



Illegal Tobacco: Undermining Tobacco Control Measures in Wales

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Foreword

ASH Wales Cymru has identified illegal tobacco as a priority area for tobacco control in Wales. Around 531,000 adults, or approximately 21% of the adult population in Wales, are smokers¹. Illegal (or illicit*) tobacco constitutes a serious public health risk by undermining initiatives aimed at reducing smoking rates. Smuggled tobacco is most likely to be sold in deprived areas² where rates of tobacco consumption are already creating significant ill health in Wales. ASH Wales Cymru is committed to raising awareness of the problem of illegal tobacco among key stakeholders and the Welsh public.

Article 1 of the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) defines illicit trade as 'any practice or conduct prohibited by law and which relates to production, shipment, receipt, possession, distribution, sale or purchase including any practice or conduct intended to facilitate such activity'³. The main forms of tobacco smuggling are:

- Counterfeit
- Non-Duty Paid
- Cheap Whites/Illegal Whites

In 2014 ASH Wales Cymru received a grant from the Tobacco Advisory Group at Cancer Research UK to commission the first ever study into the scale and problem of illegal tobacco across Wales. This study is based on similar work from the 'Tackling Illicit Tobacco for Better Health' programme which has had a measurable effect on the problem in three regions of England (North East, North West, South West)⁴. ASH Wales Cymru has produced this report to set out clear recommendations to reduce the availability and consumption of illegal tobacco across Wales. An all-Wales tackling illegal tobacco stakeholder group oversaw this work.

As part of this study ASH Wales Cymru commissioned two pieces of work:

1) A pan-Wales illegal tobacco survey conducted by NEMS Market Research**

NEMS market research was commissioned in March 2014 to undertake a Wales-wide survey to provide a baseline on illegal tobacco use and to better understand the cheap tobacco market.

2) An enforcement report

An enforcement report was commissioned in June 2014 to examine the crime and enforcement aspects of the supply of illegal tobacco in Wales. This has been produced by Steven Hay (Littleton Murdoch Ltd.) who has over 20 years of operational and managerial experience of working in Local Authority Regulatory Services.

*The terms 'illegal tobacco' and 'illicit tobacco' will be used interchangeably throughout this report, due to the fact that the enforcement report and NEMS study use the two terms to mean the same thing.

**The complete illegal tobacco NEMS report is available on request from ASH Wales.

¹ Welsh Health Survey 2013: <http://wales.gov.uk/statistics-and-research/welsh-health-survey/?lang=en>

² A Taylor, M Langdon and P Campion (2005): "Smuggled tobacco, deprivation and addiction", European Journal of Public Health; Vol 15, pp399-403.

³ WHO FCTC: http://www.who.int/tobacco/framework/WHO_FCTC_english.pdf

⁴ Tackling Illicit Tobacco for Better Health programme: <http://www.illegal-tobacco.co.uk/>

Executive Summary

ASH Wales has commissioned the first ever study into the scale and extent of illegal tobacco across Wales through; a Wales-wide survey by NEMS Market Research and an enforcement report. The extent of the problem was previously unknown in Wales. The approach adopted is based on the successful 'Tackling Illicit Tobacco for Better Health' programme in the North and South West of England which has had a measurable effect on the problem of illegal tobacco.



Tobacco smoking is the largest single preventable cause of ill health and death in Wales with approximately 21% adult smoking rates⁵, equating to around 531,000 adult smokers. The Tobacco Control Action Plan for Wales sets out a target to reach 16% adult smoking rates by 2020 through smoking prevention and cessation initiatives. Tobacco control measures are crucial in reducing smoking prevalence and rates of smoking attributable diseases. Thus the presence of illegal tobacco has become a critical issue for public health⁶, due to its impact on key tobacco control measures including taxation, age restrictions upon sales and point-of-sale display bans. Illegal tobacco is significantly cheaper than cigarettes from legal sources, meaning that lower prices can serve to undermine these interventions by providing an accessible lower-priced alternative source⁷. We know that low income smokers are more likely to use illegal tobacco⁸ and that illegal tobacco also acts as a source of supply for young people, particularly those from more deprived backgrounds⁹. This undermines both measures to encourage cessation and to deter uptake amongst crucial population groups. Therefore tackling the presence of illegal tobacco in our communities is critical to reducing existing health inequalities, and smoking-attributable mortality and morbidity rates.

Illegal Tobacco

The illicit tobacco volume market share of **15%** is among the highest recorded on any of the regional surveys in England and Wales, on a par with the levels in the North East from 2009, which has subsequently declined significantly due to the implementation of a comprehensive programme tackling illegal tobacco. Almost half (45%) of smokers have been offered illicit tobacco to buy, with one in seven smokers being approached often by sellers. A quarter of current smokers purchase illicit tobacco, and this makes up an average of around 42% of their total tobacco consumption. Unsurprisingly, the most prevalent channel for illicit purchase was at a **private address** (52%), followed by a pub/club (45%). There are also notable levels of availability in shops (19%).

⁵ Welsh Health Survey 2013, Welsh Government: <http://wales.gov.uk/statistics-and-research/welsh-health-survey/?lang=en>

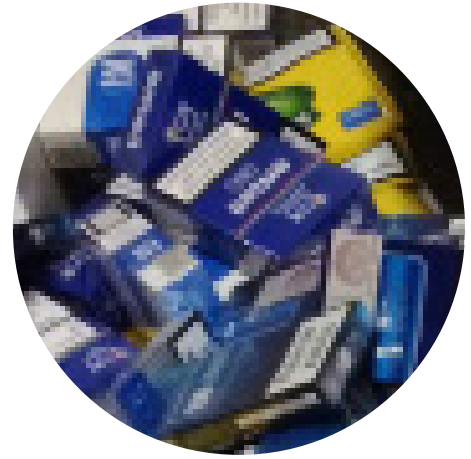
⁶ L Joosens and M Raw (2000): "How can cigarette smuggling be reduced?" British Medical Journal; Vol 321, pp947-950.

⁷ L Joosens (November 2012): Smuggling, the Tobacco Industry and Plain Packs.; p4. Available at: http://www.cancerresearchuk.org/prod_consump/groups/cr_common/@nre/@pol/documents/generalcontent/smuggling_fullreport.pdf; G C Mcreedy et al (2013): "Association between use of contraband tobacco and smoking cessation outcomes: a population-based cohort study" Canadian Medical Association Journal, DOI: 10.1503/cmaj.111861

⁸ R West et al (2008): "Why combatting tobacco smuggling is a priority", BMJ, Vol 337: pp1028-1029.

⁹ C Moodie et al (2010): "Adolescents awareness of, and involvement with, illicit tobacco in the UK", Tobacco Control; Vol 19 (6), pp521-522.

Price is a proven component of tobacco consumption, with lower prices boosting consumption levels. The average price paid for a single pack of 20 illicit cigarettes is around £4 (compared to an RRP of £8.43), while the average price for a 50 gram pouch of hand rolling tobacco averaged £8 (compared to an RRP of £17.59) in Wales. The low price of illicit tobacco increases the affordability of the habit for buyers; more than seven out of ten buyers agree strongly that illicit tobacco makes it possible for them to smoke when they could not otherwise afford it. Efforts to reduce consumption of tobacco are being undermined by the sale of cheap tobacco, in particular illicit.



Awareness and Perceptions

Across Wales, awareness of illegal tobacco is high. The proportion of non-smokers who have come across illicit tobacco is an indicator of the visibility of illicit tobacco in the marketplace: just under one in five (17%) of non-smokers have come across it. There is also a strong link between comfort with illicit tobacco and the size of the illicit market in Wales. However, 68% of adults see illicit tobacco as a very important or important issue affecting the local community and a quarter of them are likely to report the sale of illegal tobacco. This is encouraging, as it means that the population is likely to be receptive and responsive to marketing messages about illegal tobacco. Over half (53%) of adults agree strongly that illicit tobacco brings crime into their local community and 43% agree strongly that it encourages gangs and anti-social behaviour.

Just over a quarter (26%) of the adult population indicated a likelihood to report the sale of illicit tobacco, with 12% being very likely to do so. When asked where they would report someone selling illicit tobacco, the overwhelming choice was the police, with smaller numbers of people mentioning Trading Standards, Customs Hotline, Crime Stoppers and HMRC as possible options. With this diversity of channels for reporting, it is clear that there needs to be effective coordination and communication between these agencies to maximise the impact of any future marketing campaign.

Enforcement

The supply of illegal tobacco is a significant issue in Wales. Enforcement agencies have made efforts to tackle the supply of illegal tobacco in Wales, with some significant successes, but the picture is patchy. A lack of intelligence is hampering enforcement agencies. The vast majority of enforcement work in Wales relates to the end supplier and more work is needed to investigate and tackle the chain of supply. The penalties handed out by courts are not strong enough. Higher penalties would help enforcement agencies in their work to reduce the supply of illegal tobacco.

Tackling the supply of illegal tobacco should be a key priority for Trading Standards Services and HMRC, supported by the Police and other agencies (both enforcement and non-enforcement) in Wales, based on the evidence of the NEMS survey and the negative impact illegal tobacco has on communities. The wide remit and resourcing levels of Trading Standards services in Wales has had an impact on the amount of enforcement work that can be carried out in this area.

Tobacco Use in Wales

The importance of tackling illegal tobacco

Tobacco use is the number one Welsh public health concern and the presence of illegal tobacco has become a critical issue due to its impact on key tobacco control measures. Tobacco smoking is the largest single preventable cause of ill health and death in Wales with approximately 21% adult smoking rates¹⁰, equating to around 531,000 adult smokers. It is estimated that 5,450 people die in Wales each year and 27,700 hospital admissions take place as a result of smoking (2010 figures)¹¹. Smoking costs the Welsh economy an estimated £800 million per year in terms of treatment, sickness absence and smoking breaks¹².

Smoking experimentation and uptake can begin as early as the primary school years. A substantial number of Welsh children aged between 13 and 16 smoke at least one cigarette a week. In 2009/10 this was the case for 3% of boys and 6% of girls aged 13-14, and 11% of boys and 16% of girls aged 15-16¹³. Two thirds of smokers start before the age of 18. It is clear young people can quickly develop a dependence on nicotine and may be unable to reduce their risks due to addiction. Interventions to reduce the uptake of smoking among young people are therefore crucial to meet the overall aim of reducing smoking prevalence rates.



Smoking is strongly linked to socio-economic deprivation and increased health inequalities, having been identified as a leading cause for the gap in mortality rates between the most and least deprived areas. Wales follows this trend. The highest rates of smoking prevalence and smoking-attributable mortality can be found in the most deprived areas of Wales, including Rhondda Cynon Taf, Merthyr Tydfil and Blaenau Gwent¹⁴. People in Wales who reside in areas with the highest smoking prevalence rates have the highest rates of lung cancer, the shortest life expectancy and the greatest delays in diagnosis which leads to additional primary care challenges¹⁵.

In 2012 the Welsh Government released its Tobacco Control Action Plan for Wales which contains a target to reduce adult smoking prevalence to 20% by 2016 and to 16% by 2020¹⁶. To successfully achieve this target, it is essential that addicted smokers are encouraged to give up whilst young people are deterred from taking up smoking. Such objectives are potentially being undermined by the presence of illegal tobacco. For instance, illegal cigarettes are considerably cheaper than their legal equivalent, sometimes between 40% and 60% of the retail price¹⁷, making them a particularly attractive proposition in times of economic hardship. Evidence also suggests that smokers on low incomes are more likely to use illegal tobacco¹⁸.

¹⁰ Welsh Health Survey 2013, Welsh Government: <http://wales.gov.uk/statistics-and-research/welsh-health-survey/?lang=en>

¹¹ Tobacco and Health in Wales 2012, Public Health Wales: <http://www.wales.nhs.uk/sitesplus/922/page/59800>

¹² The economic cost of smoking to Wales: a review of existing evidence, 2013, ASH Wales: (http://www.ashwales.org.uk/creo_files/upload/default/cost_of_smoking_to_wales_2013.pdf)

¹³ Health Behaviour of School-aged Children Survey 2009/10. Welsh Government: <http://wales.gov.uk/statistics-and-research/health-behaviour-school-aged-children/?lang=en>

¹⁴ Welsh Health Survey 2013, Welsh Government: <http://wales.gov.uk/statistics-and-research/welsh-health-survey/?lang=en>

¹⁵ Tobacco and Health in Wales 2012, Public Health Wales: <http://www.wales.nhs.uk/sitesplus/922/page/59800>

¹⁶ Tobacco Control Action Plan for Wales, 2012. Welsh Government: <http://gov.wales/docs/phhs/publications/120202planen.pdf>

¹⁷ C Moodie et al (2010): "Adolescents awareness of, and involvement with, illicit tobacco in the UK", Tobacco Control; Vol 19 (6), pp521-522.

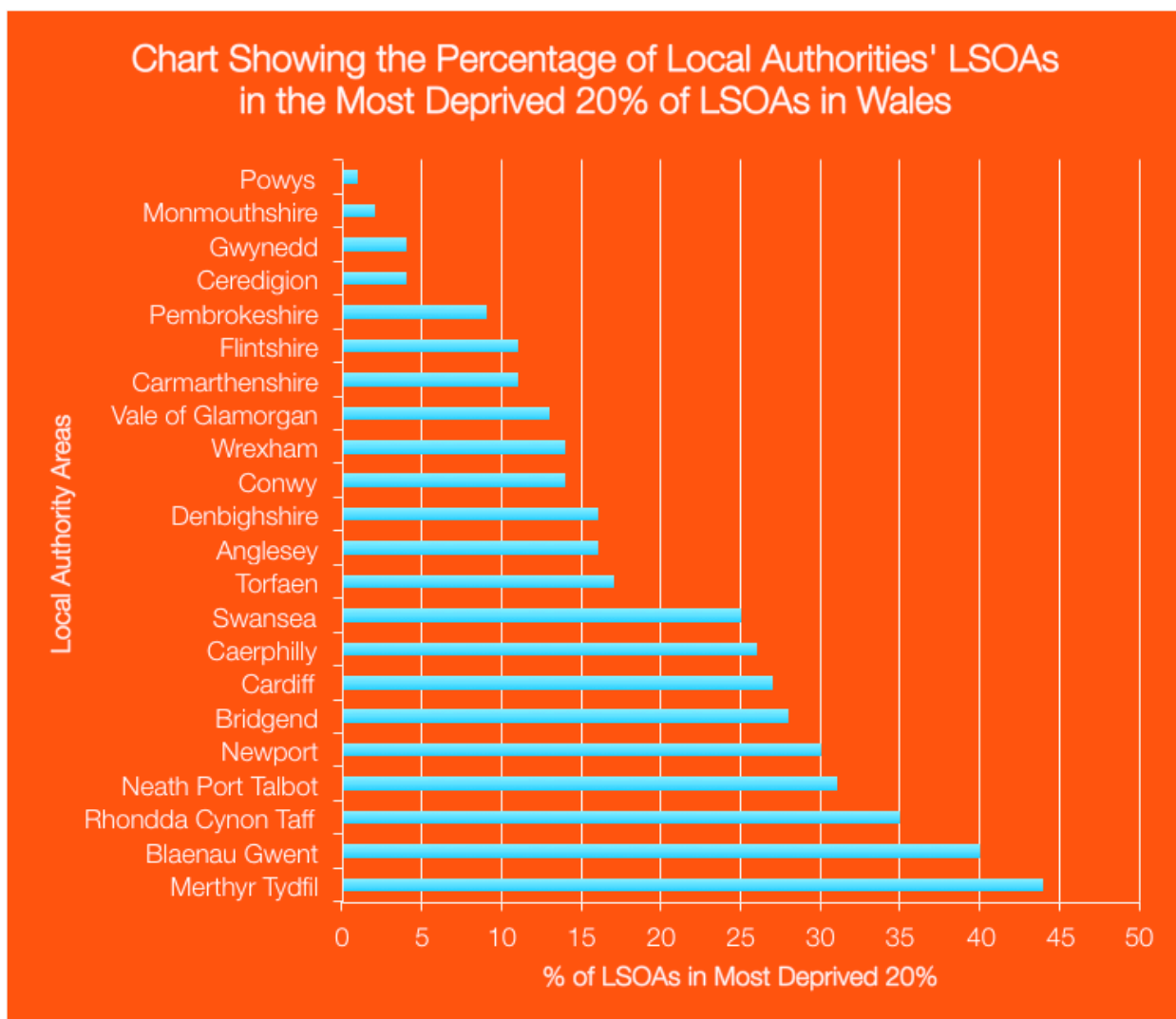
¹⁸ R West et al (2008): "Why combatting tobacco smuggling is a priority", BMJ, Vol 337: pp1028-1029.

