

**Gordon D Hebb - Imperial Tobacco Canada submission re: Bill 51, An Act to Amend Chapter 17 of the Acts of 1995-96, Revenue Act**

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**From:** <pguy@itl.ca>  
**To:** <legc.office@gov.ns.ca>  
**Date:** 03 May 2010 2:46 PM  
**Subject:** Imperial Tobacco Canada submission re: Bill 51, An Act to Amend Chapter 17 of the Acts of 1995-96, Revenue Act  
**Attachments:** Bill 51submission FINAL.pdf; Atlantic Seizures Apr 22 2010.doc

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Good afternoon,

Please find attached the submission of Imperial Tobacco Canada in consideration of Bill 51, *An Act to Amend Chapter 17 of the Acts of 1995-96, Revenue Act*. We were unfortunately unable to attend the committee hearings this afternoon but we hope you will find the information therein useful and will consider our recommendations. We commend the Nova Scotia government for recognizing the illegal tobacco trade is a very serious problem that is spreading to the Province and for taking action to fight it. Bill 51 is certainly a step in the right direction and we hope you will agree that by accepting our recommendations your efforts will be even more efficient in the fight against illegal tobacco trade.

We remain available to provide further information or answer any of your questions with regards to the attached submission.

Regards,

Pénéla Guy  
Manager, Government and External Relations  
Imperial Tobacco Canada  
(514) 932-6161 ext. 2265

Imperial Tobacco Canada (ITC) presents the following submission to the Committee. ITC is pleased that the House of Commons Committee on Law Amendments, by introducing Bill C-51, has taken a significant step in addressing the issue of illegal tobacco trade. ITC is a very active participant in the industry and will help you combat your Province for using duty to introduce measures that will help you fight the illegal tobacco trade.



IMPERIAL TOBACCO  
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In this submission ITC provides information about the size and scope of the illegal tobacco trade and offers some additional recommendations for the Province to consider as the first step in this battle move eastward.

## **Imperial Tobacco Canada Limited**

Established in 1908, Imperial Tobacco Canada Limited (ITC) is Canada's leading tobacco company, offering brands like MAJESTIC, Player's, Port Jackson and

### **Submission to the Committee on Law Amendments**

ITC is dedicated to conducting our business responsibly, in a manner that meets society's expectations of major corporations. ITC is a law abiding corporate citizen that strictly follows the 300-plus laws and regulations that govern our industry, including paying all required taxes and duties.

ITC is a legitimate, law abiding tobacco company that pays all required taxes. Unfortunately, the Canadian market is being taken over by organized crime – and they pay for a completely

### **In consideration of**

### **Bill No. 51, *An Act to Amend Chapter 17 of the Acts of 1995-96, the Revenue Act***

According to the most recent published data, illegal tobacco makes up 33% of the market nationally and a staggering 45.6% in Ontario and 40.1% in Quebec.<sup>1</sup> Recent evidence shows the trade spreading rapidly into Western Canada and the Atlantic Province. In 2008, 13 billion cigarettes were sold illegally in this country, mainly manufactured on and smuggled through First Nations reserves in Ontario, Quebec and New York State.

**May 3, 2010**

Those numbers are staggering as the consequences behind them. These illegal products are untaxed, untaxed (in 2008 governments lost an estimated \$3.6 billion in tax revenues and losses to the Nova Scotia Government specifically are estimated to be \$24 million (including PTT and HST), cheap (roughly \$22 for 100 illegal cigarettes sold in a plastic bag in Nova Scotia, versus \$100+ for the same amount of legal cigarettes) and

<sup>1</sup> illicit trade of cigarettes – National Study for the CPMC, GRK Research December 2009  
<sup>2</sup> illicit trade of cigarettes – National Study for the CPMC, GRK Research December 2009

## Introduction

Imperial Tobacco Canada (ITCAN) presents the following submission to the Committee. ITCAN is pleased that the Nova Scotia Government recognizes, by introducing Bill 51, *An Act to Amend Chapter 17 of the Acts of 1995-96, the Revenue Act*, that the illegal tobacco problem is a very serious one that is spreading to Nova Scotia. ITCAN commends your Province for acting quickly to introduce measures that will help you fight the illegal tobacco trade.

In this submission ITCAN provides information about the size and scope of the illegal tobacco trade and offers some additional recommendations for the Province to consider as the front lines in this battle move eastward.

## About Imperial Tobacco Canada Limited

Established in 1908, Imperial Tobacco Canada Limited (ITCAN) is Canada's leading tobacco company, offering brands like du MAURIER, Player's, Peter Jackson and Matinee to over five million adult Canadians who chose to smoke. ITCAN is headquartered in Montreal and employs 700 people across Canada.

ITCAN is dedicated to conducting our business responsibly, in a manner that meets society's expectations of major corporations. ITCAN is a law abiding corporate citizen that strictly follows the 200-plus laws and regulations that govern our industry, including paying all required taxes and duties.

ITCAN is a legitimate, law abiding tobacco company that pays all required taxes. Unfortunately, the Canadian tobacco market is being taken over by organized crime – and they play by a completely different set of rules.

## About the Illegal Tobacco Trade in Canada

According to the most recent published data, illegal tobacco makes up 33% of the market nationally and a staggering 48.6% in Ontario and 40.1% in Quebec.<sup>1</sup> Recent evidence shows the trade spreading rapidly into Western Canada and the Atlantic Provinces. In 2008, 13 billion cigarettes were sold illegally in this country, mainly manufactured on and smuggled through First Nations reserves in Ontario, Quebec and New York State.

