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Changes in Taxable Cigarette Sales Following Large Tax Increases - 2002
 (Based on taxable sales data as reported to Orzechowski and Walker by individual states)

State	Tax Increase (Cents per Pack)	Effective Date	Time Period Covered by Data	% Volume Change Compared to Same Time Last Year
Washington	60	1-Jan-02	12 months - Jan 02 thru Dec 02	-18.57%
Vermont	49	1-Jul-02	5 months - Jul 02 thru Nov 02	-15.01%
Utah	18	1-May-02	8 months - May 02 thru Dec 02	-12.17%
Tennessee	7	1-Jul-02	5 months - Jul 02 thru Nov 02	-14.61%
Rhode Island	32	1-May-02	7 months - Jun 02 thru Dec 02	-7.00%
Pennsylvania	69	15-Jul-02	5 months - Jul 02 thru Nov 02	-14.40%
Oregon	60	1-Nov-02	2 months - Nov 02 thru Dec 02	-16.00%
Ohio	31	1-Jul-02	6 months - Jul 02 thru Dec 02	-5.14%
New York City	142	1-Jul-02	6 months - Jul 02 thru Dec 02	-48.03%
New York	39	3-Apr-02	9 months - Apr 02 thru Dec 02	-18.15%
New Jersey	70	1-Jul-02	6 months - Jul 02 thru Dec 02	-16.23%
Nebraska	30	1-Oct-02	3 months - Oct 02 thru Dec 02	-26.50%
Michigan	50	1-Aug-02	4 months - Aug 02 thru Nov 02	-10.10%
Massachusetts	75	25-Jul-02	4 months - Aug 02 thru Nov 02	-26.10%
Maryland	33	1-Jun-02	7 months - Jun 02 thru Dec 02	-12.83%
Louisiana	12	1-Aug-02	4 months - Aug 02 thru Nov 02	-41.00%
Kansas	46	1-Jul-02	6 months - Jul 02 thru Dec 02	-25.48%
Indiana	40	1-Jul-02	6 months - Jul 02 thru Dec 02	-16.30%
Illinois	40	1-Jul-02	5 months - Jul 02 thru Nov 02	-30.01%
Hawaii	20	1-Oct-02	2 months - Oct 02 thru Nov 02	-26.70%
Connecticut	61	3-Apr-02	9 months - Apr 02 thru Dec 02	-9.50%
Arizona	60	24-Nov-02	N/A	N/A

ASSEMBLY JUDICIARY

DATE: 4/3/03 ROOM: 3138 EXHIBIT ✓
 SUBMITTED BY: Jail Holleran

10t 15

Pssst! Wanna Cheap Smoke?

Big Tax Rise in New York City
Fuels Thriving Black Market
In Illegal, Low-Tax Cigarettes

By Gordon Fairclough

The Wall Street Journal via Dow Jones

New York -- AS EVENING DESCENDS on Harlem, crowds of men and women coming home from work spill from subway stations onto 125th Street.

Ave, who won't give his last name, is waiting for them. Bundled against the cold in a red Sean John parka and a blue ski cap, he clutches a black plastic bag stuffed with one of New York's hottest illicit products.

"Newports, Newports. Cigarettes, cigarettes," he chants under his breath to passersby. Customers slip him \$5 bills, and he gives each a green-and-white pack of smokes.

Ave's business is untaxed cigarettes smuggled in from other states, and he boasts he can sell 50 packs a night. "I go for shopping areas, wherever there's a large crowd," the 28-year-old says. "I make a good profit, enough to pay my bills."

New York has never lacked for streetwise entrepreneurs like Ave, but trafficking in cigarettes has exploded in recent months. It is attracting not just veterans like Ave -- who used to hawk compact discs -- but also amateurs seeking extra income.

Why the boom? Last summer, the city boosted its excise tax on cigarettes to an eye-popping \$1.50 a pack, from eight cents. New York state also raised its levy, to \$1.50 from \$1.11. The combined \$3-a-pack wallop makes cigarettes here the costliest in the U.S., at about \$7.50 a pack. On the street, \$4 to \$5 a pack is practically irresistible.

Smokers are in rebellion. Legitimate retail sales of cigarettes are down steeply. The number of cigarette-tax stamps sold by the city from

N 20815

August through November was down 50% from the same period a year ago. (Tax revenue, however, is still up sharply.)

The black market has spread across the city. In Brooklyn, a landlord fearing drug pushers were in the neighborhood called police. The "pushers" turned out to be cigarette vendors. Bootleggers sell untaxed cigarettes from car trunks; cab drivers offer them to passengers; and corner groceries sell them to favored customers. Some street hawkers even approach commuters outside Grand Central Terminal.

"There are a lot of entrepreneurs and opportunists out there," says Michael Brooks, the deputy inspector who commands the New York Police Department's vice-enforcement division. "There's more activity because of all the money that can be made."

As the market in contraband nicotine expands, the city's tax-enforcement agents are busier than ever. The city's tax-evasion hotline is ringing off the hook as store owners call to report sightings of illegal cigarette sales. Customers also drop a dime on shopkeepers who charge full price for contraband cigarettes: If the apple-shaped New York tax stamp is missing, it means the cigarettes were smuggled.