Furthermore, illegal tobacco is attractive to young people as its supply sidesteps key regulatory measures such as pricing, age restrictions and point-of-sale display bans. The impact of health warnings can be reduced due to a lack of graphic images on illegal tobacco, small print size or being written in a foreign language. Tobacco smuggling is also linked to other forms of criminal activity, causes a loss of tax revenue and its presence in communities undermines legitimate local retail businesses¹⁹.

Deprivation

As price is the main driver for smokers to purchase illegal tobacco, areas with high levels of deprivation are rich hunting grounds for distributors of illegal product.

The Welsh Indices of Multiple Deprivation data helps us to recognise areas in Wales which may be most at risk when considering smokers purchasing illegal tobacco because that is what is most affordable to them. Each Local Authority area has been broken down into smaller areas, known as lower layer super output areas (LSOAs)²⁰.



(Data from 2011)

¹⁹ A McNeill, B Iringe-Koko, M Bains, et al (2014): "Countering the demand for, and supply of, illicit tobacco: an assessment of the 'North of England Tackling Illicit Tobacco for Better Health' Programme", Tobacco Control; Vol 23, pp44-50.

²⁰ ONS, <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/census/super-output-areas--soas-/index.html>

Illegal Tobacco in Wales

Illegal (or illicit) tobacco can be given different names, sometimes changing according to the part of the UK in which is sold, although most health and enforcement professionals would use the following classifications:

Counterfeit

These are illegally produced and supplied products, which bear copies of registered trademarks and are replicas of well-known brands. Counterfeit cigarettes are sometimes packaged with foreign labelling, including health warnings, to give the impression that they are the genuine products, but imported into the UK.

Non-Duty Paid

These are genuine products, manufactured legally for a local market. They can be UK or non-UK recognised brands. However, they have been smuggled into the UK for illegal supply, with no UK duty having been paid.

Cheap Whites/Illegal Whites

These products have no legal market in the UK. They bear brand names which are not well recognised in the UK as they do not relate to any legitimate products. No UK duty will have been paid in relation to these products. The most common example currently in circulation is Jin Ling.

UK prevalence of Illegal Tobacco

Since 2000, the UK has succeeded in making substantial progress in the fight against the illegal trade. In particular, HM Revenue & Customs and the UK Border Agency have agreed and implemented a detailed strategy to tackle tobacco tax evasion. HM Revenue & Customs mid-range estimates for 2012/13 were that 9% of cigarettes consumed in the UK were illicit, and the proportion of hand-rolled tobacco that was illicit was 36%²¹. Meanwhile, tobacco tax revenues have also continued to rise (ASH fact sheet). The effectiveness of the UK Government actions against illicit trade has been reviewed in a number of reports (most recently from the House of Commons Public Accounts Committee in September 2013²² and the House of Commons Home Affairs Select Committee in June 2014)²³. All these reports have recognised progress since 2000, but recommend that more needs to be done to tackle the illicit trade, especially in some of the most deprived communities in the UK.

For example, the Home Affairs Select Committee expressed concern that the number of convictions in organised crime cases involving illicit tobacco had fallen in recent years (from 78 in 2010/11 to 37 in 2011/12)²⁴. The penalties available are too weak and enforcement too rare.

²¹ HM Revenue and Customs (2013): Tackling tobacco smuggling – Quarter 2 outputs: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/293913/04039_Tackling_tobacco_smuggling_Q2_v1_IW_20131113_accessible.pdf

²² House of Commons Committee of Public Accounts (2013): "HM Revenue & Customs: Progress in tackling tobacco smuggling": <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/297/297.pdf>

²³ House of Commons Home Affairs Committee (2014): "Tobacco smuggling": <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmha/200/200.pdf>

The House of Commons Public Accounts Committee, and National Audit Office reported that total spending on HMRC's tobacco strategy fell between 2011/12 and 2012/13, from £68.9 million in 2011/12 to £67.4 million in 2012-13, although spending on enforcement is highly cost-effective because of its impact in reducing illicit trade and increasing receipts from tobacco taxation^{25, 26}.

UK regional and local illegal tobacco programmes

In 2007, health and enforcement partners gathered in the North of England for a summit on tackling the illegal tobacco trade which led to the launch of the North of England Tackling Illicit Tobacco for Better Health programme in 2009. A similar model was launched in the South West of England in 2011 and in 2013 the two programmes came together to form the Tackling Illicit Tobacco for Better Health partnership.

The UK Centre for Tobacco Control Studies published its independent evaluation of the North of England programme in 2012 and reported that: "The programme has had a measurable effect on the problem in the North of England. It was the first programme to develop a comprehensive approach to tackling the demand for and supply of illicit tobacco... The scheme is an exemplar of partnership working and should now be widely disseminated." The programme and associated publicity has significantly raised awareness and shifted attitudes amongst the public, making people more willing to report trading²⁷.

Latest research in the North East shows that:

- the proportion of smokers buying illicit tobacco had dropped from 24% in 2009 to 17% in 2013
- the size of the illicit tobacco market had shrunk from 15% in 2009 to 11% in 2013²⁸

Latest research in the South West shows that:

- the proportion of smokers buying illicit tobacco had dropped from 20% in 2010 to 16% in 2013
- the size of the illicit tobacco market had shrunk from 11% in 2010 to 7% in 2013²⁹

As a result of the programme in the South West:

- 400,000 more people are now aware of the issue of illegal tobacco
- 130,000 more people in the region now view the issue as important
- 780,000 more people in the region are reporting that they feel uncomfortable with the issue of illegal tobacco³⁰

²⁴ House of Commons Home Affairs Committee (2014); "Tobacco smuggling": <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmhaff/200/200.pdf>

²⁵ House of Commons Committee of Public Accounts (2013); "HM Revenue & Customs: Progress in tackling tobacco smuggling": <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpublicacc/297/297.pdf>

²⁶ National Audit Office (2013); "Progress in tackling tobacco smuggling": <http://www.nao.org.uk/wp-content/uploads/2013/06/10120-001-Tobacco-smuggling-Full-report.pdf>

²⁷ UK Centre for Tobacco Control Studies (2012); "Tackling Illicit Tobacco for Better Health": <http://www.illegal-tobacco.co.uk/wp-content/uploads/2014/03/Tackling-Illicit-Tobacco-for-Better-Health-Evaluation-Executive-Summary-January-2012.pdf>

²⁸ NEMS, North East Illicit Tobacco Survey 2013: http://www.illegal-tobacco.co.uk/wp-content/uploads/2014/03/NE_Illicit_Tobacco_Report_key_findings.pdf

²⁹ <http://www.illegal-tobacco.co.uk/wp-content/uploads/2014/04/140388-TKL-Illicit-Tobacco-A0-Poster.pdf>

³⁰ Smokefree South West (2013); A picture of health – Reducing tobacco-related harm in the South West: <https://smokefreesouthwest.org.uk/About%20Us/Smokefree%20%20Year%20Review%20Document%20%28easy%20print%20-%20page%20per%20A4%29.pdf>

The successes of the Tackling Illicit Tobacco for Better Health partnership and its programmes have been endorsed in reports by a number of national and international bodies, all of which recognise the value of collaborative working to tackle the illegal tobacco trade:

- All Party Parliamentary Group on Smoking and Health's inquiry into the illegal trade in tobacco products³¹
- National Audit Office report on progress in tackling tobacco smuggling³²
- Public Accounts Committee report on progress in tackling tobacco smuggling³³
- Healthy Lives, Healthy People, HM Government's tobacco control plan for England³⁴
- HM Revenue & Customs and the UK Border Force strategy on Tackling Tobacco Smuggling Together³⁵

The partnership's overall legacy will be changed social norms around illicit tobacco.

Framework Convention on Tobacco Control

The World Health Organisation (WHO) Framework Convention on Tobacco Control (FCTC) was adopted by the World Health Assembly on 21 May 2003 and entered into force on 27 February 2005. The UK is a signatory of the FCTC, which represents an evidence-based treaty that reaffirms the right of all people to the highest standard of health. Part IV of the FCTC focuses on measures relating to the reduction of the supply of tobacco and Article 15 specifically relates to tackling the illegal trade in tobacco products.

As a party to the agreement the UK is obliged to:

*recognise that the elimination of all forms of illegal trade in tobacco products, including smuggling, illegal manufacturing and counterfeiting, and the development and implementation of related national law, in addition to subregional, regional and global agreements, are essential components of tobacco control*³⁶.

³¹ All Party Parliamentary Group on Smoking and Health (2013): Inquiry into the illicit trade in tobacco products: <http://www.ash.org.uk/APPGillicit2013>

³² National Audit Office (2013): "Progress in tackling tobacco smuggling": <http://www.nao.org.uk/wp-content/uploads/2013/06/10120-001-Tobacco-smuggling-Full-report.pdf>

³³ House of Commons Committee of Public Accounts (2013): "HM Revenue & Customs: Progress in tackling tobacco smuggling": <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpublic/297/297.pdf>

³⁴ Department of Health (2011): "Healthy Lives, Healthy People: A Tobacco Control Plan for England": https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/213757/dh_124960.pdf

³⁵ HM Revenue & Customs and UK Border Agency (2011): "Tackling Tobacco Smuggling – building on our success": http://www.ash.org.uk/files/documents/ASH_814.pdf

³⁶ WHO (2003): Framework Convention on Tobacco Control: <http://whqlibdoc.who.int/publications/2003/9241591013.pdf>

NEMS: Wales Illegal Tobacco Survey

In March 2014 ASH Wales commissioned NEMS Market Research to carry out the first ever study to assess the scale of the illegal tobacco market in Wales and to provide a knowledge baseline. NEMS conducted 2,547 interviews across the 22 local authority areas of Wales using a mix of telephone and in-street interviewing between March and May 2014. The survey was modelled on those conducted on behalf of the 'Tackling Illegal Tobacco for Better Health' programme in the North West, North East and South West of England³⁷. All local authority areas were disproportionately sampled ensuring an adequate sample was achieved across all 22 areas that make up Wales; these were grouped at the analysis stage, based on Assembly Regional Committee (ARC) areas (Appendix 1). Full details on sampling methods used, the weighting of data and statistical reliability of the sample can be found in Appendix 2 and 3.

The NEMS survey helps to better understand the following:

- The people purchasing cheap tobacco and in particular illegal tobacco products
- Their motivation for doing so
- The groups most likely to be persuaded to stop buying these products.
- The groups most likely to be persuaded into providing information to the authorities about the sale of illegal tobacco
- The attitudes of non-users about the potential impact of illegal tobacco on the community
- The awareness of, and attitudes to, the issues involved
- Who would be their most effective 'messengers' and channels
- The best approach for engaging the wider community, smokers and non-smokers alike, in addressing this problem. Understanding their perceptions about the impact of illegal tobacco on their community



³⁷ Tackling Illicit Tobacco for Better Health programme: <http://www.illegal-tobacco.co.uk/>

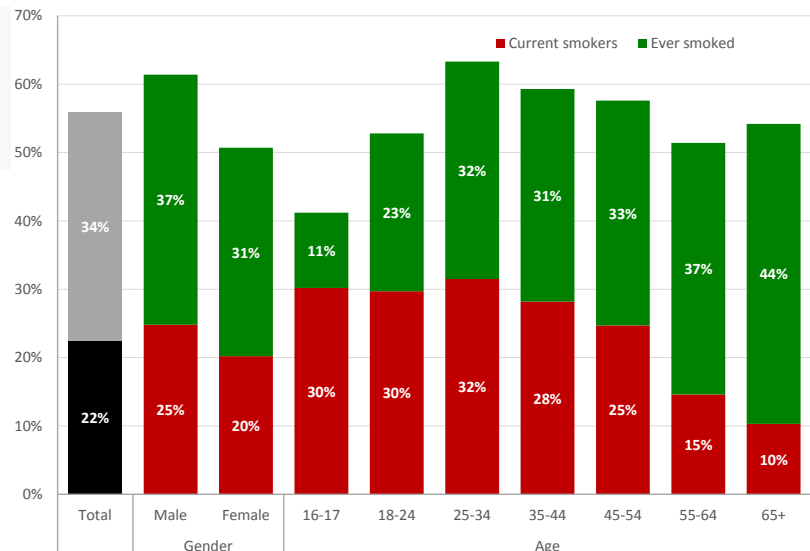
Key Findings

Smoking prevalence

NEMS data showed 22% of Welsh adults (age 16+) currently smoking³⁸. The prevalence of current smokers shows a steady decline as age increases, representing only 10% among the oldest age group – from a peak prevalence of 32% among those aged 25-34 years old.