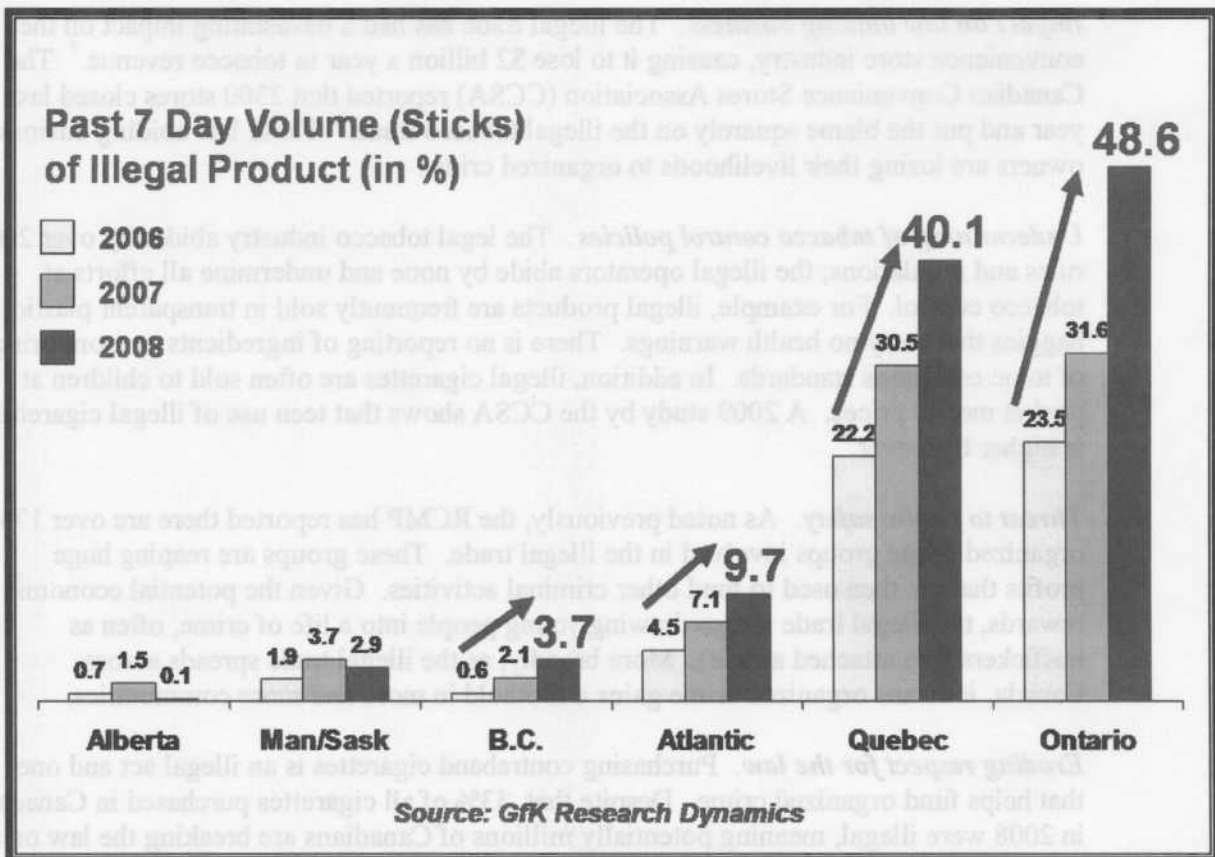
These numbers are as alarming as the consequences behind them. These illegal products are unregulated, untaxed (in 2008 governments lost an estimated \$3.0 billion in tax revenues and **losses to the Nova Scotia Government specifically are estimated to be \$34 million** (including PTT and HST)), cheap (roughly \$23 for 200 illegal cigarettes sold in a plastic bag in Nova Scotia<sup>2</sup> versus \$100+ for the same amount of legal cigarettes) and

<sup>1</sup> *Illicit usage of cigarettes – National Study for the CTMC, GFK Research Dynamics, 2008*

<sup>2</sup> *Illicit usage of cigarettes – Atlantic Study for the CTMC, GFK Research Dynamics, 2009*

readily available to children. According to the RCMP, there are more than 175 organized crime groups involved in this illegal trade.<sup>3</sup> These groups also traffic drugs and arms and there have been reports that the profits from the sales of illegal cigarettes may fund international terrorist organizations.<sup>4</sup>

The graph below shows the size of the problem within each region according to the latest information available. You will notice it has at least doubled from 2006 to 2008.



The Nova Scotia Government should be concerned about several facets of the illegal trade.

**Lost revenue.** As noted previously, in 2008 federal and provincial governments lost an estimated \$3.0 billion in tax revenue to the illegal trade. In Ontario the provincial Auditor General estimated in his 2008 report that the difference between the amount of tobacco tax that should have been collected in that province and the amount that was actually collected “could well be in the \$500 million range in 2006/2007.”<sup>5</sup> Considering

<sup>3</sup> Testimony to the House of Commons Standing Committee of Public Safety and National Security, April 27, 2010

<sup>4</sup> Black-market smokes could finance terrorists: RCMP, Canwest News Service, October 27, 2009

<sup>5</sup> Ontario Auditor General Annual Report, 2008

that illegal cigarettes made up “only” 23.5% of the Ontario market in 2006 versus 48.6% in 2008, it is safe to say that figure would be significantly higher now – quite likely over \$1 billion annually. In addition, last March the Quebec government confirmed it is losing \$300 million in tax revenue annually to the illegal tobacco trade.<sup>6</sup> Nova Scotia lost an estimated \$34 million (including PTT and HST) in tobacco tax revenues in 2008 and will encounter more important losses as illegal tobacco gains a greater market share in the Province.

