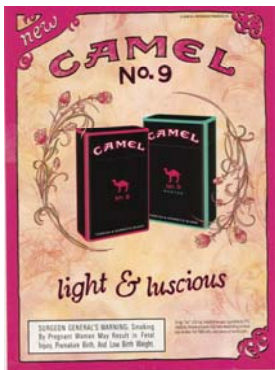


Tobacco Industry Wrongdoings: 2007 Snapshots

“Defendants continue to engage in many practices which target youth, and deny that they do so... Defendants continue to track youth behavior and preferences and market to youth using imagery which appeals to the needs and desires of adolescents. Defendants are well aware that over eighty percent of adult smokers began smoking before the age of 18, and therefore know that securing the youth market is critical to their survival.” – U.S. District Court Judge Gladys Kessler describing the ongoing targeting of kids by the major tobacco companies in her final findings of fact in *U.S. v. Philip Morris*. (August 17, 2006)

The tobacco industry continued its long-standing tradition of misdeeds, despite legal settlements, in 2007. The following is a snapshot:

- The tobacco companies continue to spend millions of dollars each day marketing their deadly products. In April 2007, the Federal Trade Commission (FTC) published its latest report on cigarette tobacco company marketing expenditures. In 2005, the most recent data available, the tobacco companies spent more than \$13.1 billion marketing cigarettes. Many of those dollars go to price promotions (“Buy one, get one free” and coupons for \$1.00 off per pack), negating the efforts by states to reduce use by increasing the cost of cigarettes.
- In 2007, the two largest cigarette companies ventured into the smokeless tobacco product markets, with Philip Morris launching Marlboro Snus and RJ Reynolds selling Camel Snus. These products discourage people from quitting tobacco product use altogether and often come in a variety of appealing flavors that encourage kids to start using tobacco products.
- Just months after R.J. Reynolds signed an agreement with state Attorneys General to stop marketing candy-, fruit- or alcohol-flavored cigarettes, the company launched its new line of “signature blends”. While the names of the cigarettes are “Mellow”, “Infused” and “Frost”, RJ Reynolds’ website describes Mellow as “accented with toasted honey”; Frost as “Fine Asian Mint ... while the creamy finish delivers a smooth, buttery aftertaste”; and Infused as offering “notes of Citrus” and “a sweet apple-like flavor.”



- In January, Camel and its parent company, RJ Reynolds, continued its long history of unacceptable marketing campaigns aimed at kids with the launch of Camel No. 9. This product, which is clearly aimed at young girls and teens, features bright pink and green coloring and claims to be “Light and Luscious.” In September, in magazines with high youth readership, Camel launched the Camel No. 9 100s line, featuring “Stiletto” cigarettes.
- Philip Morris and RJ Reynolds spent over \$12 million – about \$24 per vote – defeating a ballot initiative in Oregon that would have increased the state’s cigarette tax to fund that state’s children’s health insurance program. During the campaign, RJ Reynolds

was exposed for sending a letter to voters across the state that appeared to come from a first-grade teacher but actually was sent from one of their lobbyist’s offices.

- In December, eight state Attorneys General sued RJ Reynolds for violating the Master Settlement Agreement (MSA). A four-page cartoon insert appeared in *Rolling Stone* magazine, announcing a promotion involving “indie rock” bands. While both R.J. Reynolds and *Rolling Stone* have said the cartoon was “editorial content” and not part of the paid advertisement by Camel, it appears that the ad may violate the MSA by using cartoons to advertise cigarettes.