Fig. 1 – Smoking prevalence by age (Q01³⁹ & Q02⁴⁰)

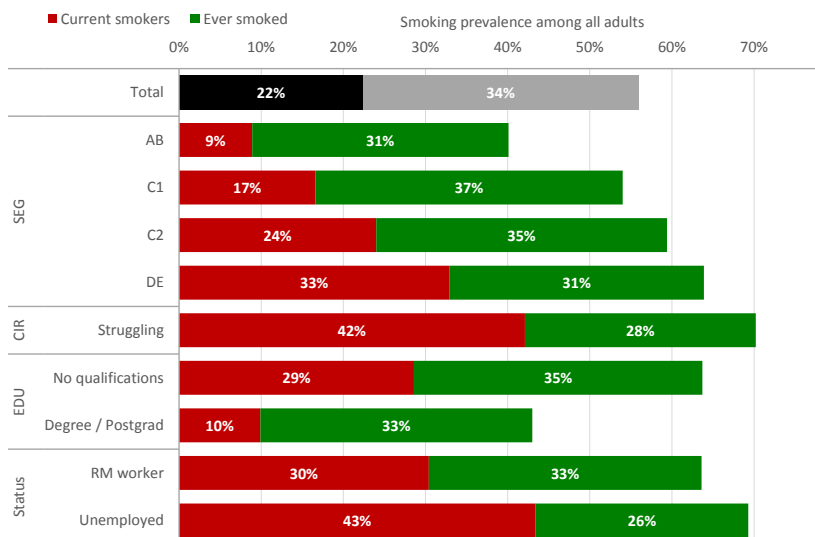
Base: total sample [2,547]



The data show that smoking prevalence and socio-economic grade are inversely proportional. Smoking prevalence is 9% among ABs (high and intermediate managerial professions) and 33% among DEs (semi/unskilled workers and unemployed).

Fig. 2 – Smoking Prevalence by Circumstances (Q01 & Q02)

Base: total sample [2,547]



³⁸ Please note this is slightly different to the most widely used Welsh Health Survey data of smoking prevalence of 21% (2013).

³⁹ Q01 Have you ever smoked cigarettes (packet or roll-your-own) or used other tobacco products?

⁴⁰ Q02 Do you still use tobacco products?

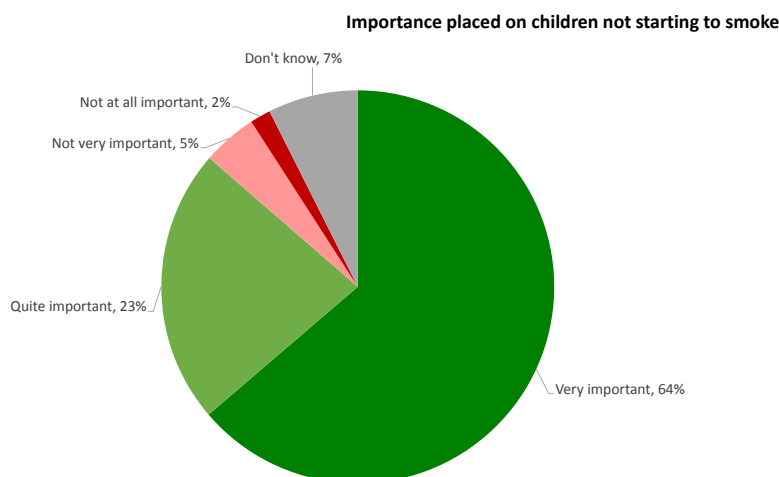
In addition to being more likely to smoke tobacco products, those considered to be ‘struggling’ financially also recorded higher levels of tobacco consumption.

Thoughts about the habit among children

Respondents were asked “If you were a parent, how important would it be to you that your child did not start smoking?” Almost everyone gave some importance to their child not smoking, with 64% answering “*very important*” and a further 23% “*quite important*”. This was common across all demographic groups, smoker types and regional areas, with non-smokers citing a greater degree of importance (87% “*very important*”, compared to 64% among current smokers).

Fig. 3 – Attitude toward children starting the smoking habit (Q44⁴¹)

Base: total sample [2,547]



Hand-rolling tobacco, use and perceptions

Similar to studies carried out in other regions of England, manufactured cigarettes are the most widely consumed form of tobacco, with seven out of ten smokers purchasing them. However, there is a notable sub-sample of smokers who choose to purchase hand-rolling tobacco, 38% in total. In this study, three quarters of hand-rolling tobacco smokers exclusively used hand-rolling tobacco.

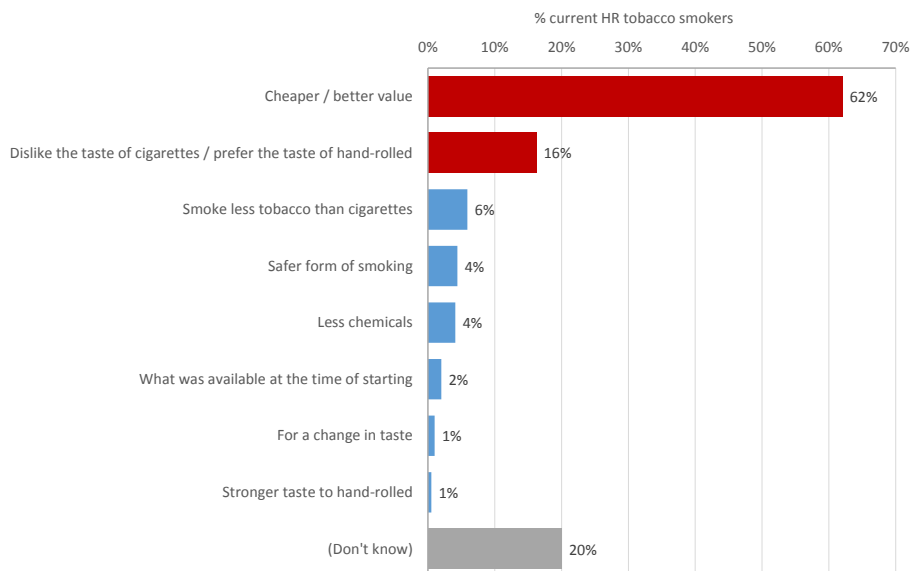
The use of hand-rolling tobacco among current smokers is greater among males and those in lower socio-economic groups.

Cost is the primary reason why hand-rolling tobacco smokers choose this particular tobacco product over manufactured cigarettes; with the belief that hand-rolling tobacco is “cheaper” or “better value” than manufactured cigarettes being felt by 62% of current hand-rolling tobacco consumers. 16% prefer the taste, while 6% prefer hand-rolling tobacco because it gives them more control over their consumption levels. Interestingly, around 8% of hand-rolling tobacco smokers felt it was a safer form of smoking and that it contains fewer chemicals than manufactured cigarettes.

⁴¹ Q44 Now thinking more generally about smoking. If you were a parent, how important would it be that your child did not start smoking?

Fig. 4 – Reasons for smoking hand-rolling tobacco (Q21⁴²)

Base: current hand-rolling tobacco smokers [498]



Cheap Tobacco Market

Irrespective of whether the source of cheap tobacco is duty free⁴³ or illicit, it is the need for cheaper alternatives to UK duty-paid tobacco that drives the cheap tobacco market. The purchasing habits of both duty free and illicit tobacco buyers were assessed among the sample of current smokers to gauge buying habits for both tobacco types, in addition to determining the market shares.

Women tend to be more likely to purchase duty free, as opposed to illicit tobacco; the same can be said of people socio-economically categorised as ABC1s and those with degree level education or higher. While those in unemployment, struggling or from the lowest socio-economic group are more inclined to buy illicit tobacco to fulfil their cheap tobacco needs.

The cheap tobacco market for Wales accounts for 19% of total tobacco consumption.

The differing share of cheap tobacco can best be seen in

Fig. 5, which shows the split of cheap tobacco for each of the 4 regional areas, highlighting South West Wales as the leading area for cheap tobacco consumption – with 24% of all tobacco consumed being “cheap”. 19% of this cheap tobacco is illicit.

⁴² Q21 Why do you smoke hand-rolling tobacco rather than sticks?

⁴³ There was no specific definition of duty free given to respondents, but the question wording is explicit and unambiguous. There were two questions that in effect define it:

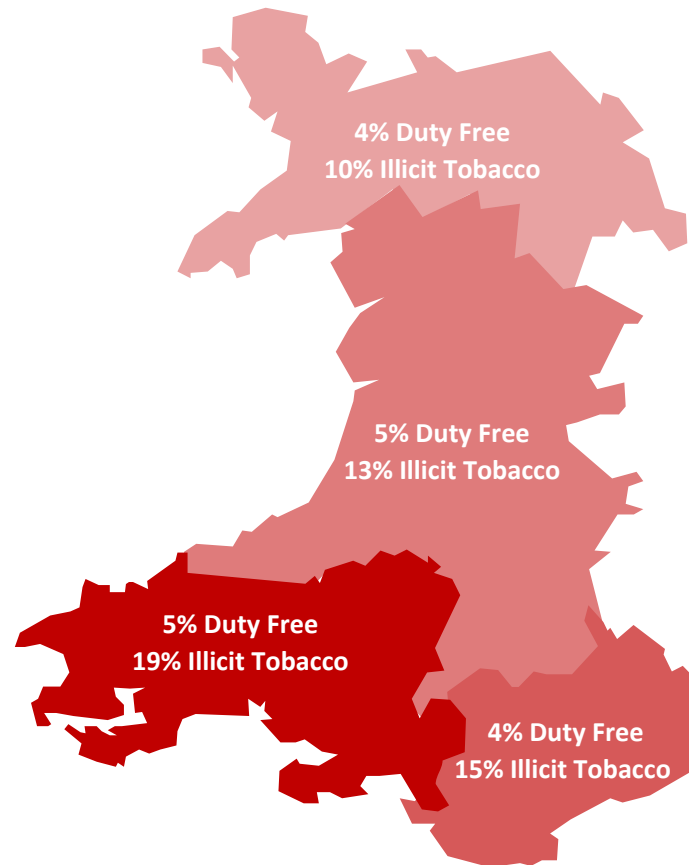
Q04 In the last 12 months, how many times have you been abroad and purchased tobacco to bring home with you?

Q07 And how often has someone else brought duty free tobacco from abroad for you in the last 12 months?

It is therefore tobacco that has been purchased on a trip abroad then brought back into this country.

Fig. 5 – Cheap tobacco volume share (% of the total tobacco market)

Base: current smokers [1,274]



Duty Free

Despite smoking prevalence being greater among those in lower socio-economic groups and those struggling, the data showed that these groups were the least likely to be duty free purchasers. 44% of AB smokers bought duty free in the last 12 months, compared to 21% for DEs and 23% for those struggling.

The impact of this duty free brought back is that 5% of all tobacco consumption in Wales is attributable to duty free, of which the majority is for the smoker's own consumption (applicable to 88% of smokers who buy duty free for themselves).

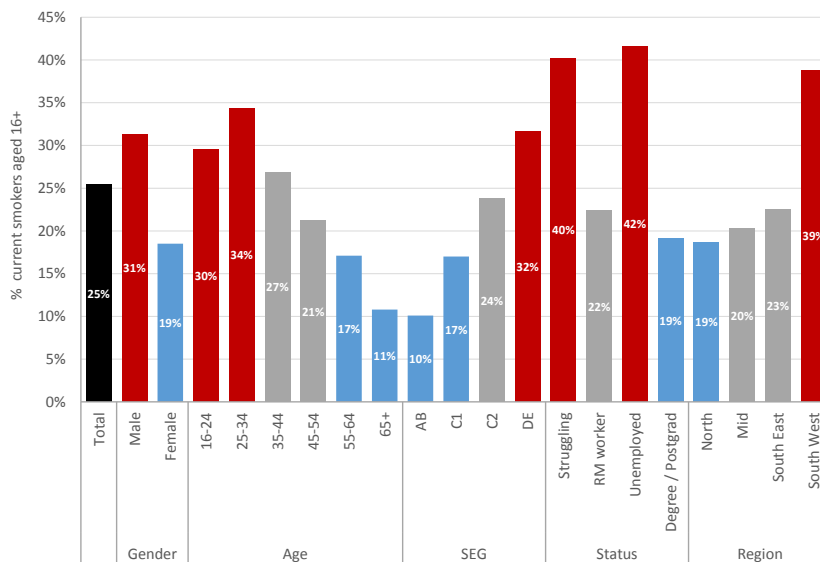
Illicit tobacco

For this study, illicit tobacco was defined as *“Cheap illicit cigarettes or loose tobacco that can be bought in the UK. They can be either counterfeit (that is, fake) or genuine which have been smuggled into the UK without having duty paid (sometimes known as duty frees)”*.

One in four current smokers sampled were classified as illicit buyers. Those most likely to be illicit tobacco buyers were male, younger smokers aged between 16 and 34 years old, people from the lowest socio-economic groups and those who were classified as struggling and/or unemployed – all ranging between a prevalence of 30% to 42%. Yet, illicit tobacco purchase is not exclusive to those from lower social grading, with one in ten ABs being illicit buyers and one in five female or educated to degree level or higher. See Fig. 6 for further details.

Fig. 6 – Illicit tobacco buyers (Q09⁴⁴)

Base: current smokers [1,274]



As smoking level increases so does the tendency to purchase tobacco from illicit sources. Heavier smokers are more likely to purchase illicit tobacco. For example illicit buyers who smoke 20 or more cigarettes a day (or hand-rolling tobacco equivalent) represent 42% of heavy smokers, compared to only 20% for those smokers with lower consumption levels.

Those smoking hand-rolling tobacco have a four percentage point higher illicit purchase prevalence than those smoking manufactured cigarettes only (28% and 24% respectively). The proportion of illicit tobacco bought was also seen to be higher among hand-rolling tobacco smokers (46% of tobacco consumption, compared to 37% for cigarette smokers). These comparisons can be seen in Table 1.

Table 1: Proportion of illicit buyers within each category and proportion bought

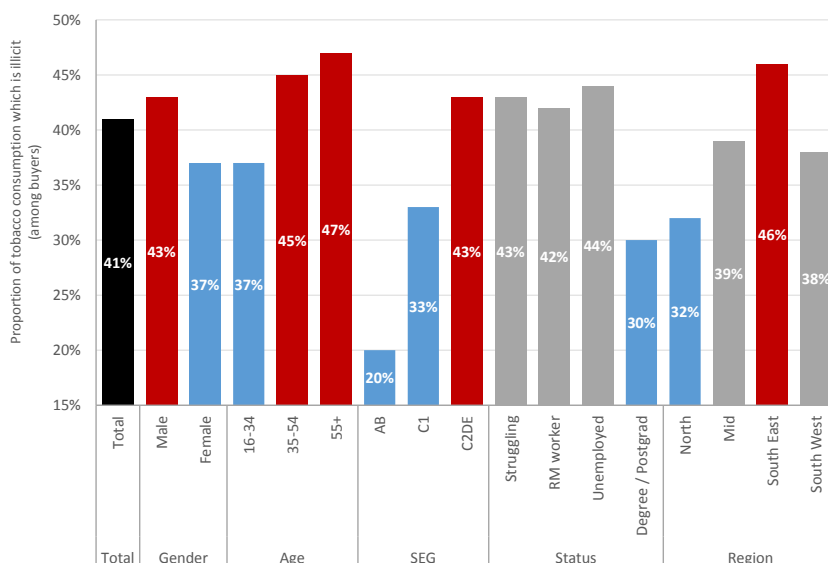
Current smokers	1,274
Illicit Tobacco buyers	25%
Illicit Buyers	
Light smokers (1-9 cigarettes per day)	20%
Medium smokers (10-19 cigarettes per day)	19%
Heavy smokers (20+ cigarettes per day)	42%
Hand-rolling tobacco-only	28%
Cigarettes-only	24%
Both hand-rolling tobacco & cigarette smokers	30%
Proportion of tobacco bought	
Illicit buyers	42%
Cigarettes-only	37%
Hand-rolling tobacco-only	46%
Volume share	
Illicit market	15%
Duty free	4%
Cheap tobacco	19%

⁴⁴ Q09 Illicit cigarettes or loose tobacco can be bought in the UK, and they can be either counterfeit (that is, fake) or genuine which have been smuggled into the UK without having duty paid (sometimes known as duty frees). When you buy / bought illicit cigarettes or tobacco in the UK, are / were they:

41% of tobacco consumption among illicit tobacco buyers was attributable to illicit product. The biggest consumers of illicit tobacco were males, smokers aged 35 and over and those from the C2DE socio-economic groups. See Fig. 7 for further details.