**Impact on law abiding business.** The illegal trade has had a devastating impact on the convenience store industry, causing it to lose \$2 billion a year in tobacco revenue.<sup>7</sup> The Canadian Convenience Stores Association (CCSA) reported that 2300 stores closed last year and put the blame squarely on the illegal tobacco trade.<sup>8</sup> These law abiding business owners are losing their livelihoods to organized crime.

**Undermining of tobacco control policies.** The legal tobacco industry abides by over 200 rules and regulations; the illegal operators abide by none and undermine all efforts at tobacco control. For example, illegal products are frequently sold in transparent plastic baggies that carry no health warnings. There is no reporting of ingredients or monitoring of toxic emissions standards. In addition, illegal cigarettes are often sold to children at pocket money prices. A 2009 study by the CCSA shows that teen use of illegal cigarettes is higher than ever.<sup>9</sup>

**Threat to public safety.** As noted previously, the RCMP has reported there are over 175 organized crime groups involved in the illegal trade. These groups are reaping huge profits that are then used to fund other criminal activities. Given the potential economic rewards, the illegal trade is also drawing young people into a life of crime, often as traffickers (see attached article). More broadly, as the illegal trade spreads across Canada, it means organized crime gains a foothold in more and more communities.

**Eroding respect for the law.** Purchasing contraband cigarettes is an illegal act and one that helps fund organized crime. Despite that, 33% of all cigarettes purchased in Canada in 2008 were illegal, meaning potentially millions of Canadians are breaking the law on a regular basis.

### **Spread of the Illegal Trade to Nova Scotia**

Illegal cigarette sales doubled between 2006 and 2008 in Atlantic Canada, mirroring the rate of growth in Ontario and Quebec.<sup>10</sup> Without decisive government action, the illegal trade will continue to grow and spread geographically. Over the past year, media reports

<sup>6</sup> 2010 – 2011 Budget – Choices for the Future – Economic and Budgetary Action Plan (Quebec)

<sup>7</sup> Industry Overview, Convenience Stores in Canada, February 2009

<sup>8</sup> CCSA, State of the Industry report, 2010 Edition

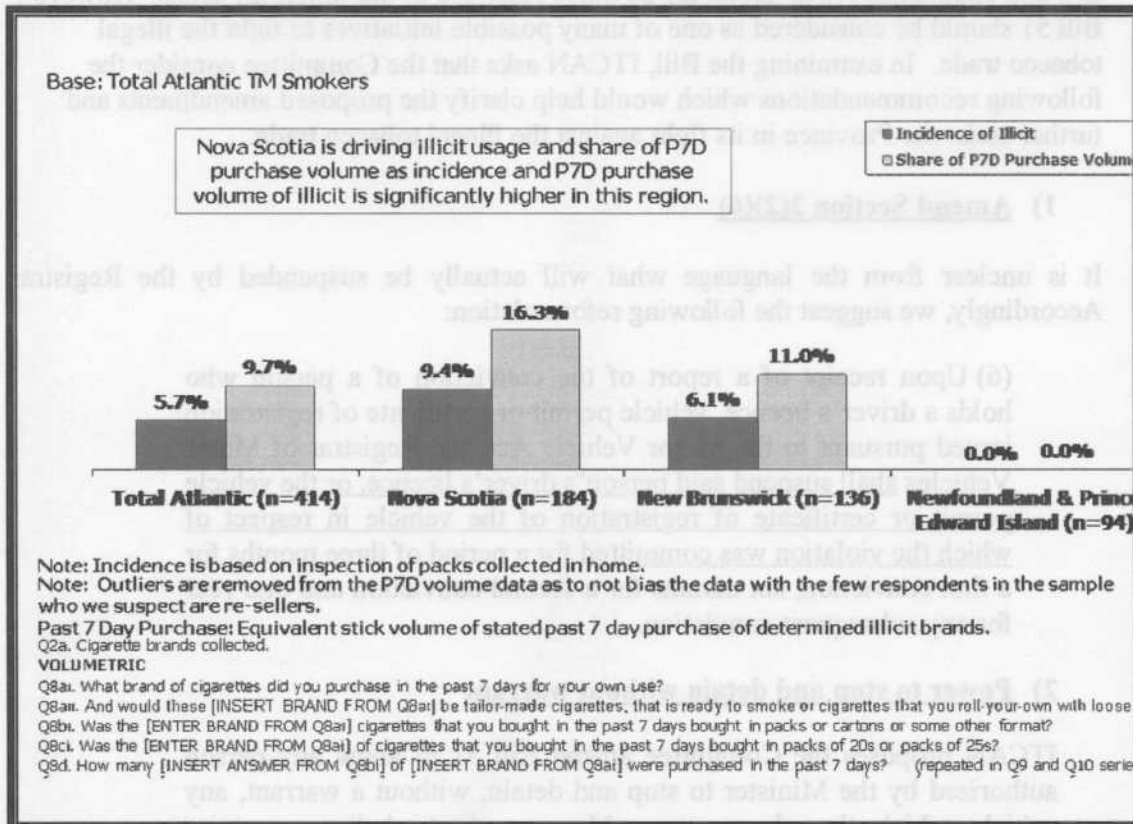
<sup>9</sup> Youth contraband Tobacco Study, 2009

<sup>10</sup> Illicit usage of cigarettes – National Study for the CTMC, GFK Research Dynamics, 2008



and RCMP seizures suggest that there has been an increase in illegal product destined for Nova Scotia and other parts of Atlantic Canada (see attached seizure report).