Recently, two agents, who asked that their names not be used to avoid jeopardizing undercover operations, were prowling the city in a black, government-issue Ford sedan, following up calls to the hotline. One of the tax officers, a hulking former hospital collection agent sporting a gold scorpion ring, a handcuff key around his neck and a blue sweatshirt emblazoned with "NYC Tax Agent," enters a convenience store on 115th Street and St. Nicolas Avenue.

He flashes his badge, slides behind the counter and finds a narrow plywood box under the cash register. Inside are more than 30 packs of Newports and another cigarette called Wave, made by Japan Tobacco Inc. Not one has a tax stamp. The agents confiscate the cigarettes.

Store manager Waddah Alaya tells the agents that he and his fellow workers buy the untaxed smokes a few blocks from the store. "When they sell for \$4 on the street, we have no choice," Mr. Alaya says.

N 30f15

There has long been a black market for cigarettes in New York. Organized crime would distribute untaxed cartons -- which usually just "fell off a truck" - at mob establishments. But the current commerce is more do-it-yourself, at least for now, police and tax agents say. Smugglers typically buy van loads of popular brands at discount stores along Interstate 95 in Virginia, where the cigarette tax is just 2.5 cents a pack, or in North Carolina, where it is five cents a pack. (For crooks with more finesse, North Carolina has the advantage of not having a tax stamp on its cigarette packs, so that a counterfeit New York tax stamp can be neatly added.) The street value of their cargo nearly doubles when the cigarettes cross into Manhattan.

"It just depends on how far you want to drive and how much profit you want to make," says Jerry Bowerman, chief of the Bureau of Alcohol, Tobacco and Firearms diversion branch. Mr. Bowerman says that in the government's fiscal year ended Sept. 30, his agents opened 160 investigations into major cigarette-smuggling operations nationwide, up from 90 the year before, not including countless mom-and-pop operations.

While the black market is much the same in neighborhoods across the city, what does change is the dominant cigarette brand. In Brighton Beach, home to many Russian immigrants, Marlboros and Parliaments are popular among smugglers. In Chinatown, it's Marlboro Lights, while in Arab neighborhoods, Benson & Hedges often is the smoke of choice, tax agents say.

Cigarette smuggling not only can offer fat profit but is less risky than selling illegal drugs, law-enforcement authorities say. Drug trafficking carries sentences ranging from a minimum of five years to a maximum of life in prison. The top sentence for cigarette smuggling is five years. Federal prosecutors don't pursue cases involving fewer than 300 cartons; some van drivers load up exactly 299. Most cigarette smugglers "are not going to do serious jail time," says Edgar Domenech, head of the ATF's New York field office.

Mr. Domenech predicts an increase in competition among criminal groups to control the trade in untaxed cigarettes. "And competition in any illegal activity results in some shape or form of criminal violence," he says.

N 4/15

For now, however, the streets seem to belong to a class of small-time opportunists, such as 46-year-old Blossom. The mother of four says she's been "hustling" cigarettes for about two months to supplement her pay as a home health-care attendant in Manhattan.

"I thought I could make a little something extra. I'm just trying to make ends meet for Christmas," she says, hawking Newports near elevated-train tracks in Harlem. Blossom says she can clear as much as \$350 a week, and hasn't been busted.

"It's an uphill battle," says Bruce Kato, a top official in New York City's Finance Department. "There are more of them than there are of us."

The Buffalo (NY) News
3/13/03

Police seize cigarettes, computers in raids
By PAUL WESTMOORE
News Niagara Bureau

IRVING - Some 9,000 cartons of cigarettes, several computers and business records were confiscated Tuesday morning during simultaneous raids by law enforcement officers at the Double D Smoke Shop and a storage facility in Pomfret. No arrests were made Tuesday, although a co-owner of the Double D was arrested last month following a federal investigation of counterfeit cigarette smuggling. Special Agent Joseph Green, of the federal Bureau of Alcohol, Tobacco and Firearms, said the raids were part of a yearlong investigation of suspected illegal trafficking. Green said ATF agents will determine if the people at those locations violated the federal Contraband Cigarette Trafficking Act. That includes the sale of untaxed or counterfeit cigarettes, or the smuggling of cigarettes. Meanwhile, Seneca Nation of Indians President Rickey L. Armstrong Sr. ordered four accused cigarette smugglers excluded from Seneca Nation territory Tuesday. Donald Deland, Timothy Farnham, Robby Mingles and Ali Akdar are accused of conducting a smuggling operation on Seneca territory. Deland, who isn't a Seneca, is co-owner of the Double D. He and Farnham, another non-Seneca, and Scott Snyder, son of the former Seneca Nation President Barry Snyder, were among those charged last month with importing

N 5 of 15

counterfeit cigarettes from China, then selling them on the Cattaraugus Reservation. Information on Mingles and Akdar was not available Tuesday night. Also in February, two Seneca women were arrested by federal prosecutors and accused of shipping untaxed cigarettes to Detroit. Some of those profits allegedly helped finance the Islamic terrorist group Hezbollah. "The Seneca Nation strongly condemns the irresponsible, unscrupulous and illegal behavior of cigarette smuggling," Armstrong said in a statement late Tuesday. "It's highly dangerous and unethical, and we do not condone this or any other criminal activity in any way."