Fig. 7 – Proportion of illicit consumed among buyers (Q14⁴⁵ & Q15⁴⁶)

Base: illicit tobacco buyers [299]



Impact of Illicit Tobacco on Duty

Illicit tobacco buyers typically have higher consumption levels, and across Wales this is also the case; average daily tobacco consumption among illicit buyers is equivalent to 17 cigarettes per day, compared to the regional average of 13 per day. Taking into account the smoking prevalence, daily consumption levels and illicit tobacco purchase prevalence it is possible to estimate the amount of duty lost to the illicit tobacco market for Wales. It can be estimated that approximately £109 million in duty is lost per year to the sale of illicit tobacco across Wales – equivalent to 14% of the overall duty projected from consumption levels.

Fig. 8 – Illicit tobacco market share by region (%)

Thick black bar shows overall average, and bars represent 95% confidence intervals

Base: illicit tobacco buyers [299]

KEY:
 YH – Yorkshire & Humber
 NE – North East
 NW – North West
 EM – East Midlands
 WM – West Midlands
 SE – South East
 SW – South West
 EE – East of England
 LO – London
 WA – Wales

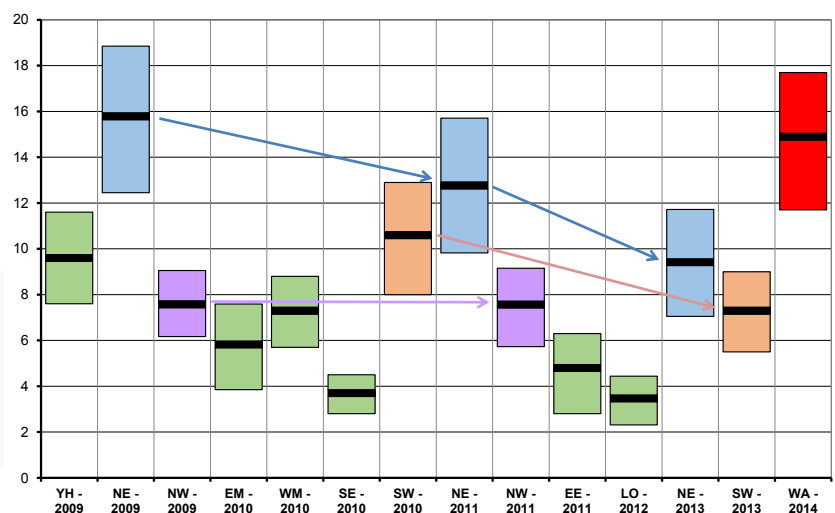


Fig. 8 shows how Wales' volume share of illicit tobacco compares to the English regions; establishing Wales currently as one of the highest areas for illicit tobacco volume share.

⁴⁵ Q14 Excluding duty free, what proportion of your cigarettes are cheap and illicit?

⁴⁶ Q15 Excluding duty free, what proportion of your hand-rolling tobacco is cheap and illicit?

Sources of illegal tobacco

Of the cheap tobacco bought, 22% of buyers purchase a foreign brand not normally found in the UK, while 27% acquire product which they suspect to be counterfeit or fake. The majority (73%) of illicit tobacco purchase is UK purchase, but cheaply priced; these figures are not dissimilar to that recorded in other studies.

In addition to a range of cheap illicit tobacco types, buyers purchase their illicit tobacco products from a range of sources – defined by physical location where the transaction took place, along with their relationship with the seller. There were two primary channels of illicit purchase among illicit tobacco buyers in Wales: from a private address (35% of illicit buyers as a main source), followed by through a pub / club (34%). These were followed by shop and from a street hawker (each being the main channel of illicit purchase for 10% of buyers).

Illegal tobacco is less than half the price of legal products. The average price paid for a single pack of 20 illicit cigarettes was just over £4 (RRP £8.47), while the average price of a sleeve (200 cigarettes) was around £33; hand-rolling tobacco averaged £8 for a 50 gram pouch (RRP £17.59).

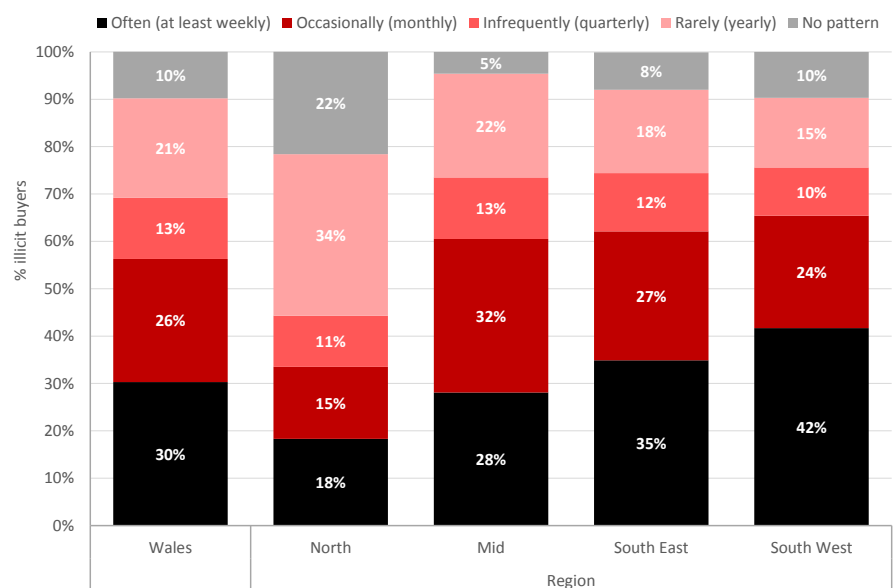
Illegal tobacco purchasing

25% of all smokers buy cheap illicit tobacco, compared with 29% who have bought duty frees (either directly or indirectly) in the last 12 months. Among illicit buyers there is an increased propensity toward also buying duty frees (42% compared to 29% among current smokers). For those buying illicit tobacco, on average it makes up approximately 41% of their consumption.

The northern region of Wales has both the lowest illicit prevalence and the lowest proportion buying such product on a weekly basis (19% and 18% respectively), while the South West has both the highest prevalence and proportion of weekly buyers (39% and 42% respectively).

Fig. 9 – Frequency of illicit tobacco purchase, by region (Q13⁴⁷)

Base: illicit tobacco buyers [299]



⁴⁷ Q13 How often do / did you buy illicit tobacco?

Demographically, illicit buyers are more likely to be: male, between 16 and 34 years old, “struggling” financially and from a lower socio-economic group. The behaviour of illicit tobacco purchase does, however, span the social and demographic spectrum and is not exclusive to one particular group.

Comfort with the issue of illicit tobacco is a key driver in likelihood of illicit tobacco purchase among smokers; it is also a determinant in the frequency (and therefore amount) of illicit tobacco purchased. Two-thirds of illicit tobacco buyers comfortable with the issue of illicit tobacco make at least monthly purchases of such illicit product (37% on a weekly basis), while only 20% of “very uncomfortable” illicit buyers are monthly buyers (half of these are weekly buyers).

Frequency of Illicit Tobacco Offered

Almost half (45%) of current smokers had been offered the sale of illicit tobacco, with 14% of smokers “often” being approached by illicit sellers.

There is a tendency for more males to be offered illicit tobacco, and have such offers made more frequently, resulting in almost a third of male smokers being illicit buyers (compared to less than one in five female smokers). Young smokers aged 16-34 will likely encounter an illicit tobacco seller at some point (49% ever been offered), and at a frequency slightly greater than that of older smokers.

Those who are financially ‘*struggling*’ were also more exposed to sellers (24% often offered, 60% ever); consequently, by being targeted by sellers, this sub-group of smokers were the most likely to become illicit buyers (40%, compared to the sample average of 25%). South West Wales emerged as the area with the highest offers of illicit tobacco (58% ever offered, 21% often offered), and also had the greatest illicit tobacco prevalence (39%) – indicating that availability of illicit tobacco is also a key determinant in likelihood of purchasing illicit tobacco.

Two venues stood out as places where smokers were most likely to be approached by illicit sellers: in a pub / club (58% ever, 20% on a monthly basis) and in the street (32% ever, 15% monthly).

The South West Wales region has a much more pro-active marketplace compared to the other regional areas, especially the North region. There’s also a notable difference between ABC1s and C2DEs, with the higher social grading being less targeted by sellers and less likely to take up such offers.

Illicit tobacco buyers

Buyers of illicit tobacco do not always buy it when offered it for sale; only 22% will always buy it and 29% indicated that they usually buy it. The pattern of usage among current smokers can be summarised simply:

- Tried illicit tobacco 39%
- Buy illicit tobacco 25%
- Buy illicit tobacco at least once a month 14%

Likelihood to purchase when offered illicit for sale shows little difference by gender or age, but those struggling financially are much more likely to buy. Geographical differences are also evident; buyers living in the South West area are more than four times as likely to always buy when offered as those living in the North area.

To better understand those who make illicit tobacco purchase, buyers were classified into two groups:

- **Opportunists** – non-habit-dependent purchasers, who make their illicit tobacco purchases based on the availability and frequency with which illicit tobacco is offered to them.
- **Seekers** – those who actively seek out illicit tobacco, and purchase in quantities that fuel their habit.

Differences between the two buyer types were seen: in the channels through which they make their illicit tobacco purchase; how much they buy, and their attitudes towards buying cheap illicit tobacco.

Seekers account for four out of ten of all buyers (39%). They are more likely to be men, smokers of hand-rolling tobacco and to be more comfortable with illicit tobacco. Illicit tobacco makes up on average over two-thirds (67%) of their total tobacco consumption.

Opportunists on the other hand are younger (more aged 16 to 34), more comfortable with illicit tobacco than smokers in general (but less comfortable than seekers), and more likely to also buy cheap tobacco as duty free. Illicit tobacco makes up on average about 31% of their total tobacco consumption.

Illicit tobacco encounters

The proportion of non-smokers who have come across illicit tobacco is an indicator of the visibility of illicit in the market place; just under one in five of non-smokers (17%) have come across it. Demographically the most marked difference is among those financially struggling, with this group being almost twice as likely to have come across illicit tobacco. Higher than average levels are also seen in the South East and lower than average levels in the North.

Just over one in five (22%) of the adult population has recently seen, heard or read something about illicit tobacco, with a similar recall among both smokers and non-smokers alike.

A large proportion of what has been seen, heard or read about illicit tobacco is attributed to television, with prompted attribution of 81%.

Just under half (45%) of all adults see illicit tobacco as an important issue affecting the local community, with 23% considering it to be very important.

While 50% of non-smokers see illicit tobacco as an important issue, smokers are less likely to do so; 35% of current smokers who do not buy illicit tobacco consider it as an important issue, while only 13% of illicit tobacco buyers do so.

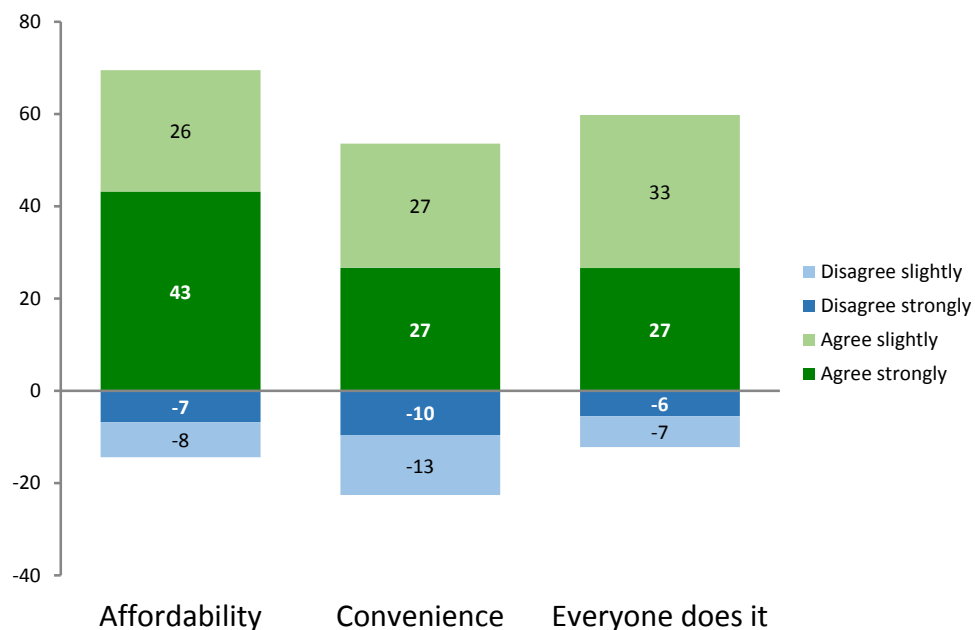
Over half (53%) of adults agree strongly that illicit tobacco brings crime into their local community and 43% agree that it encourages gangs and anti-social behaviour.

The low price of illicit tobacco increases the affordability of the habit for buyers; more than seven out of ten buyers agree strongly that illicit tobacco makes it possible for them to smoke when they could not otherwise afford it.

It is also seen by many buyers to be convenient being able to buy 'in bulk' (53% agreeing strongly). Just over a quarter (27%) consider the purchase of illicit tobacco to be the norm (agreeing strongly to the statement 'Everyone does it') – see Fig. 10.