A study by GfK Research Dynamics reveals that 16.3% of the Nova Scotia tobacco market is made up of illegal product. It also revealed that distribution networks are well-established in Nova Scotia. Indeed, 75% of the respondents interviewed stated that they purchased illegal cigarettes from a relative or colleague and 9% have stated contraband tobacco is delivered directly to their home.<sup>11</sup>



The primary driver for the growth of the illegal tobacco market in Nova Scotia is the fact that illegal cigarettes are considerably cheaper than legal ones. Indeed, the provincial tax content on cigarettes increased by 30% in June 2009. Today, Nova Scotia has the third highest tobacco tax rate in the country. Tobacco taxes have increased by 346% over the past nine years and will increase by a further 2% when the *Harmonized Sales Tax* is increased later this year. In these conditions, the incentive for consumers to purchase illegal cigarettes is significant.

Higher taxes stimulate the illegal tobacco trade. Therefore, it is critical that Nova Scotia adopt a tough stance on this illegal trade to prevent its further market penetration in the

<sup>11</sup> *Illicit usage of cigarettes – Atlantic Study for the CTMC, GfK Research Dynamics, 2009*

Province. Ontario and Quebec realized this too late, which is why illegal tobacco now makes up 48% and 40% of their markets, respectively.

## **Bill 51**

Bill 51 is a good first step by Nova Scotia to prevent ending up with a completely out of control illegal tobacco problem like that in Central Canada. ITCAN fully supports the Bill and commends Nova Scotia for its quick response to this emerging crisis. However, Bill 51 should be considered as one of many possible initiatives to fight the illegal tobacco trade. In examining the Bill, ITCAN asks that the Committee consider the following recommendations which would help clarify the proposed amendments and further assist the Province in its fight against the illegal tobacco trade.

### **1) Amend Section 2(2)(6)**

It is unclear from the language what will actually be suspended by the Registrar. Accordingly, we suggest the following reformulation:

(6) Upon receipt of a report of the conviction of a person who holds a driver's licence, vehicle permit or certificate of registration issued pursuant to the Motor Vehicle Act, the Registrar of Motor Vehicles shall suspend said person's driver's licence, or the vehicle permit or certificate of registration of the vehicle in respect of which the violation was committed for a period of three months for a first conviction, six months for a second conviction and one year for any subsequent conviction.

### **2) Power to stop and detain without warrant**

ITCAN proposes the Committee amend Bill 51 to allow any person authorized by the Minister to stop and detain, without a warrant, any vehicle which they have reasonable grounds to believe contains evidence of any contravention of the *Revenue Act*. Section 13.3 of the *Quebec Tobacco Tax Act* and section 24 of the *Ontario Tobacco Tax Act* contain similar provisions.

Currently, Nova Scotia's *Revenue Act* requires a warrant for any search unless there are "exigent circumstances" (which includes potential loss of life or destruction of evidence). It also does not expressly grant the authorized person the right to stop vehicles (s. 79), providing only that vehicles can be detained if a search finds evidence of a contravention of the Act (s. 80).

### **3) Delegation of power to municipal police forces**

ITCAN proposes the Committee amend Bill 51 to allow for delegation of power to municipal police forces under Part III of the *Nova Scotia Revenue Act*. Section 13.2.0.1 of the *Quebec Tobacco Tax Act* contains a similar provision.

### **4) Sale and purchase of tobacco products priced below the value of all aggregated taxes**

ITCAN proposes the Committee amend Bill 51 to prohibit the sale or purchase of tobacco products priced below the value of all aggregated taxes. Sections 7.1.1 (sale) and 9.2.1 (purchase) of the *Quebec Tobacco Tax Act* contain similar provisions.

### **5) Power to issue a statement of offence**

ITCAN proposes the Committee amend Bill 51 to allow the issuance of statements of offence (tickets) for offences of simple possession of illegal tobacco products and of sale or purchase of tobacco products priced below the value of all aggregated taxes. Section 13.2.01 of the *Quebec Tobacco Tax Act* contains a similar provision.

### **6) Controls over manufacturing equipment**

The *Quebec Tobacco Tax Act* requires that any person who is in possession of tobacco manufacturing equipment in Quebec, or brings or causes such equipment to be brought to Quebec, must hold a permit (section 6.0.1). ITCAN suggests the Nova Scotia adopt a similar provision.

## **Federal Support**

There is an additional non-legislative recommendation for the Committee, and it is a critical one in the fight against the illegal tobacco trade. As noted previously, the illegal tobacco flowing into Nova Scotia is coming from unlicensed factories in First Nations communities in Ontario, Quebec and New York State. On April 27, the RCMP testified to a parliamentary committee in Ottawa that they are aware of approximately 50 unlicensed manufacturers in Canada. In response to questioning from Members of Parliament, the RCMP conceded that they have not shut down a single unlicensed operator since the launch of their Contraband Tobacco Enforcement Strategy in May 2008 – almost two full years ago.<sup>12</sup> These are the illegal cigarette manufacturers supplying Nova Scotia and until that supply is addressed, this problem will not go away.

