

# Illegal Tobacco Task Force Minutes

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**Meeting Date:** December 11, 2018

**Meeting Time:** 10:30am

**Meeting Location:** 100 Cambridge Street, 2<sup>nd</sup> Floor, Conference Room A

**Board Members Present:** Kajal Chattopadhyay (Co-Chair), Capt. Steve Fennessy (Co-Chair), Patricia Henley, David Solet, Amber Villa, Mike Sweeney.

**Others:** Evan Garcia, Brenda McConville, Lee Humphries, Alex Spelman, Maggie Cohen, David Cahill, Molly Slingerland, Scott Delaney, Walter Foley, Mary McCauley

## Call to Order:

- Mr. Chattopadhyay called the meeting to order at 10:45am.
- He gave a brief overview of the previous meeting and what was covered.
- All Task Force members were asked to review the previous meeting minutes. Members from the AGO and DPH offered minor edits to the submitted minutes (spelling related).
  - Mr. Solet made a motion to approve the minutes with the edits.
  - Capt. Fennessy seconded the motion.
  - Minutes were unanimously approved with the suggested edits.

## Housekeeping/Updates:

- Mr. Chattopadhyay updated the Task Force on a tobacco enforcement case that recently wrapped up in Woburn. According to Mr. Chattopadhyay, the case involved a tobacco retailer who was purchasing untaxed product from Hanscom Air Force Base and reselling the tobacco products without collecting and remitting the applicable Massachusetts excise. The defendant pleaded guilty and agreed to pay \$417K in restitution, which has been paid to DOR.
- FY18 tobacco revenue figures were also shared by Mr. Chattopadhyay. Massachusetts revenue collections from cigarette sales declined, which is consistent with a national decline in cigarette sales and revenues. However, revenue collections from sales of other tobacco products showed an increase from the previous year.
- Mr. Chattopadhyay introduced officials with the MA State Police (MSP) Unit assigned to the Attorney General's Office (MSP-AGO) and asked them to give some background on the work they've been doing.
- In light of Captain D'Amore's retirement, the MSP-AGO was re-configured to take on tobacco investigations. This will result in a substantial increase in the number of State Troopers working on tobacco investigations.
- Det. Lt. Mary McCauley and Sgt. Walter Foley were introduced and given the floor to speak. Under their leadership, the MSP-AGO will be working regionally with other units and partners to ramp up efforts and share intelligence.

- According to Sgt. Foley, the unit has been working with DOR's Peter French on building tobacco knowledge and has been attending trainings across the country.
- Det. Lt. McCauley stressed that as the Task Force continues its work and increases the scope of its investigations, a major need for their team is additional storage for seized tobacco products in order to comply with evidence retention requirements.

#### **FDA Follow-up:**

- Mr. Chattopadhyay gave an update on the ongoing outreach with the FDA regarding the Task Force's proposal to stamp smokeless tobacco products.
- After the FDA agreed to review a sample, the Task Force provided a sample of stamped product for their review. At the time of the meeting, no comments had yet been received from the FDA.

#### **Smokeless Tobacco Stamping Presentation:**

- Representatives from SICPA and USI were invited to show a demo of the OTP stamping machine to members of the Task Force and to discuss specifications (size, throughput, cost, etc.) of the newly designed machine. A short video was shown of the machine working to stamp products.
- Mr. Humphries of USI provided some insight into additional aspects of the machine and answered some questions about the machine itself, including the bagging mechanism.
- Mr. Spelman with SICPA then gave an overview of how the machine will work with SICPA technology that the Commonwealth is already using to stamp cigarettes. The use of this technology will allow the Commonwealth to monitor tax collections from sales of smokeless tobacco in the same way it currently monitors tax collections from sales of cigarettes.
- Mr. Chattopadhyay stated he believes the time is fast approaching for the Task Force to decide where they want to go with the smokeless stamping proposal and to think about the steps needed to implement a smokeless stamping program.
- Mr. Solet indicated that he sees the need for the proposal to move forward now that the technology is ready to be deployed. He proposed the Task Force prepare a package for legislators and administration officials to outline the costs and benefits of the proposal. Mr. Sweeney agreed, but stressed the Task Force should keep in mind the financial burden this may cause some smaller, private industry partners. He suggested the Task Force think about ways to minimize the financial burden of implementing a smokeless stamping program. Ms. Villa also raised some concerns regarding potential liability issues.
- Mr. Chattopadhyay said he will begin by requesting revenue projections and assembling the information needed to put together a legislative proposal.

#### **Other Business**

- The next meeting was set for January 15, 2019 at 10:30am.
- Meeting was adjourned at 11:54am by Mr. Chattopadhyay.