Fig. 10 – Attitudes towards illicit tobacco among buyers (Q36⁴⁸)

Base: illicit buyers [299]

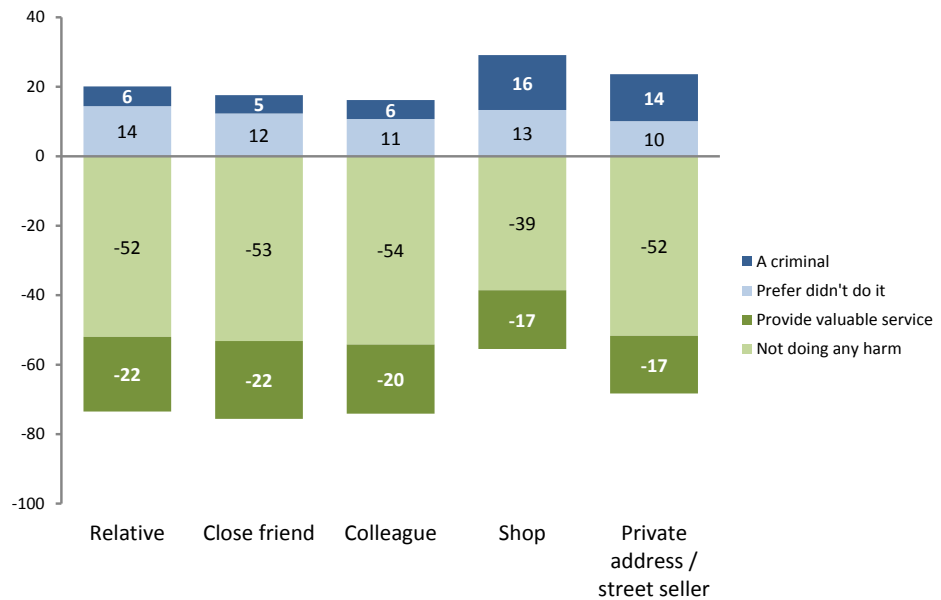


Around one in five buyers feel that sellers are providing a valuable service, about half don't think they are doing any harm, and around one in ten would prefer they did not do it. Buyers are twice as likely to describe shops or street sellers as criminals than friends and family, but this is the view held by only around one in seven buyers (see Fig. 11).

⁴⁸ Q36 How much do you agree or disagree with the following statements about illicit tobacco?

Fig. 11 – Perceptions among buyers of those selling illicit tobacco (Q24)

Base: illicit buyers [299]



Comfort with illicit tobacco

Just under half (49%) of the adult population are 'very uncomfortable' with illicit tobacco. Within demographic groups, women are more likely to be uncomfortable than men, and being 'very uncomfortable' is less likely among 16-34 year olds. Those struggling financially also show a lower than average likelihood to be uncomfortable with illicit tobacco.

Smokers in South West Wales are more than twice as likely to be comfortable with illicit tobacco, compared with those living in North Wales.

Comfort, along with availability, is a key determinant of purchase levels, and this is evident in the relationship between comfort levels and illicit volume share of the tobacco market.

Reporting sale of illicit tobacco

In addition to measuring key attitudes towards illicit tobacco to evaluate its impact on demand, the surveys also include key measures of likelihood to report the selling of illicit tobacco, vital intelligence for enforcement and control of supply.

Just over a quarter (26%) of the adult population indicated a likelihood to report the sale of illicit tobacco, with 12% being very likely to do so. Women are a little more likely than men, and likelihood increases significantly with age; those aged 55 and over are twice as likely to report selling as those aged under 35. Only 15% of those struggling financially are likely to report the selling of illicit tobacco.

When the sale of illicit tobacco involves children, then the likelihood to report increases dramatically, with over half (53%) indicating that they would be 'very likely' to report such incidents. This high level has been consistently maintained across demographic groups, though those who are struggling are still less likely to report than other demographic groups.

When asked where they would report someone selling illicit tobacco, the overwhelming choice was the police (84% any mention), with Trading Standards being considered by 13%. Customs Hotline, Crime Stoppers and HMRC were possible options for 3%-4% of those likely to report. One in ten of those likely to report a seller, did not know where they would turn to.

Table 2: Where people would report the selling of illicit tobacco

Base: those likely to report sale of illicit tobacco [1,765]

	First mention	Any mention
Police	79%	84%
Trading Standards	5%	13%
Customs Hotline	1%	4%
Crimestoppers	2%	3%
HMRC	1%	4%
Don't know	11%	--

Reporting to Crimestoppers

Just over eight out of ten adults (81%) have heard of Crimestoppers. While not their top-of-mind option for reporting the selling of illicit tobacco, when prompted 16% indicated they would be very likely to call if they were aware of someone selling illicit tobacco.

Table 3: Percentage very likely to report selling of illicit tobacco (Q29, Q30, Q32⁴⁹)

	General reporting	Reporting of selling to children	Reporting to Crimestoppers
All adults	12%	53%	16%
Non-smokers	14%	57%	17%
Smokers who do not buy illicit	9%	45%	16%
Illicit buyers	2%	20%	7%

When asked why they would not report the sellers to Crimestoppers, around a quarter indicated that they would rather contact the police, while a further 11% felt that they did not know enough about Crimestoppers or how to contact them. The main reason given for not reporting to Crimestoppers was not wanting to get involved and a feeling that it was nothing to do with them.

⁴⁹ Q32 Have you heard of Crimestoppers

Enforcement Report

Introduction

In June 2014, ASH Wales commissioned Steven Hay, who has over 20 years of operational and managerial experience of working in local authority regulatory services, to examine the crime and enforcement aspects of the supply of illegal tobacco in Wales with the aim to build an enforcement problem profile.

A problem profile will:

- provide detail on crime trends or hot spots that require greater analysis
- assist in prioritisation
- identify intelligence gaps
- highlight prevention, intelligence, enforcement and reassurance opportunities
- provide justification for actions

Enforcement Roles and Responsibilities in Wales

Local Authority Trading Standards Services (TSS) and Her Majesty's Revenue and Customs Service (HMRC) hold principle responsibility for enforcing criminal legislation relating to the supply of illegal tobacco.

Local Government in Wales is currently made up of 22 Unitary Authorities (Appendix 4). The Local Authority TSSs in Wales have a duty to enforce certain legislation relating to illegal tobacco. Councils also work in partnership with external organisations such as Public Health Wales, the Police and HMRC on the illegal tobacco problem in Wales.

TSSs have a duty to enforce:

1. The Tobacco Products (Manufacture, Presentation and Sale) (Safety) Regulations 2002, as amended (made under the Consumer Protection Act 1987) ⁵⁰
2. The Trade Marks Act 1994 ⁵¹

The maximum penalty for supply of illegal tobacco is 10 years imprisonment and/or a fine. Some TSSs also suggest that offences can also be committed under the Fraud Act 2006, in relation to selling illegal tobacco.

HMRC Service enforces:

1. Customs and Excise Management Act 1979 (CEMA '79) ⁵²
2. Tobacco Products Duty Act 1979 (TPDA '79) ⁵³

⁵⁰ The Tobacco Products, UK Government. (Manufacture, Presentation and Sale) (Safety) Regulations 2002 <http://www.legislation.gov.uk/uksi/2002/3041/introduction/made>

⁵¹ The Trade Marks Act 1994, UK Government. <http://www.legislation.gov.uk/ukpga/1994/26/contents>

⁵² Customs and Excise Management Act 1979, UK Government. <http://www.legislation.gov.uk/ukpga/1979/2/contents>

⁵³ Tobacco Products Duty Act 1979, UK Government. <http://www.legislation.gov.uk/ukpga/1979/7>

Further information on the legislation can be found in Appendix 5.

Each of the 22 Local Authority TSSs in Wales has identified one of their officers to lead their work in relation to illegal tobacco. The services work together through the Welsh Heads of Trading Standards (WHoTS) group and various other officer groups.

Different Approaches in tackling illegal tobacco

HMRC and Trading Standards have different reasons for tackling the supply of illegal tobacco, which can lead to varying methods or approaches. TSSs aim to provide and maintain a safe and fair trading environment, protecting consumers and helping legitimate business to have the opportunity to thrive. They are also part of a local authority, which has duties and goals regarding the health of their residents. HMRC's sole purpose in tackling illegal tobacco is to reduce the level of duty avoidance, thus maximising the funds being paid to Government and securing legislative compliance.

Both enforcement agencies are working to disrupt the supply chain, by seizing illegal product and prosecuting offenders.

The number of officers and level of resources within TSSs in Wales has decreased over recent years. This has led to changes in the ways some authorities work and has undoubtedly made it more difficult for TSSs to cover their entire portfolio at the level they would wish.

HMRC has a duty avoidance team, based in Cardiff, which works to stop the avoidance of duty payment by individuals, groups and businesses producing and selling products. The products involved in this area include alcohol, vehicle fuel and tobacco.

Other enforcement agencies, most notably the four Welsh police forces and the UK Borders Agency can and do come across illegal tobacco as part of their work. It is accepted and understood, however, that they do not hold primary responsibility for tackling the supply of illegal tobacco.

Intelligence

Criminal intelligence is information received, compiled, analysed and sometimes disseminated in an effort to prevent, detect, monitor or anticipate criminal activity. Without intelligence enforcement agencies struggle to tackle crime. For the majority of crimes, reporting an incident is a natural outcome e.g. burglary. Other crimes can be viewed as "victimless" or "low-level" or the people who have information choose not to pass it on as it is not in their own interests. Criminals involved in illegal tobacco supply benefit from low reporting or intelligence submission. The smokers who are being supplied with cheap tobacco do not want to damage their supply route and other members of the public can see it as "victimless" or "low-level".

Methodology

The content of this part of the report has been produced from information received as a result of the following activities:

- research
- face-to-face interviews
- telephone interviews
- questionnaires completed via email by representatives of 20 out of the 22 Trading Standards Services (TSSs) in Wales (a copy of the questionnaire sent to the TSSs can be seen in Appendix 6)

HMRC was asked to provide data relating to their work on illegal tobacco supply in Wales but did not do so. They did provide some more general information about their work relating to illegal tobacco. Some information and data relating to HMRC activity on illegal tobacco supply can be found at www.hmrc.gov.uk⁵⁴.

20 of the 22 TSSs in Wales returned a completed or partially completed questionnaire. They were asked to provide information relating to the period from 1st January 2012 to the time the form was completed. Most were dated as being completed in August or September 2014, with a small number dated October or November 2014. Sections of the questionnaire were headed: Introduction, Intelligence, Operations/Seizures, Proceeds of Crime Legislation, Education/Awareness Raising, Partnerships and Conclusion.

Meetings were held or discussions were had with representatives of a number of organisations. Some of those related to enforcement agencies, others were from organisations with an involvement or interest in illegal tobacco supply. For example, two businesses which supply tobacco sniffer dogs were contacted, meetings held and useful information received. Meetings were also held with managers from the illegal tobacco programmes currently being delivered in the North West and South West of England, to learn from their experiences.

All representatives provided information that either is used directly in the production of this report or helped to create a greater understanding of the illegal tobacco supply picture in Wales. The individuals and organisations who assisted in the production of this document are noted in the 'Acknowledgements' section.

Limitations

The findings detailed in this report cannot be said to form a full 'Problem Profile'. In particular data not being accessible from HMRC has led to a partial enforcement picture being expressed. A significant amount of work would also need to be carried out with the four Welsh police services, other enforcement agencies and non-enforcement agencies to develop a full picture, particularly regarding intelligence.

⁵⁴ HM Revenue & Customs and UK Border Agency (2011); "Tackling Tobacco Smuggling – building on our success": http://www.ash.org.uk/files/documents/ASH_814.pdf

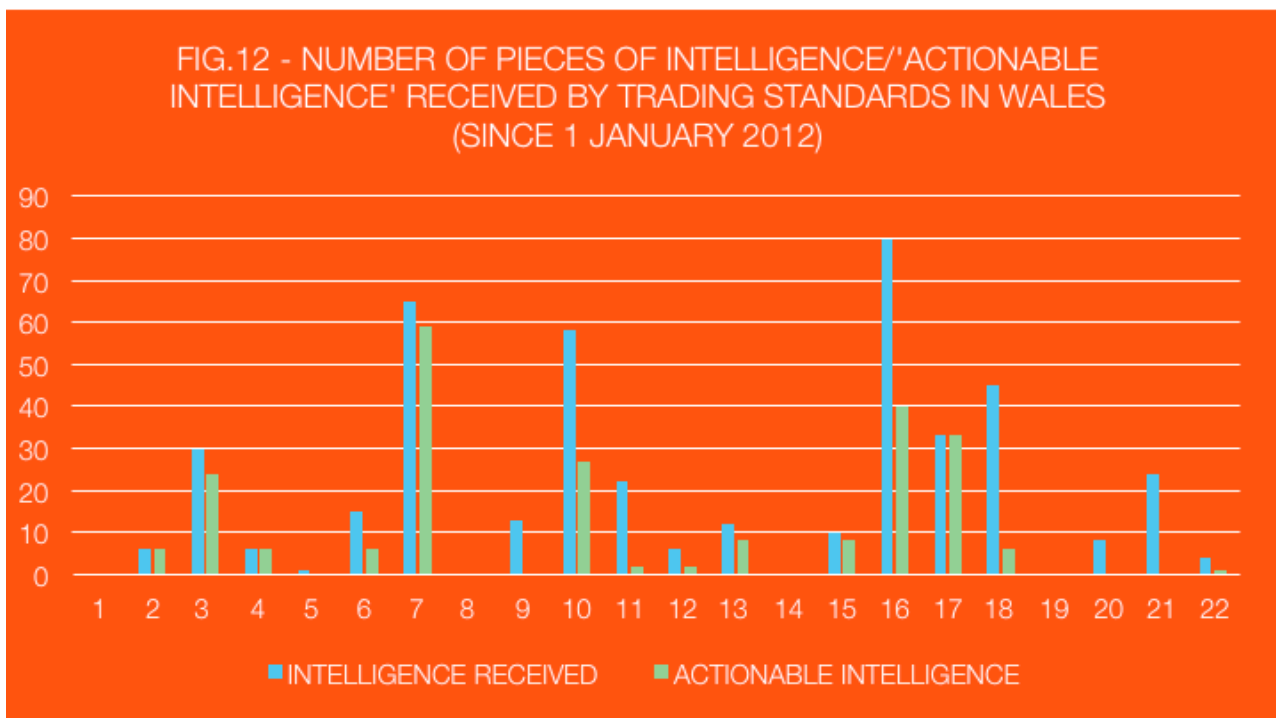
Results

Trading Standards Services (TSSs) act on intelligence, carry out inspections and investigate the supply of illegal tobacco. They seize illegal products and take action against offenders including prosecution. 20 of the 22 TSSs in Wales provided information on enforcement activity they had carried out relating to the supply of illegal tobacco. The figures below are produced from the information supplied.