Addressing the supply issue is a federal government responsibility. Health Canada is supposed to enforce the *Tobacco Act*, which governs the manufacture and sale of

<sup>12</sup> House of Commons Standing Committee on Public Safety and National Security, April 27, 2010



tobacco. However, the federal government is not applying the *Tobacco Act* on First Nations reserves, meaning the illegal manufacturers operate with virtual impunity. Likewise, the federal government should be ensuring the integrity of Canada's borders, which is not the case right now with illegal product flowing in huge quantities from New York State into Quebec and Ontario. Because of this federal inaction, billions of illegal cigarettes are flowing off reserves and across Canada.

Therefore, ITCAN strongly encourages the Committee to include in its report back to the Legislature a recommendation that Nova Scotia formally request federal government action on illegal tobacco, including shutting down the unlicensed manufacturers and ensuring the integrity of Canada's borders to prevent the smuggling of illegal goods like tobacco.

## **Conclusion**

Simply acknowledging the spread of the illegal tobacco crisis to Nova Scotia is an important step in the fight against it. Bill 51, *An Act to Amend Chapter 17 of the Acts of 1995-96, the Revenue Act*, takes an important step in this fight by imposing strict penalties on those who run afoul of the law. The recommendations included in this submission outline additional measures Nova Scotia can put in place to counter the spread of the illegal trade. We hope these measures can be included in Bill 51.

Lastly, we hope that the Nova Scotia Government will raise this issue with its federal counterparts and demand effective and immediate action.

Thank you for the opportunity to share our views. ITCAN fully supports the efforts of the Province of Nova Scotia to fight the illegal tobacco trade and remains available to provide information and answer questions.



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## Media Watch

### Atlantic Seizures

Date	Outlets	Story
01/12/09	The Advertiser (Kentville, NS)	The court fined Gerald Clarence Wolsey, 59, South Berwick; for unlawfully having in his possession a tobacco product (manufactured tobacco in the form of cigarettes) not stamped in accordance with the Excise Act 2001.
02/12/09	Victoria Star	The driver was not seriously injured, but police at the scene discovered approximately 150,000 contraband cigarettes in the truck. The RCMP's Police Dog Services discovered another 130,000 cigarettes hidden in the woods along the riverbank. The cigarettes are believed to have been destined for Nova Scotia.
02/12/09	The Daily Gleaner (Fredericton)	RCMP officers from Minto and Chipman seized illegal cigarettes and marijuana after a search last week.
03/12/09	The Chronicle-Herald	RCMP officers made seven arrests Wednesday in Annapolis, Digby and Halifax counties, punching a big hole in a veritable pipeline of drugs and illegal cigarettes flowing between Digby and Halifax.
10/12/09	New Brunswick Telegraph-Journal	RCMP seized more than 2,000 illegal cigarettes after searching a property on Route 313 in Pointe-Canoé.
17/12/09	The Hants Journal (Windsor, NS)	Police recovered a quantity of cocaine, cannabis, marihuana, illegal unstamped tobacco, and prescription pills as well and seized a large quantity of cash.
24/12/09	The Hants Journal (Windsor, NS)	The court fined Kendall Clayton Hill, 52, Kennetcook, for unlawfully having in his possession a tobacco product: manufactured tobacco in the form of cigarettes, not stamped in accordance with the Excise Act 2001 and the regulations thereunder.
22/12/09	Cape Breton Post	Two men face charges after RCMP seized 85,000 contraband cigarettes, two vehicles and cash in Middleton, N.S.
28/12/09	Times & Transcript (Moncton)	Two Nova Scotia men are facing charges after police seized more than 85,000 contraband cigarettes on Christmas Day.
30/12/09	New Brunswick Telegraph-Journal	"It isn't a huge chunk but there's no question that New Brunswick is the corridor for Atlantic Canada for contraband activity," Snider said.
05/01/10	Thunder Bay Chronicle-Journal	An elderly Manitoba man has been charged with possession after a patrol officer found 140,000 unmarked cigarettes in the back of a pickup truck Sunday near Terrace Bay. The truck's driver, a 39-year-old Winnipeg man, was also charged with possession after the cigarettes were seized.



