative for which PMI has pledged USD 100 million to support public, private, and non-governmental organizations to develop and implement projects against illegal trade and related crimes, such as corruption, organized crime, human trafficking and money laundering. We consider this a leading private sector initiative.

The program is overseen by a council of seven external independent experts from the fields of law, anti-corruption and law enforcement, who review and select funding proposals for projects to enable innovation in three key areas in the fight against smuggling and related crimes—research, education and awareness, and action. Proposals can come from private, public, or non-governmental organizations.

For its first funding round, PMI IMPACT called for projects that have an impact on illegal trade and related crimes in the European Union, even if implemented elsewhere.

RECOMMENDATIONS

In our view, key elements for private industry to be effective in controlling the illicit tobacco trade include:

- Use of research and intelligence to better understand the problem and its drivers;
- Effective supply chain controls;
- Tracking and tracing systems based on open standards that can be used by all relevant stakeholders in the supply chain, across different technological platforms, geographies and industries, to prevent product diversion;
- Control of all elements of the supply chain—including the supply of the key components for manufacturing cigarettes, such as cellulose acetate tow;
- Education campaigns that raise public awareness of the problem and its effect on society
- Innovative programs, such as the PMI IMPACT USD 100 million grant program, to fund innovative solutions to fight against illicit trade; and
- Cooperation between brand owners and shipping and transport companies that generates best practices and self-regulation; one example is the Declaration of Intent to prevent the maritime transportation of counterfeit goods to which PMI is a signatory.

But one company or even an industry alone cannot stop illicit trade. We need partners in government and law enforcement, and believe those efforts will be most successful if they are focused on the following:

- Well-funded and fully staffed law enforcement teams, with a clear mandate to take action against illicit tobacco as a key government priority;
- Transnational legal tools and mechanisms ensuring effective exchange of information between national law enforcement and judicial authorities to investigate, punish and deter cross-border trafficking;
- Transparent implementation of the World Health Organization’s Framework Convention on Tobacco Control’s Protocol to Eliminate Illicit Trade in Tobacco Products, with the inclusion of true subject matter experts, such as members of the legal industry, tobacco farmers, law enforcement agencies, and Ministries of Justice and Finance;
- Regulation of tobacco operations in Free Trade Zones (FTZs), starting with basic common-sense measures such as enhanced due diligence, annual licensing of tobacco operators, and the ban of cash payments above USD 10,000.
- A policy framework that regulates the legal supply chain and severely penalizes those involved in illicit trade;
- Properly trained officers who are knowledgeable about the issue and with the right tools, such as container scanners, mobile scanners for trucks and sniffer dogs;
- Clear ethics policies and fair compensation for enforcement authorities to overcome corruption;
- Funding intelligence efforts, enabling law enforcement to investigate criminal networks;
- Deterrent legislation, such as asset forfeiture laws and laws that provide for deterrent prison sentences for convicted illicit tobacco traders; and
- Public-private partnerships with the legitimate industry, which are critical for sharing information, yet often unfairly attacked.

CONCLUSION

Chairman Wicker, Co-Chairman Smith, thank you again for the invitation to testify before the Helsinki Commission and share our thoughts and what we at PMI believe are industry best practices. We value the opportunity to work with this Commission and the US government in the fight against illicit trade. I look forward to your questions and our discussion here today.

ⁱ <https://2009-2017.state.gov/documents/organization/250513.pdf>

ⁱⁱ <http://216.55.97.163/wp-content/themes/bcb/bdf/articles/InternationalAnticonterfetingdirectory.pdf>
<http://www.stopillegalcigarettes.com/the-problem/drivers-of-illicit-trade>

ⁱⁱⁱ <http://ec.europa.eu/transparency/regdoc/rep/10102/2016/EN/SWD-2016-44-F1-EN-MAIN.PDF>

^{iv} http://www.inta.org/Communications/Documents/2017_impact_study.pdf

^v <http://www.csnews.com/product-categories/tobacco/black-market-cigarettes-killing-canadas-c-stores-0>

^{vi} <http://tobaccocontrol.bmj.com/content/20/2/173>