Intelligence Activity

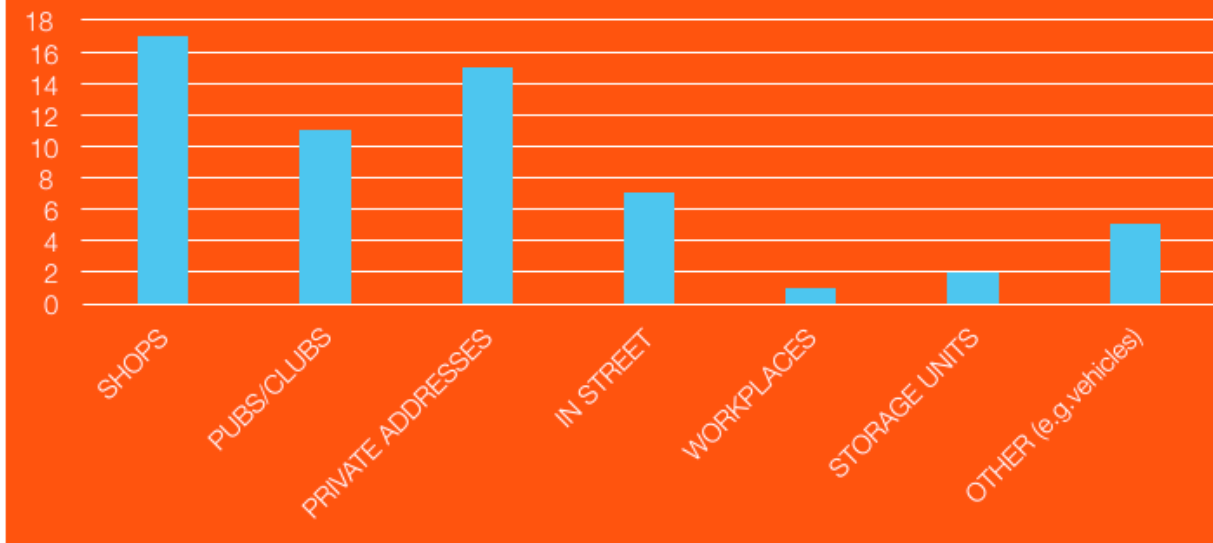
Since the beginning of 2012 TSSs in Wales have received 438 pieces of intelligence about the supply of illegal tobacco. Approximately 50% (229) were classified as “actionable”. Three Councils received more than 50 pieces of intelligence each during that period. Over 80% of intelligence received related to eight local authority areas. The figures include intelligence received from other agencies.

Fig. 12 illustrates the number of pieces of intelligence received by each of the 22 TSSs in Wales. Each Local Authority is represented by a number, but in no particular order. It also shows the proportion of those reports that were classified as ‘actionable’ by the officers.



Local Authority TSSs were asked to indicate if they have received intelligence about illegal tobacco distribution and certain premises types. Fig. 13 illustrates their responses. 17 Local Authorities had received intelligence about shops, 15 about private addresses and 11 about pubs/clubs. This contrasts with the results of the NEMS survey which found that private addresses and pubs/clubs were used significantly more often than shops.

FIG.13 - NUMBER OF TRADING STANDARDS SERVICES WHICH HAVE RECEIVED INTELLIGENCE ABOUT THE SUPPLY OF ILLEGAL TOBACCO FROM CERTAIN PREMISES TYPES (SINCE 1 JANUARY 2012)



TSSs in Wales received intelligence in a number of ways. The main intelligence route is by the public contacting the Citizens Advice Consumer Service (formerly Consumer Direct). Other routes include: through Crimestoppers, sharing by other enforcement agencies and the public and businesses directly contacting the Local Authority TSSs Service. Some intelligence is self-generated by officers working pro-actively.

All services in Wales have adopted an electronic intelligence system, which is used to hold and share intelligence. This system is overseen by a Regional Intelligence Officer/Analyst who works to ensure that intelligence is handled appropriately.

Seizures of Illegal Cigarettes

Fig. 14 shows the number of illegal cigarettes (sticks) seized by each Local Authority TSS in Wales, since 2012. The quantity is also broken down by each type of illegal cigarette.

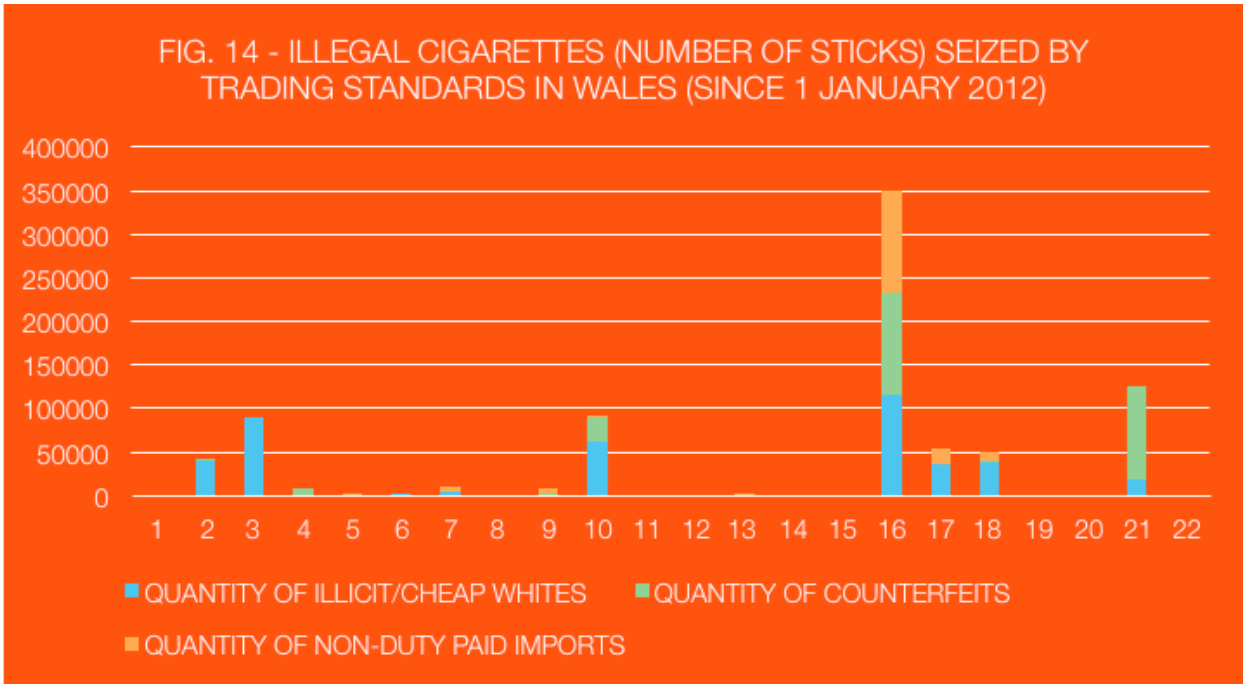
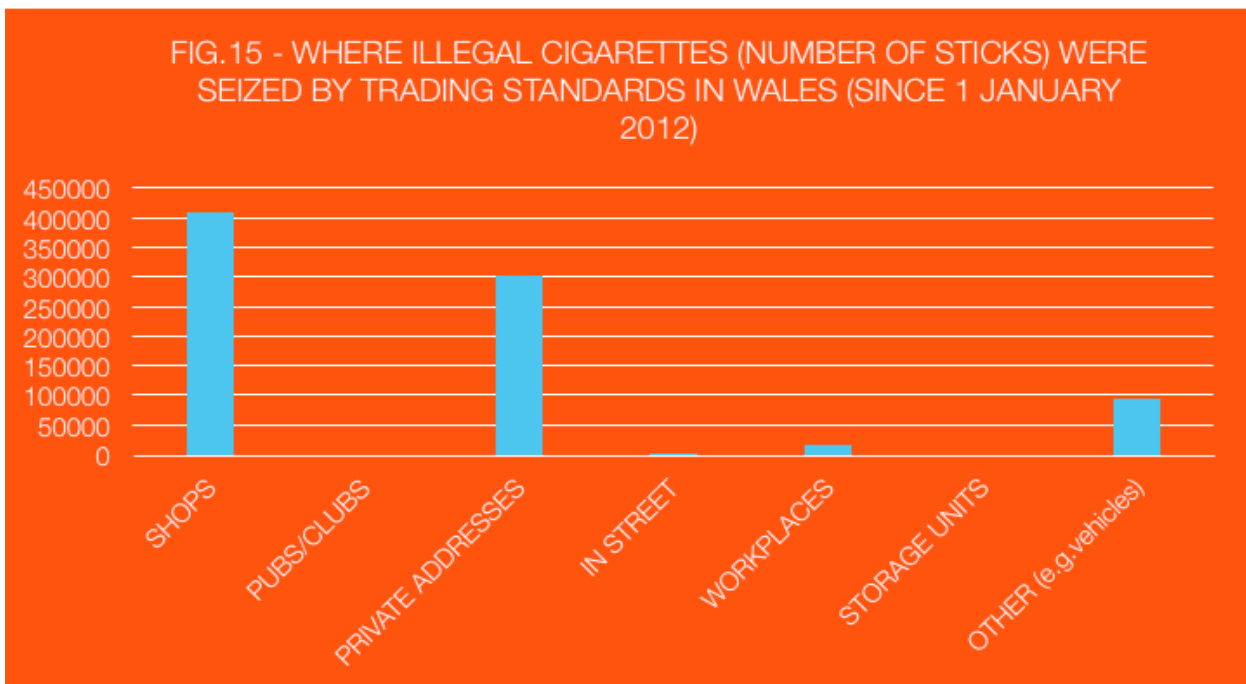


Fig. 15 shows where the illegal cigarettes were seized. The figures are cumulative (number of sticks) by TSSs across Wales. It illustrates that the vast majority of illegal cigarettes are being seized from shops and private addresses.



Seizures of Illegal Hand-Rolling Tobacco

Fig.16 shows the quantity of illegal tobacco (kg) seized by each Local Authority TSS in Wales, since 2012. The quantity is also broken down by each type of illegal tobacco.

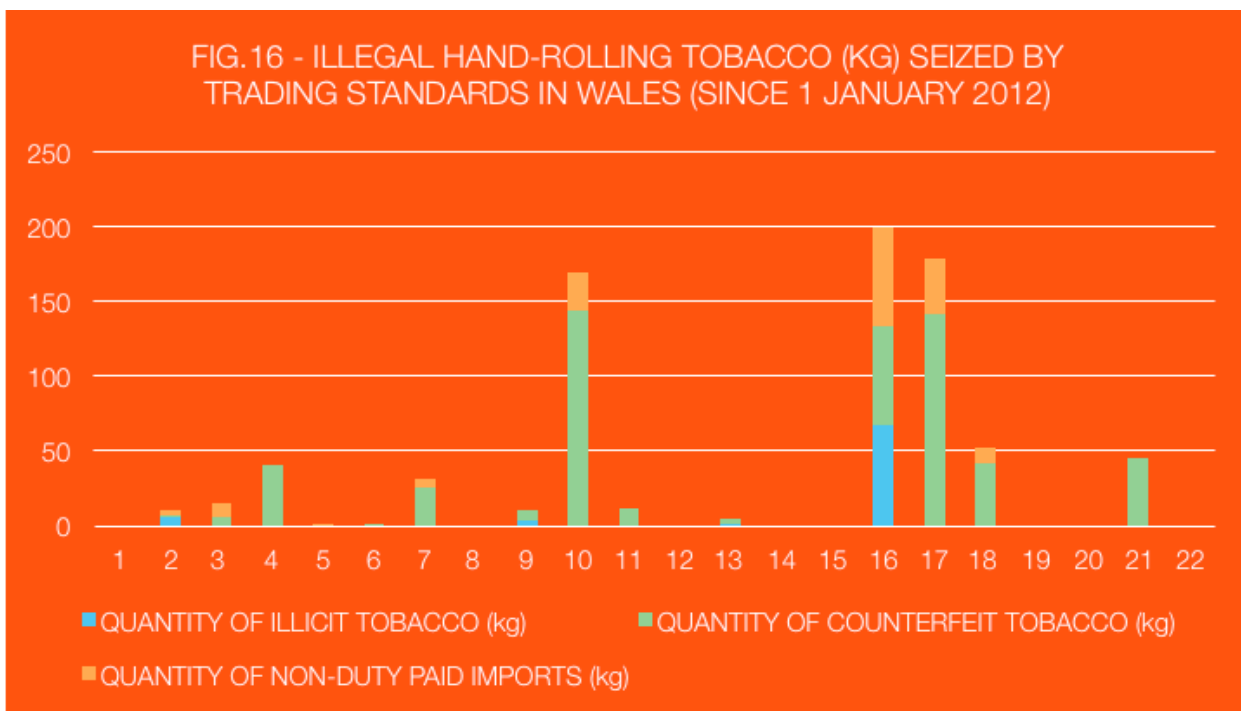
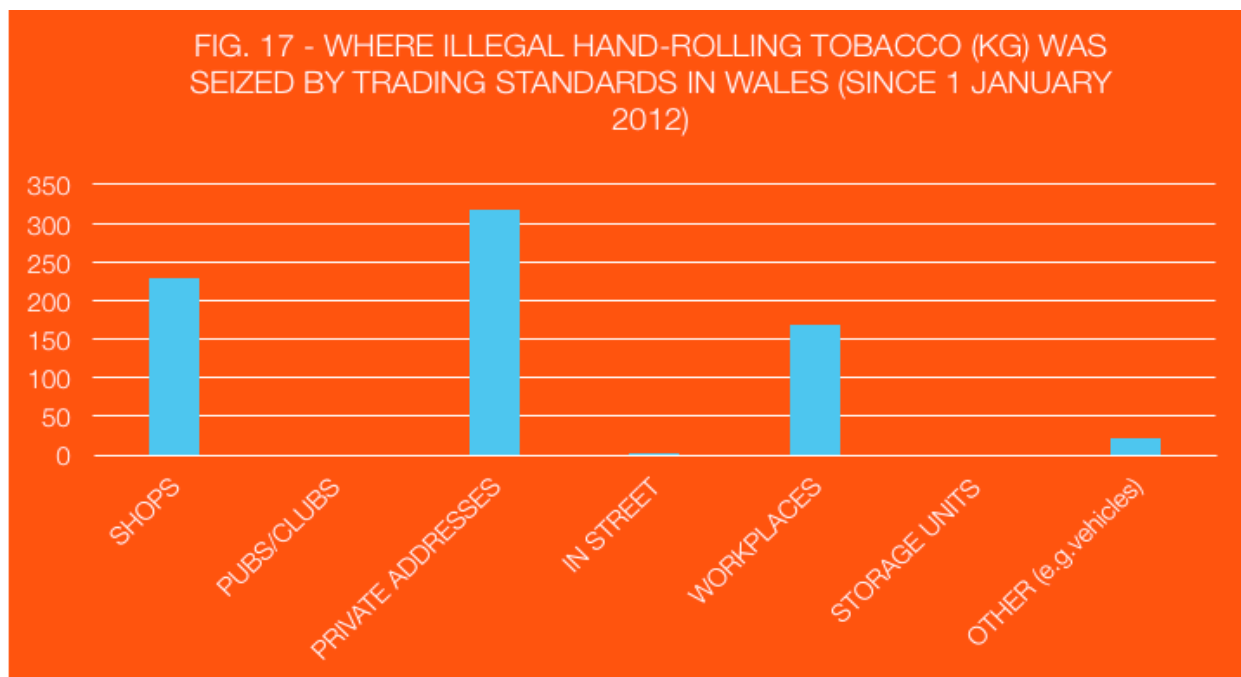


Fig.17 shows where the illegal hand-rolling tobacco was seized. The figures are cumulative (kg) by TSSs across Wales. It illustrates that the vast majority of illegal hand-rolling tobacco is being seized from shops and private addresses.