## Media Watch

### Atlantic Seizures

Date	Outlets	Story
12/01/10	Times & Transcript (Moncton)	RCMP say a 22-year-old N.S. man faces several charges after police found thousands of contraband cigarettes in a search of a vehicle in New Brunswick last week.
12/01/10	New Brunswick Telegraph-Journal	RCMP found 180,000 contraband cigarettes after pulling over a vehicle on Highway 2 near Saint-Léonard. The driver and lone occupant of the vehicle, a 22-year-old man from Nova Scotia, was arrested and is facing charges in the matter.
13/01/10	Miramichi Leader	A Miramichi couple accused of growing marijuana and possession of unmarked tobacco have pled not guilty and are set to go to trial.
15/01/10	The Daily Gleaner (Fredericton)	A Red Bank man who was fined in 2009 for possession of illegal tobacco was sent to jail for more than a year Thursday for defaulting on the fine.
15/01/10	The Daily News (Truro)	Trying to transport 90,000 illegal cigarettes amounted to stupidity of monumental proportions, admitted a Bible Hill man who was fined \$15,300 in provincial court.
18/01/10	The Evening News (New Glasgow)	A 57-year-old Caribou man is facing several charges following the seizure of around 960 cartons of contraband cigarettes, 16 illegally stored firearms and a quantity of marijuana.
20/01/10	Victoria Star	The driver and lone occupant of the vehicle, a 22-year-old man from Nova-Scotia, was found to be in possession of 180,000 contraband cigarettes.
22/01/10	The Daily Gleaner (Fredericton)	Mounties found 184,000 contraband cigarettes when they stopped a car on the highway near Saint-Leonard on Jan. 8. The driver, a 45-year-old Montreal man was arrested and later released. Another vehicle was intercepted Jan. 10, carrying 180,000 illegal cigarettes.
26/01/10	The Western Star (Corner Brook)	Phillip Doody, the 40 year old man alleged to have been caught with contraband cigarettes in his possession, will be back in Stephenville Provincial Court on Monday, Feb. 1 for facts and sentencing. "Disrupting the contraband tobacco trade is an RCMP priority, and it's important to the well-being of our communities," stated Cpl. Robert Fullerton. "We encourage anyone with information regarding tobacco smuggling or illegal cigarettes to contact police or Crimestoppers at 1-800-222-TIPS (8477) if they have any information regarding this incident or other criminal activity."
27/01/10	Victoria Star	
27/01/10	The Guardian (Charlottetown)	A Kensington man found with 14 cartons of illegal smokes was fined almost \$4,000 in Summerside provincial court recently.



## Media Watch

### Atlantic Seizures

Date	Outlets	Story
27/01/10	The Guardian (Charlottetown)	Two Charlottetown area men face charges for illegal tobacco after their car was stopped and searched by police on Jan. 22.
28/01/10	The Evening News (New Glasgow)	An Eskasoni man has been handed a series of fines that total enough cash to buy a home. Russell Patrick Lewis, 56, was pulled over by the RCMP on the Trenton Connector last March after reports were made to police that he was hauling a load of illegal tobacco from Quebec.
01/02/10	New Brunswick Telegraph-Journal	A Miramichi woman will have to pay more than \$1,000 in fines after police seized a bag of unmarked cigarettes from her home.
02/02/10	New Brunswick Telegraph-Journal	Police seized 10,200 illegal cigarettes during a search executed on a Grand Falls home.
02/02/10	L'Acadie Nouvelle	Au total, en janvier, la GRC a saisi près de 375 000 cigarettes illégales dans le Nord-Ouest.
04/02/10	New Brunswick Telegraph-Journal	RCMP have seized more than one pound of marijuana, 6,400 contraband tobacco cigarettes, six unregistered firearms and cash from a Sainte-Anne-de-Madawaska residence.
08/02/10	The Daily Gleaner (Fredericton)	A 39-year-old man from Sainte-Anne-de-Madawaska was arrested and later released. He faces several charges including possession of drugs for the purpose of trafficking, possession of contraband tobacco and unsafe storage of firearms.
10/02/10	Victoria Star	A 44-year-old man and a 49-year-old woman were arrested for being in possession of 10,200 illegal cigarettes and for unsafe storage of a firearm. J Division RCMP seized nearly 375, 000 illegal cigarettes in New Brunswick in January 2010.
10/02/10	La Nouvelle Union (Victoriaville)	Sur les lieux, les policiers ont découvert 68 plants de cannabis, 263 cigarettes de contrebande, des objets contaminés, de l'équipement de production et différents documents.
11/02/10	Journal Le Madawaska	Rappelons qu'en janvier 2010, la Division J de la GRC a saisi près de 375 000 cigarettes illégales au Nouveau-Brunswick.
11/02/10	Journal Le Madawaska	Selon le gendarme Nelson Lévesque, plus d'une livre de marihuana, 6 400 cigarettes de contrebande, six armes non enregistrées et de l'argent ont été saisis.
11/02/10	The Canadian Press	RCMP officers in Shelburne County have seized more than 10,000 contraband cigarettes from a home and vehicle.



## Media Watch

### Atlantic Seizures

Date	Outlets	Story
12/02/10	New Brunswick Telegraph-Journal	A 52-year-old Saint John man has been arrested in northern New Brunswick for allegedly transporting illegal cigarettes believed to be headed for the Port City.
12/02/10	La Nouvelle Union édition Weekend (Victoriaville)	La perquisition policière avait permis à la GRC de saisir plus de 22 500 cigarettes de contrebande, 32,5 g de cannabis, 9 g de haschisch, 12 cigares et 11 bouteilles de boissons alcoolisées illégales.
12/02/10	La Cataracte	Un homme de 44 ans et une femme de 49 ans ont été arrêtés pour la possession de 10 200 cigarettes illégales et pour avoir entreposé une arme à feu de façon non sécuritaire.
14/02/10	The Canadian Press	A Nova Scotia man has received a large fine for possessing illegal cigarettes. Fifty-two-year-old Richard Lee White of Yarmouth County was fined \$335,000 under the provincial Revenue Act and the federal Excise Act.
14/02/10	New Brunswick Telegraph-Journal	A Grand Falls couple will appear in provincial court on April 20 to face charges stemming from the seizure of illegal cigarettes.
16/02/10	The Chronicle-Herald	A Yarmouth County man has received a large fine for possessing illegal cigarettes. Fifty-two-year-old Richard Lee White was fined \$335,000 under the provincial Revenue Act and the federal Excise Act.
16/02/10	The Coast Guard (Shelburne, NS)	A 67-year-old Sandy Point man is facing charges after RCMP from the Shelburne County Street Crime Enforcement Unit seized more than \$11,600 worth of contraband cigarettes in searches of a house and vehicle.
18/02/10	Journal Le Madawaska	Notons que cette deuxième personne est accusée présentement de possession de drogues dans le but d'en faire le trafic, possession de tabac illégale, fraude et possession de biens criminellement obtenus.
23/02/10	The Chronicle-Herald	Black market tobacco is making its way across Nova Scotia. In Shelburne County alone, four contraband tobacco seizures in the last eight months netted police 2,075 cartons, or 415,000 individual cigarettes.
24/02/10	Victoria Star	A 40-year-old woman and a 43-year-old man, both from Nova-Scotia were arrested. Investigators believe the illegal cigarettes were destined for the Halifax area.





