

NCACT Meets with Northern Ontario Leaders to Discuss Illegal Tobacco Epidemic, Solution that Sees Municipalities Benefitting

Ontario municipalities should seek provincial action to curb illegal tobacco problems

Ottawa - (August 14, 2017) Today, Gary Grant, National Spokesperson for the National Coalition Against Contraband Tobacco (NCACT) spoke to representatives from Northern Ontario at the annual Association of Municipalities of Ontario (AMO) conference about the epidemic of illegal tobacco that is plaguing their communities, and is encouraging municipal representatives to encourage the province to take the problem more seriously.

“1 in 3 cigarettes purchased in Ontario are contraband, and in Northern Ontario that numbers jumps to an average of more than 54% illegal tobacco use,” said Gary Grant. “The RCMP have identified 175 criminal gangs involved in the trade that continue to profit and fund their other illegal activities, including guns, drugs and human smuggling. Community leaders need to encourage action to stop this growing threat.”

In April, the Ontario provincial budget neglected for the 5th year in a row to implement measures that would work. The Ontario government’s 2012 budget indicated that it was “actively” considering new measures, including best practices from other provinces, to address contraband. While the province has incrementally added some measures since then, half a decade later Quebec-style enforcement measures have not yet been introduced. There, the *Acces Tabac* program and Bill 59 provides the resources and power to local police to conduct contraband tobacco investigations and allows the municipalities to keep the profits from the seizures it makes, thereby supporting the local communities. With these measures, Quebec has reduced contraband tobacco by half, and netted more than \$180 million in additional revenues in 2015-2016.

“Ontario has repeatedly neglected to introduce measures that would have the greatest effect in reducing the out of control contraband problem,” continued Gary Grant, a 39-year veteran of the Toronto Police Service. “The provincial government is keen to pride itself, having collected \$38 million since 2008 in penalties under the tobacco tax act, but that is just 1/5th of what Quebec’s *Acces Tabac* program netted in one year. Instead, we know contraband tobacco in Ontario costs the provincial and federal government more than \$1 billion annually. Money that Northern Ontario municipalities could certainly use.”

Quebec-style enforcement measures disrupt illegal networks, leading to an actual contraband reduction. Recent discussions about Canadian smoking rates identify that illegal cigarettes undermine tobacco control efforts. Tobacco control can’t work if Ontarians can get cheap, unregulated cigarettes in any part of the province with ease. “Attitudes in Northern Ontario were shockingly unconcerned about the consequences of using illegal cigarettes.”

Contraband cigarettes are produced in 50 illegal factories in Canada, largely in Ontario and Quebec. Each can produce millions of cigarettes in a day. Contraband tobacco is also a major drain on the public purse. Contraband tobacco was identified as a key area of loss to the underground economy in the Drummond report.

“Tackling illegal cigarettes is good for Ontario communities. It hurts organized crime and helps to make tobacco control regulations more effective,” continued Grant. “It’s long past time that Ontario adopt measures demonstrated to have made real reductions in contraband, and helps put the money in the coffers of the municipalities curbing the illegal trade.”

-30-

About NCACT

The National Coalition Against Contraband Tobacco is a Canadian advocacy group formed with the participation of businesses, organizations and individuals concerned about the growing danger of contraband cigarettes. NCACT members share the goals of working together to educate people and urge government to take quick action to stop this growing threat.

The members of the NCACT are: Association des détaillants en alimentation du Québec (ADA), Association des marchands dépanneurs et épiciers du Québec (AMDEQ), Canadian Chamber of Commerce, Canadian Convenience Stores Association (CCSA), Canadian Manufacturers and Exporters, Canadian Taxpayers Federation, Canadian Tobacco Manufacturers Council, Conseil du patronat du Québec (CPQ), Customs and Immigration Union,

Échec au crime Québec, Fédération des chambres de commerce du Québec (FCCQ), Frontier Duty Free Association (FDFA), National Convenience Stores Distributors Association (NACDA), Ontario Chamber of Commerce, Retail Council of Canada, Toronto Crime Stoppers, United Korean Commerce and Industry Association (UKCIA), and National Capital Area Crime Stoppers.

For more information, contact:

Kalene DeBaeremaeker

(p) 1-866-950-5551

(m) 613-857-1758

(e) info@stopcontrabandtobacco.ca