Good morning and welcome to everyone joining us this morning as we examine cigarette smuggling in the OSCE region.

The volume of tobacco and cigarette smuggling is staggering – the WHO estimates 1 in 10 cigarettes are part of the global illegal tobacco trade. A former FBI agent explained it this way: “Cigarettes are easy to smuggle, easy to buy, and they have a pretty good return on the investment. Drug dogs don’t alert on your car if it’s full of Camels. The other advantage is you don’t go to jail for 50 years.”

One of the principal reasons we are here today is that recent reports, including a 2015 State Dep’t report, find that terrorists around the world smuggle cigarettes and tobacco to finance their crimes. The State Department found that this form of smuggling is encouraging a convergence between terrorist and organized crime networks, and that it facilitates other crimes, including human trafficking and the smuggling of illegal street drugs and weapons.

I’m looking forward to going into the evidence for this with our witnesses, and discussing what should be the policy response, both from us as legislators and from the executive branch.
Mr. Sweanor and Mr. Firestone, I particularly look forward to hearing from you about the health implications of cigarette smuggling – how price affects smoking rates, and whether there are known differences between the nicotine content of smuggled tobacco and cigarettes versus those produced by the major cigarette manufacturers.

Dr. Shelley, welcome back to the Commission – we recall your testimony in 1999 at hearings I chaired on “Corruption in the Former Soviet Union” and “Sex Trade: Trafficking of Women and Children in Europe and the United States” – and as the Parliamentary Assembly’s Special Representative on Human Trafficking Issues I look forward to discussing what kind of evidence there might be of connections between the criminal rings that traffic in human beings and those that smuggle tobacco, which is asserted in the State Department report.