## Media Watch

### Atlantic Seizures

Date	Outlets	Story
24/02/10	The Hants Journal (Windsor, NS)	Edward Freeman Henry Babin, 57, of Windsor, was fined for possessing cigarettes not stamped in accordance with the Excise Act 2001. The court has fined Howard Frederick Sherman, 70, Vaughan, for possession of cigarettes not stamped in accordance with the Excise Act 2001.
24/02/10	La Presse Canadienne	La GRC a saisi environ 220 000 cigarettes de contrebande. L'homme de 25 ans a été libéré sous certaines conditions et il comparaitra de nouveau à Campbellton le 4 mai.
25/02/10	The Telegram (St. John's)	Police also weren't releasing much information about the arrest and seizure Wednesday, when they showed off evidence bags filled with tobacco, tablets and pills of all shapes and colours.
03/03/10	Victoria Star	The \$37,400 fine had been handed down pertaining to a conviction stemming from the possession of illegal tobacco products on July 18, 2008 near Perth- Andover.
03/03/10	The Digby Courier (NS)	RCMP officers from the Digby detachment executed a search warrant at a residence on Middle Cross Road in Marshalltown on Thursday and seized 30,000 cigarettes and a quantity of money.
04/03/10	New Brunswick Telegraph-Journal	An RCMP search of a residence on Boulevard de la Mer in Sainte- Marie, Saint-Raphaël earlier this week resulted in the seizure of drugs and illegal cigarettes.
04/03/10	L'Acadie Nouvelle	M. Savoie est accusé de possession de cocaïne, de marijuana et de cigarettes non estampillées.
05/03/10	The Chronicle-Herald	A Lunenburg County man will appear in Bridgewater provincial court next month after the RCMP seized more than 7,000 illegal cigarettes from a New Canada home.
06/03/10	The Telegram (St. John's)	RCMP Customs and Excise Sergeant Jim Power has indicated that contraband tobacco sales have surged in Newfoundland and Labrador. Right now, in St. John's, smokers can buy illegal contraband for \$40 a carton or less, which is less than half the cost of legal tobacco.
10/03/10	Bugle-Observer	On March 4, the ICRU executed a search warrant at a residence on McBurney Road in Ashland. A man and woman, both 38, were arrested and later released. A quantity of methamphetamines and contraband tobacco was seized, along with drug paraphernalia.
16/03/10	Amherst Daily News (NS)	McCully entered guilty pleas to one count of production of marijuana and three counts of possession of cannabis marijuana, morphine and MS Contin. He also pleaded guilty to one count of possession of unstamped tobacco and one count of possession of unmarked tobacco.



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## Media Watch

### Atlantic Seizures

Date	Outlets	Story
17/03/10	New Brunswick Telegraph-Journal	RCMP have seized more than 150,000 illegal cigarettes from a van near Saint-Jacques. Police discovered the contraband tobacco in plain view inside the van after pulling it over for inspection. The driver and sole occupant of the van, a 75-year-old Quebec resident has been arrested and criminal charges are pending.
17/03/10	New Brunswick Telegraph-Journal	As well, many of these seizures also involve other illegal drugs, contraband tobacco and illegal firearms, she said. "You can say that illegal drug operations have the potential to bring violence to our communities," she said.
18/03/10	L'Acadie Nouvelle	Il devra aussi payer une amende de 1141 \$ pour possession illégale de tabac et de 230 \$ pour possession illégale d'armes à feu.
18/03/10	Journal Le Madawaska	Angéline Agnès Thorpe, 49 ans, d'Edmundston, a plaidé coupable à des accusations de possessions de méthamphétamines, de cigarettes de contrebande et d'omission de se conformer à une ordonnance.
22/03/10	New Brunswick Telegraph-Journal	Miramichi RCMP seized marijuana and illegal cigarettes during raids on two residences in Porter Cove, near Miramichi.
24/03/10	New Brunswick Telegraph-Journal	At the same time as the Wednesday bust, RCMP searched a house and seized 12, 000 illegal cigarettes.
24/03/10	The Hants Journal (Windsor, NS)	Illegal cigarettes are not a victimless crime because suppliers are often associated with other crimes. But instead of tying up resources fighting this crime, the government could eliminate it simply by reducing taxes to the point where cigarettes were more affordable.
24/03/10	The Hants Journal (Windsor, NS)	Recently, a stash of 100,000 of the illegal smokes was seized from a home in Ellershouse before they got a chance to make their way into the community.
24/03/10	Annapolis County Spectator	A 53-year-old woman and 54-year-old man were arrested and a quantity of illegal cigarettes were seized.
25/03/10	L'Acadie Nouvelle	Deux individus de la région d'Edmundston, Guy Montreuil et Noël Bossé, ont respectivement écopé d'amendes de 15 200 \$ et 10 500 \$ pour avoir été en possession de cigarettes de contrebande.
30/03/10	Times & Transcript	Davis says the three-person panel had concerns with Mailloux's continued involvement with contraband cigarettes within the prison