The illegal tobacco products seized by Trading Standards were taken from 75 suspects. Six local authorities accounted for more than 85% (64) of the suspects involved.

Prosecutions

There are a significant number of prosecutions by local authorities currently underway but not concluded.

Since 2012 38 convictions relating to the supply of illegal tobacco have been secured by 8 TSSs. 3 local authorities have been responsible for securing 32 (84%) of these.

A number of custodial sentences have been handed out by the courts, however all were suspended except for 5 against foreign nationals. Fines ranged from £50 to £6250, most were in the £100 to £500 range. Community service sentences ranged from 60 hours to 280 hours, most were around 100 hours.

A full list of prosecution outcomes can be found in Appendix 7.

Proceeds of Crime

The Proceeds of Crime Act 2002 gives power to enforcers, under certain criteria, to investigate, seize and apply for an order to permanently detain the proceeds of some criminal enterprises. A number of TSSs in Wales employ one or more Accredited Financial Investigators (AFIs) for this purpose. Others work in partnership with Police AFIs to achieve the same outcome.

Financial investigation and the Proceeds of Crime Act are recognised as powerful tools, which can have a positive effect in combating criminal activity.

In relation to illegal tobacco supply, some local authorities have seized cash and/or have financial investigations ongoing, with confiscations secured or in progress.

Emerging Threats

Tackling the organised crime groups involved in the supply of illegal tobacco is proving difficult for enforcement agencies. They are taking action at local level. The scale of the operation and the tactics these groups employ means that enforcement must be more targeted and sophisticated to have the greatest impact.



Some suppliers of illegal tobacco are going to more and more extreme lengths to conceal product in the case of a visit from an enforcement agency. Specialist sniffer dogs can help the enforcer to overcome this but they cannot always be at hand and cost money to employ. The photograph above shows an example of this, where a hydraulic lifting mechanism was recessed into the floor.

Public sector resources are reducing and under great scrutiny and as such there are fewer Trading Standards officers. The cost of specialist support such as sniffer dogs and forensics examiners for computers and mobile phones can be difficult to meet. This can be a barrier to effective enforcement.

Links to other criminality and organised crime

In the past illegal tobacco supply across the UK has been shown to be linked with other types of criminality. These have included: people trafficking, the supply of other types of counterfeit goods, loan-sharking, extortion, handling stolen goods, the supply of illegal alcohol and the distribution of controlled drugs.

In the course of research for the preparation of this document information was received and evidence seen to show that illegal tobacco supply in Wales is linked to: the supply of other types of counterfeit goods, extortion, the supply of illegal alcohol and the distribution of controlled drugs.

Almost certainly, the most significant organised crime element in the supply of illegal tobacco in England and Wales takes the form of a network or group, run by foreign nationals. Evidence of this has been found to differing extents in parts of Wales.

In September 2014, the Welsh Government committed £7,000 to fund 22 sniffer dog detection days to help combat illegal tobacco.



Conclusions

It is clear that the supply of illegal tobacco is a significant issue in Wales. It damages health, creates an unfair trading environment for legitimate retailers and results in a loss of revenue for HM Treasury.

Illegal Tobacco Market

The illicit tobacco volume market share of 15% is among the highest recorded on any of the regional surveys in England and Wales, on a par with the levels in the North East from 2009, which has subsequently declined significantly due to the implementation of a comprehensive programme tackling illegal tobacco. There is a marked differentiation in the prevalence of illicit tobacco across the Welsh regions, with purchase levels being much higher in the south than the north. The opportunistic nature of illicit tobacco purchase is evident from the relationship between the level of offers for sale and the illicit volume share. While 'opportunists' make up over half of all buyers, it is the other 39% who are 'seekers' who purchase most of their tobacco from such sources. Unsurprisingly smokers are most likely to be offered illicit tobacco in a pub/club, but there is evidence of significant availability from street sellers. There are also notable levels of availability in shops and at work. Price is a proven component of tobacco consumption, with lower prices boosting consumption levels. Efforts to reduce the consumption of tobacco such as age restrictions and point-of-sale display bans are being undermined by the sale of cheap tobacco, in particular illicit.

Awareness of Illegal Tobacco

Across the four Welsh regions, overall awareness of illicit tobacco is consistently high. Regional differences in the proportion of non-smokers who have come across illicit tobacco, reflects the differing regional markets, being higher in the south and lower in the north of Wales. A strong link between comfort with illicit tobacco and the size of the market has been evidenced across a series of regional studies across England, a relationship repeated again in Wales. Availability and comfort with illicit tobacco have been shown to be the two primary determinants of the market, so the regional differences in comfort with illicit tobacco among smokers are unsurprisingly, reflected in the illicit volume shares in each of the four Welsh regions.

Audience

With almost a quarter of the population considering illicit tobacco to be a very important issue that impacts on their local community, and a quarter of the adult population likely to report the sale of illicit tobacco, the results suggest that the adult population is likely to be a receptive and responsive audience to marketing messages about illicit tobacco. When it comes to reporting, the majority of the public in the region are likely to turn to the police, with smaller numbers looking to Trading Standards, the Customs Hotline, Crime Stoppers and HMRC. With this diversity of channels, clearly coordination and communications between agencies will be essential to maximise any impact.

Enforcement

The enforcement findings show that enforcement agencies have made efforts to tackle the supply of illegal tobacco in Wales but the picture is patchy. Trading Standards services have recognised the threat that illicit tobacco poses to health, particularly in relation to young people. In spite of limited and reducing resources and an extremely wide enforcement remit, Trading Standards across Wales have made valiant attempts to tackle the supply of illicit tobacco in our communities. Attendant publicity has done much to raise awareness and promote the issues around availability of cheap illicit tobacco.

A lack of intelligence has hampered enforcement agencies. The vast majority of enforcement work in Wales relates to the end supplier. This is important but an enforcement strategy must involve investigating and tackling the chain of supply. A lack of resources has led to and could continue to lead to a limited amount of work being carried out tackling illegal tobacco. The penalties handed out by the courts when convictions are secured in relation to illegal tobacco are mixed in their seriousness. These are, therefore, unlikely to be as effective a deterrent as they could be.

Only very limited information has been obtained from HMRC about enforcement activity in Wales but HMRC do have enforcement capacity for Wales and seizures have been made. Little information has been obtained from Welsh police forces but the specialist nature of the legislation regulating the illicit market is such that the police do not take primacy and would refer any intelligence received to either HMRC or Trading Standards.

The overall direct impact of enforcement work on the illicit market is low. Given that the NEMS work identifies that 15% of tobacco smoked in Wales is cheap illicit tobacco, Trading Standards seizures detailed in this report account for less than 0.5% of the illicit market in Wales.

Recommendations

The NEMS survey and the enforcement report show that there is a need for action in Wales to tackle the significant problem of illegal tobacco in our communities. This report provides explicit evidence regarding the extent of illegal tobacco market in Wales. This was unknown before. The results provide a compelling call for action in respect of protecting public health, reducing tax evasion and disrupting criminal activity. Tackling illegal tobacco should be a priority in Wales as it undermines tobacco control, in particular those measures which prevent children from accessing tobacco.

To tackle the supply of and demand for illegal tobacco, ASH Wales urges investment in a well-resourced, effective programme as provided in the North and South West of England in Wales, including:

1. A 3-year, multi-agency operation to reduce the illegal tobacco market share in Wales. This work should be overseen by an all-Wales stakeholder group.
2. A public awareness campaign reaching all parts of Wales to raise awareness and increase understanding of the impact of illegal tobacco among smokers and local communities.
3. A follow-up NEMS survey at the end of the 3 years.

The programme should seek to:

- Mobilise stakeholders, local business and communities to report illegal trading.
- Facilitate information sharing between local, regional and national enforcement agencies.
- Change perceptions about illicit tobacco within the population in a way that will reduce demand and increase reporting.

The Welsh Government's Tobacco Control Action Plan should prioritise illegal tobacco work, and include a target to reduce the illegal tobacco market share in Wales to below 12%, over three years. Achieving this would provide significant health benefits for the Welsh population and a reduction in crime. This approach and target is based on the experiences and successes of the established programmes in England (North West, North East and South West).

Tackling the supply of illegal tobacco should be a key priority for TSSs and HMRC in Wales, based on the evidence of the NEMS survey and the negative impact illegal tobacco has on communities. The police and other enforcement agencies should work with TSSs and HMRC to ensure that all related matters are covered and the maximum effect is taking place. However, tackling the supply side through enforcement in isolation from other activity will not have a significant impact on the trade in illicit tobacco. The identifying of the most prevalent channels by far for illegal purchase as private addresses and pubs/clubs demonstrates that there will be little effect if there is simply a focus on trading standards visits to shops. But enforcement action as part of a coordinated multi-agency approach in which all tobacco control partners are involved, and with a professional marketing campaign, would be a key element of a multi-agency partnership approach that must tackle both demand and supply.

Funding needs to be identified to support work in this area. Local authority cuts are leading to cuts for Trading Standards. This means fewer officers and less money to fund support such as specialist sniffer dogs and forensic examination.

If action is not taken in Wales, illegal tobacco will damage and undermine measures that are designed to prevent the uptake of smoking and reduce smoking prevalence. It's vital that we tackle this problem to improve the long-term health of our population.

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All-Wales Tackling Illegal Tobacco Stakeholder Group

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20 Trading Standards Illegal Tobacco Lead Officers (those who supplied information)

Anglesey – Emma Jones,

Blaenau Gwent – Richard Prince,

Bridgend – Helen Picton/Carl Window,

Caerphilly – Tim Keohane/Rhian Cross,

Cardiff – Michael Davies,

Carmarthenshire – Aled Thomas,

Conwy – Mark Brierley,

Denbighshire – Barry Jackson,

Flintshire – Claire Edge,

Gwynedd – Manon Lloyd Williams,

Merthyr Tydfil – Paul Lewis,

Monmouthshire – Gareth Walters,

Newport – Ruth Harris,

Pembrokeshire – Andy Layton,

Powys – Clive Jones,

Rhondda Cynon Taff – Darran Davies,

Swansea – Rhys Harries,

Torfaen – Andrew Meaney,

Vale of Glamorgan – Christina Roberts-Kinsey,

Wrexham – Roger Mapleson

Appendices

APPENDIX 1

Assembly Regional Committee (ARC) areas from NEMS report

North ARC Area

- Anglesey
- Conwy
- Denbighshire
- Flintshire
- Wrexham
- Gwynedd (partial northern area)

Mid ARC Area

- Ceredigion
- Gwynedd (partial southern area)
- Powys

South ARC Area

- Blaenau Gwent
- Bridgend
- Caerphilly
- Cardiff
- Merthyr Tydfil
- Monmouthshire
- Newport
- Rhondda, Cynon, Taff
- The Vale of Glamorgan
- Torfaen

West ARC Area

- Carmarthenshire
- Neath Port Talbot
- Pembrokeshire
- Swansea

APPENDIX 2

Sampling

The overall sample was divided into two parts. The first part was quota controlled to make it representative of the population. The second part was specifically among smokers only.

The sample frame for the telephone interviewing was constructed from two sources. The first source was available published telephone numbers of households within the region. The second source was from randomly generated telephone numbers which provided coverage of ex-directory and other non-available numbers. Known business numbers from the area were removed from the sampling frame.

Selection was done using random stratified sampling from all available telephone numbers within the defined survey area.

The sampling for the face-to-face interviews was conducted at pre-selected locations within each local authority area.

Quota controls were placed on local authority, gender, age (16 years and over) and smokers/non-smokers.

Weighting of the Data

The data was weighted to make it representative of the population both geographically and demographically. Three stages of weighting were applied:

- Smoking prevalence;
- Local authority population;
- Gender and age.

APPENDIX 3

Statistical Reliability of this study

With a total sample of 2,547 interviews the survey results are extremely robust, with a 95% confidence interval of $\pm 1.9\%$.

The 95% confidence intervals for the total sample key sub-groups are as follows:

	Sample	Confidence interval (+/-%)	
		50% response	10% response
TOTAL	2,547	1.9	1.2
Smallest Local Authority	110	9.3	5.6
Smallest ARC area	259	6.1	3.7
Non-smokers	1,273	2.8	1.7
Current smokers	1,274	2.8	1.7
Illicit tobacco buyers	299	5.7	3.4

APPENDIX 4

Table Providing Information relating to Local Authority Areas in Wales

Local Authority	Population (Number and Rank) (Mid-2013 Estimates)	Geographical Area (Size and Rank) (Hectares)	Adult Smoking Rate (2009-2010)
Isle of Anglesey	70,100 (20)	74902.27 (9)	24% (8)
Blaenau Gwent	69,800 (21)	10872.81 (22)	28% (1)
Bridgend	140,500 (8)	25531.15 (17)	22% (17)
Caerphilly	179,200 (5)	27738.78 (16)	24% (8)
Cardiff	351,700 (1)	14951.12 (19)	23% (11)
Carmarthenshire	184,700 (4)	243894.70 (3)	23% (11)
Ceredigion	76,000 (19)	180590.29 (4)	23% (11)
Conwy	115,800 (15)	115347.67 (6)	22% (17)
Denbighshire	94,500 (16)	84636.99 (8)	23% (11)
Flintshire	153,200 (6)	48943.95 (11)	21% (20)
Gwynedd	121,900 (14)	262238.00 (2)	24% (8)
Merthyr Tydfil	59,000 (22)	11195.70 (21)	26% (3)
Monmouthshire	92,100 (17)	88605.35 (7)	19% (22)
Neath Port Talbot	139,900 (9)	45187.00 (12)	26% (3)
Newport	146,600 (7)	21776.76 (18)	25% (7)
Pembrokeshire	123,300 (13)	165018.30 (5)	23% (11)
Powys	132,700 (11)	519543.65 (1)	23% (11)
Rhondda Cynon Taf	236,100 (3)	42415.04 (13)	27% (2)
Swansea	240,300 (2)	42089.80 (14)	22% (17)
Torfaen	91,400 (18)	12623.99 (20)	26% (3)
Vale of Glamorgan	127,200 (12)	33967.58 (15)	21% (20)
Wrexham	136,400 (10)	50377.35 (10)	26% (3)

APPENDIX 5

Information on Legislation Relating to Illegal Tobacco Supply

The Tobacco Products (Manufacture, Presentation and Sale) (Safety) Regulations 2002, as amended were introduced as part of the UK Department of Health's Tobacco Control Programme. They were made using powers given to the Secretary of State for Health in Section 11 of the Consumer Protection Act 1987. The Regulations require certain warnings to be placed on the packaging of tobacco products. They also prohibit misleading terms such as low-tar, mild and light. The 2007 amendment Regulations added the requirement for certain picture warnings to be placed on product packaging.