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### Atlantic Seizures

Date	Outlets	Story
30/03/10	New Brunswick Telegraph-Journal	Police officers have arrested two men from Nova Scotia for being in possession of contraband cigarettes during a traffic stop on Highway #2 near Saint-Léonard.
01/04/10	Journal Le Madawaska	À l'intérieur de ce dernier, les policiers ont découvert du tabac de contrebande et saisi 150 000 cigarettes illicites. "Le conducteur et seul occupant du véhicule, un homme du Québec âgé de 75 ans, a été arrêté, et des accusations criminelles seront portées contre lui.
05/04/10	L'Acadie Nouvelle	De la cocaïne et des cigarettes illicites ont été saisies à Shippagan lors d'une perquisition de la GRC.
05/04/10	New Brunswick Telegraph-Journal	Evidence during Gregg's October 2009 trial showed there were also bags containing 66,800 illegal cigarettes and 156 bags or 31,200 grams of unmarked tobacco.
07/04/10	Victoria Star	<b>More than 124,000 illegal cigarettes seized:</b> Investigators believe the illegal cigarettes were destined for the province of Nova Scotia.
07/04/10	Cape Breton Post	About 350,000 individual contraband cigarettes were seized as a result of investigations by Halifax RCMP and Truro customs and excise enforcement sections, with assistance from RCMP northern traffic services and the Nova Scotia provincial fuel and tobacco compliance unit.
07/04/10	New Brunswick Telegraph-Journal	Northwestern New Brunswick has become a focal point of the country's contraband tobacco smuggling problem, with millions of cigarettes funneled each year through the region from Quebec into Atlantic Canada.
08/04/10	The Chronicle-Herald	A man faces charges after a Halifax raid netted thousands of illegal cigarettes.
08/04/10	Journal Le Madawaska	Selon l'information obtenue, on a saisi 260 000 cigarettes de contrebande et la camionnette utilisée pour transporter des cigarettes illégales.
09/04/10	Cape Breton Post	Mounties seize contraband cigarettes during a warranted search of a Sydney area home, Wednesday. RCMP customs and excise section seized approximately 35,600 cigarettes as a result of the search.
12/04/10	Times & Transcript (Moncton)	A routine traffic stop on the Trans-Canada Highway (Highway 2) near the Mapleton Road, Moncton, exit Thursday by Moncton Customs and Excise Section members resulted in the seizure of an estimated 290,000 alleged contraband cigarettes and arrest of two men.
14/04/10	The Evening News (New Glasgow)	A Pictou man is facing contraband charges after Mounties found approximately 5,400 contraband cigarettes and cigars.



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## Media Watch

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Date	Outlets	Story
15/04/10	Cape Breton Post	A North Sydney man has been convicted in Sydney provincial court of two counts under the Excise and Revenue Acts stemming from the distribution of contraband tobacco in Cape Breton. Toomey was charged after RCMP seized 2,700 cartons of contraband cigarettes in Mira Gut on June 30, 2008.
15/04/10	Times & Transcript (Moncton)	A 23-year-old Moncton man who got caught in Salisbury with a truckload of more than two million illegal cigarettes has been ordered to pay fines totalling \$1,330,600, at a rate of \$200 per month.
16/04/10	The Telegram (St. John's)	To combat contraband tobacco, the Atlantic Convenience Store Association wants better enforcement and stiffer penalties for both the sellers and buyers of illegal cigarettes.
16/04/10	Times & Transcript (Moncton)	Anthony William MacDonald, 52, was arrested and charged with cultivating marijuana, possession of marijuana for the purpose of trafficking and possession of illegal cigarettes.
20/04/10	New Brunswick Telegraph-Journal	RCMP seized 16,000 contraband cigarettes during raids on two separate residences in the Tracadie-Sheila area last week.
20/04/10	Amherst Daily News (NS)	William Alfred Canning, 45, was fined almost \$600 after pleading guilty to one count of possession of tobacco with unpaid taxes.
21/04/10	The Western Star (Corner Brook)	Roger David Penton of Ajax, Ont. has changed his pleas to guilty on all four charges stemming from two separate highway arrests involving illegal tobacco.
21/04/10	L'Acadie Nouvelle	Un individu de 44 ans de Grand-Sault, Roger Poitras, a écopé d'une amende de 7379 \$ pour avoir reconnu sa culpabilité d'avoir eu en sa possession 10 200 cigarettes illégales, lors d'une perquisition à son domicile par la GRC en janvier.
22/04/10	The Chronicle-Herald	A Lunenburg County shrimp fisherman was fined more than \$5,000 Wednesday for having a \$500 box of illegal smokes.
22/04/10	The Evening News (New Glasgow)	Samuel Phillip Harris, 46, and Bobby Allan Harris, 18, were arrested Feb. 8 for possessing tobacco on which the tax has not been paid; possessing tobacco not bearing the prescribed mark; possessing tobacco not purchased in a retail establishment and possession of unstamped tobacco.