A conviction brings a maximum penalty of 3 months imprisonment and/or a £5,000 fine.

A Trade Mark means:

Any sign capable of being represented graphically and; which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

Section 92 of the Act sets out the relevant offence:

"S92.-(1) a person commits an offence who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor-

- a) applies to goods or their packaging a sign identical to, or likely to be mistaken for, a registered trade mark, or
- b) sells or lets for hire, offers or exposes for sale or hire or distributes goods which bear, or the packaging of which bears, such a sign, or
- c) has in his possession, custody or control in the course of a business any such goods with a view to the doing of anything, by himself or another, which would be an offence under paragraph (b)."

The maximum penalties are:

On summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum (currently £5,000), or both.

On Indictment a fine and/or 10 years imprisonment.

All tobacco products supplied in the UK must have had the relevant duty paid on them to HMRC. Those rates are currently:

Cigarettes -16.5% of the retail price plus £184.10 per thousand cigarettes

Cigars - £229.65 per kilogram

Hand-rolling tobacco - £180.46 per kilogram

Other smoking tobacco and chewing tobacco - £100.96 per kilogram.

Section 6 of the Fraud Act 2006 creates offences re Possession etc. of articles for use in frauds:

“(1) A person is guilty of an offence if he has in his possession or under his control any article for use in the course of or in connection with any fraud.

(2) A person guilty of an offence under this section is liable—

- a) on summary conviction, to imprisonment for a term not exceeding 12 months or to a fine not exceeding the statutory maximum (or to both);
- b) on conviction on indictment, to imprisonment for a term not exceeding 5 years or to a fine (or to both).”

Section 7 of the Act creates offences re making or supplying articles for use in frauds:

“(1) A person is guilty of an offence if he makes, adapts, supplies or offers to supply any article—

- a) knowing that it is designed or adapted for use in the course of or in connection with fraud, or
- b) intending it to be used to commit, or assist in the commission of, fraud.

(2) A person guilty of an offence under this section is liable—

- a) on summary conviction, to imprisonment for a term not exceeding 12 months or to a fine not exceeding the statutory maximum (or to both);
- b) on conviction on indictment, to imprisonment for a term not exceeding 10 years or to a fine (or to both).”

Section 170 of CEMA '79 sets out the criminal offence regarding the fraudulent evasion of excise duty:

Where any person knowingly acquires possession of excise goods, on which excise duty has not been paid and does so with the intention of fraudulently evading payment of duty, are guilty of an offence.

The maximum penalty is fine and imprisonment of up to 7 years.

Section 170a of CEMA '79 sets out the offence regarding handling goods subject to unpaid excise duty. The penalty is calculated by reference to the amount of unpaid duty.

Section 170b of CEMA '79 sets out the offence of taking preparatory steps for evasion of excise duty:

If any person is knowingly concerned in the taking of steps with a view to the fraudulent evasion of excise duty, he is liable on summary conviction to a penalty or imprisonment for a term not exceeding 6 months or to both. If convicted on indictment, he is liable to a penalty of any amount or to imprisonment for a term not exceeding 7 years or both. Where any person is guilty of an offence under this section, the goods in respect of which the offence was committed are liable to forfeiture.

Section 8G of TPDA '79 states:

Tobacco products, that is cigarettes and hand-rolling tobacco that are required to bear a fiscal mark (whether counterfeit or not) and which do not, are liable to forfeiture.

Any person who is in possession of, transports or displays; or sells, offers for sale or otherwise deals in unmarked tobacco products commits an offence.

The penalty is a fine up to a maximum of £5000.

Section 8J of TPDA '79 states:

Products bearing fiscal marks which have been altered or overprinted are liable to forfeiture.

APPENDIX 6

Copy of Questionnaire sent to all Trading Standards Services in Wales

ASH Wales – Trading Standards Illegal Tobacco Questionnaire

Illegal tobacco can take many different forms and there can be regional variations in the names that it is given. These are the definitions that are generally understood by health and enforcement partners:

Cigarettes:

- 'Illegal/cheap white' cigarettes have no legal market in the UK. UK duty has not been paid and the appropriate health warnings and images may not be present.
- Counterfeit cigarettes are illegally manufactured and sold by a party other than the original trademark or copyright holder. This can also include the counterfeiting of illegal whites.
- Genuine cigarettes are those produced legitimately for a local market. This includes UK and non-UK brands. They have the correct health warnings and images and are intended for legal open sale. As well as cigarettes made for the UK this may include cigarettes intended for sale in another country that have been smuggled into the UK or duty free cigarettes being illegally sold, rather than kept for personal use.

Hand-rolling tobacco:

- Non-UK hand-rolling tobacco brands are not intended for sale in the UK.
- Counterfeit hand-rolling tobacco is, like cigarettes, illegally manufactured and sold by a party other than the original trademark or copyright owner. It can also include the counterfeiting of non-UK products.
- Genuine or UK hand-rolling tobacco brands include products intended for both the UK and non-UK markets.

The illegal trade undermines the effectiveness of efforts to reduce smoking. In the UK, progress has been made in recent years to reduce smoking rates to their lowest level yet. However, the existence of an illegal trade in tobacco products reduces the effectiveness of tobacco control measures because illegal tobacco is often available at cheaper prices, undermining the effectiveness of taxation, making it harder for smokers to quit. Cheap tobacco also makes it easier for non-smokers to start and ex-smokers to relapse.

The information requested through this questionnaire is to cover the period 1st January 2012 to date. For example, Q1 would read in its entirety: has your Authority carried out any enforcement work in relation to illegal tobacco since 1st January 2012?

Please complete and return to Steven Hay, Illegal Tobacco Programme Manager at steven@ashwales.org.uk.

Local Authority: _____ Date: _____

Person completing: _____ Designation: _____

Introduction

1. Has your Authority carried out any enforcement work in relation to illegal tobacco?
Please tick one of the boxes.

Yes

No

If "yes", please summarise:

If "no", why not? Please tick all boxes that apply.

Lack of intelligence

Prioritisation of other work areas

Issues re knowledge/capability of staff

Lack of resources – personnel

Lack of resources – financial

2. Has your Authority used tobacco sniffer dogs when carrying out work aimed at detecting illegal tobacco? *Please tick one of the boxes.*

Yes

No

If “yes”, on how many occasions (days)? *Please tick one of the boxes.*

- 1 – 5
- 6 – 10
- 11- 20
- 21+

If “yes”, in which types of premises? *Please tick one of the boxes.*

- Shop
- Pub/Club
- Private address
- Street
- Workplace
- Storage Unit
- Other (*please specify*)

Intelligence

3. How many pieces of intelligence (including consumer/trader complaints) has your Authority received?

4. How many of those pieces of intelligence were shared with or by another organisation? Please specify the organisation and whether they shared or received?

5. What proportion or how many of those pieces of intelligence were “actionable”?

6. Where did the intelligence relate to re storage/sale? *Please tick all boxes that apply.*

- Shop
- Pub/Club
- Private address
- Street
- Workplace
- Storage Unit
- Other (*please specify*)

7. Has any pro-active work been carried out to try to generate intelligence re illegal tobacco?
Please tick one of the boxes.

- Yes
- No

If "yes", please summarise:

Operations/Seizures

8. How many illegal cigarettes has your Authority seized?

9. Of those how many were:

- "illegal/cheap whites"?
- "counterfeit"?
- "non-duty paid imports"?

10. How much illegal hand rolling tobacco has your Authority seized?

11. Of those how many were:

“illegal/cheap whites”? _____

“counterfeit”? _____

“non-duty paid imports”? _____

12. How many suspects/defendants was the illegal tobacco identified above seized from?

13. How many of those suspects/defendants were arrested?

14. How many of those suspects/defendants were prosecuted?

15. How many of those suspects/defendants were convicted?

16. Please provide details of successful convictions, including legislation and penalty:

17. How many illegal cigarettes have been seized from?

Shops _____

Pubs/Clubs _____

Private addresses _____

In street _____

Workplaces _____

Storage Units _____

Other (please specify) _____

18. How much illegal hand-rolling tobacco has been seized from?

Shops	_____
Pubs/Clubs	_____
Private addresses	_____
In street	_____
Workplaces	_____
Storage Units	_____
Other (please specify)	_____

Proceeds of Crime Legislation

19. Has your Authority seized any cash from illegal tobacco suspects (including in partnership with other enforcement agencies)? *Please tick one of the boxes.*

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If "yes", please provide further details:

20. Has your Authority commenced any proceeds of crime proceedings in relation to illegal tobacco (including in partnership with other enforcement agencies)? Please tick one of the boxes.

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If "yes", please provide further details:

21. Has your Authority secured any proceeds of crime awards in relation to illegal tobacco (including in partnership with other enforcement agencies)? *Please tick one of the boxes.*

- Yes
- No

If “yes”, please provide further details:

Other Enforcement Action

22. If your Authority has carried out any enforcement work, other than that previously detailed, please summarise below:

Education/Awareness Raising

23. Has your Authority carried out any activity to educate the public in relation to illegal tobacco? Please tick one of the boxes.

- Yes
- No

If “yes”, please provide further details:

24. Has any of your Authority’s illegal tobacco work been covered in the media or has the media been used to promote any messages re illegal tobacco? *Please tick one of the boxes.*

- Yes
- No

If “yes”, please provide examples:

Partnerships

25. Does your Authority work in partnership with any other organisations to combat the supply/use of illegal tobacco? Please tick one of the boxes.

Yes

No

If "yes", please identify the organisations and detail the partnership work:

Conclusion

26. What other work, if any, has your Trading Standards Authority carried out in relation to illegal tobacco?

27. Does your Trading Standards Authority have any plans for future work relating to illegal tobacco? Please tick one of the boxes.

Yes

No

If "yes", please summarise the plans:

28. Are any of those plans formalised in documents published by your Local Authority? Please tick one of the boxes.

Yes

No

If "yes", please provide further details:

29. Would you and/or colleagues from your Authority be interested in attending a workshop on illegal tobacco if ASH Wales were to organise one? Please tick one of the boxes.

Yes

No

If "yes", please provide further details:

30. Please provide any further comments re illegal tobacco work below:

APPENDIX 7

Table Detailing Completed Prosecutions Relating to Illegal Tobacco by Trading Standards Services in Wales (since 1st January 2012)

Defendant	Legislation	Penalty	Detail
Jamie Balint, Garth, Maesteg.	Trade Marks Act 1994 Consumer Protection Act 1987	51 weeks imprisonment, suspended for 2 years – 280 hours Community Service - £2,614 Costs	Possession of 79,180 “illegal white” cigarettes and 101 packets of counterfeit hand-rolling tobacco.
Stewart Lynn Cooke, Caerau, Bridgend.	Trade Marks Act 1994 Consumer Protection Act 1987	9 months imprisonment, suspended for 2 years – 6 months curfew Community Order	
Not known	Trade Marks Act 1994	£6,250 fine - £787.90 Costs - £15 victim surcharge.	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	12 weeks imprisonment, sus- pended for 12 months – 12 month supervision order - £500 costs	
Not known	Trade Marks Act 1994	£450 fine - £1522.43 Costs - £15 victim surcharge	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	12 month Supervision Order – 4 month Curfew - £325 and £591.15 Costs	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	200 hours Community Order/ Unpaid Work - £315 Costs	One of two defendants
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	200 hours Community Order/ Unpaid Work - £315 Costs	One of two defendants
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	60 hours Community Order/ Unpaid Work - £200 Costs - £15 victim surcharge	One of two defendants
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	60 hours Community Order/ Unpaid Work - £200 Costs - £15 victim surcharge	One of two defendants
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	£200 fine - £250 Costs - £20 victim surcharge	One of two defendants
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	£100 fine - £250 Costs - £20 victim surcharge	One of two defendants
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	£120 fine - £500 Costs - £20 victim surcharge	

Defendant	Legislation	Penalty	Detail
Not known	Trade Marks Act 1994	4 months imprisonment, suspended for 12 months – 60 hours Community Order/ Unpaid Work - £400 Costs - £80 victim surcharge	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	4 months imprisonment, suspended for 12 months – 100 hours Community Order/ Unpaid Work - £320 Costs - £80 victim surcharge	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	£300 fine - £496.30 Costs - £30 victim surcharge	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	Conditional Discharge for 6 months - £100 Costs - £15 victim surcharge	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	£500 fine – 100 Hours Community Service - £200 Costs - £60 victim surcharge	
Not known	Consumer Protection Act 1987	£220 fine - £280 Costs - £60 victim surcharge	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	£1900 fine - £200 Costs - £120 victim surcharge	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	£260 fine - £200 Costs - £20 victim surcharge	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	6 months imprisonment, suspended for 1 year – 120 Hours of Unpaid Work – Attend 7 sessions of “Thinking Skills” Workshop - £570 Costs - £50 victim surcharge	
Not known	Consumer Protection Act 1987	12 month Conditional Discharge - £75 Costs	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	100 Hours Community Service - £777 Costs	
Not known	Trade Marks Act 1994 Consumer Protection Act 1987	8 months imprisonment, suspended for 18 months	
Mahamad Mahmood t/a Newport Mini Market	Consumer Protection Act 1987	£3,200 fine - £1,395 Costs - £40 victim surcharge	
Biao He	Trade Marks Act 1994	14 months imprisonment	Illegal immigrant
Yun Shi	Trade Marks Act 1994	10 months imprisonment	Illegal immigrant
Fang Wu	Trade Marks Act 1994	12 months imprisonment	Illegal immigrant
Tong Yu	Trade Marks Act 1994	12 months imprisonment	Illegal immigrant
Dong Chen	Trade Marks Act 1994	8 months imprisonment	Illegal immigrant

Defendant	Legislation	Penalty	Detail
Sandra Rees	Trade Marks Act 1994 Consumer Protection Act 1987	£200 fine - £220 Costs	
Christopher Stephens	Trade Marks Act 1994 Consumer Protection Act 1987	12 month Community Order – 100 Hours Community Service	
William Henry Malcolm Jones	Trade Marks Act 1994 Consumer Protection Act 1987	8 months imprisonment, suspended for 1 year	
Diane Evans	Trade Marks Act 1994 Consumer Protection Act 1987	Conditional Discharge - £250 Costs	
Stephen Lent	Trade Marks Act 1994 Consumer Protection Act 1987	£200 fine - £329.16 Costs	
Jacqueline Jones	Consumer Protection Act 1987	£50 fine - £200 Costs	
Peter Worner	Consumer Protection Act 1987	4 months imprisonment, suspended for 2 years – 12 month Supervision Order – 120 hours Unpaid Work	
Nikki Barners	Trade Marks Act 1994 Consumer Protection Act 1987	4 months imprisonment, suspended for 2 years – 12 month Supervision Order – 120 hours Unpaid Work	
Not known	Not known	6 month Community Order – 120 Hours Unpaid Work - £300 Costs - £60 victim surcharge	Case involved various counterfeit goods and a quantity of illegal tobac- co.