News Staff Reporters T.J. Pignataro and Janice L. Habuda contributed to this article.

Three States Target Online Tobacco Sales (CSNews)

April 2, 2003

SACRAMENTO, Calif. -- California Attorney General Bill Lockyer filed lawsuits against five out-of-state online cigarette retailers Tuesday, alleging they are selling to California minors as well as avoiding responsibilities to pay California sales taxes.

Lockyer said the growing Internet tobacco retailers "have helped hook our children on a deadly addictive product" while depriving the state of revenue "it can ill afford to lose" during a budget crisis, according to the San Jose (Calif.) Mercury News.

Government officials in Washington and Oregon filed similar lawsuits Tuesday, the report said, and other states are expected to follow.

While California smokers pay up to \$58 per 10-pack carton in grocery stores, online sales firms are marketing brands between \$8.99 and \$32.49 per carton.

Online cigarette sales, estimated this year at \$2.2 billion, are expected to reach \$5 billion by 2005 and cost states \$1.4 billion in

N 6 of 15

lost sales taxes, according to Massachusetts-based Forrester Research, which tracks online marketing.

State tax authorities estimate California's losses are nearly \$55 million this year as the state's budget falls \$26 billion to \$35 billion short over the next 15 months. California smokers pay 87 cents per pack in cigarette taxes or \$8.70 a carton, but Gov. Gray Davis has proposed raising taxes on smokers another \$1.10 per pack, which would make California's taxes the nation's highest.

Lockyer's suit, filed in San Diego Superior Court, targets Missouri-based Dirt Cheap Cigarettes Inc., Smokin 4 Less of Virginia, Cyco.net Inc. of New Mexico, eSmokes of Florida and LLP Enterprises/CigOutlet of Virginia. They are among an estimated 167 online retailers, according to California tax officials.

Cyco.net, LLP Enterprises and Smokin 4 Less did not respond to messages seeking comment. At Dirt Cheap Cigarettes, which bills itself as "the last refuge of the persecuted smoker," a customer-service representative said the company had no comment on the lawsuit.

Dresslar said the attorney general's office ran a sting on the companies, in which children under 18 used their parents' credit cards to order cigarettes. "We determined they could," he said. "It was pretty easy to do."

He said calls to the companies pointing out the alleged offenses failed to create policy changes. The companies also failed, Dresslar said, to follow a federal law that requires out-of-state sellers to provide a record of the sale to the buyer's home state.

Lockyer's suit asks the court to prohibit the defendants from engaging in the alleged unlawful conduct. The lawsuits also seek a combined total of at least \$1 million in civil penalties.

6 Are Charged With Selling Millions of Counterfeit Marlboros

The New York Times via Dow Jones

N 7 of 15

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Metropolitan Desk; Section B; Page 3, Column 1
c. 2003 New York Times Company
By WILLIAM GLABERSON

Federal prosecutors in Brooklyn charged six men yesterday with importing millions of counterfeit Marlboro cigarettes from China and selling them through tax-free businesses on the upstate Seneca Indian reservation.

But while prosecutors described an ambitious plot, they portrayed the suspects as luckless. According to documents filed in court, Customs Service agents infiltrated the group, turned two of its members into informants, and then bugged, wiretapped, videotaped and followed the men during almost every phase of their operation. In at least one instance, the agents used a helicopter.

The Customs Service said the men imported 35 million counterfeit cigarettes, with an estimated retail value of about \$10 million. The service's special agent in charge, John C. Varrone, said criminals had been drawn by the huge profits that could be made from such cigarettes, imitations of name brands packaged to look authentic.

According to the prosecutors, the men brought five shipments of Cigarettes into New Jersey ports during a two-year period that ended in 2002. The prosecutors said cases of the ersatz Marlboro and Marlboro Light cigarettes were hidden in shipping containers behind boxes of plastic kitchen pots.

The prosecutors said three of the men sold the cigarettes through two smoke shops on the Seneca's Cattaraugus Reservation, south of Buffalo, and on a Web site, Smokemcheap.com. The three were identified as Scott Snyder, 40, who lives on the reservation, and Donald Deland, 42, and Timothy Farnham, 37, who live near it.

The prosecutors said two brothers from Queens, Simon Moshel, 52, and Michael Moshel, 47, arranged to import the cigarettes, assisted by a Brooklyn man, Robert Berardelli, 51. The Moshel brothers were also charged with importing counterfeit Duracell batteries. Mr. Farnham was the only one of the six men not arrested yesterday.

N 8 of 15

A sworn statement by the customs agent who infiltrated the group, Rod Khattabi, described the undercover operation, which appeared to leave suspects with very little privacy. He said he posed as a trucker who would transport the cigarettes. He also said a house in Nassau County belonging to two informants and a Brooklyn warehouse used by the group to store the cigarettes were outfitted with surveillance equipment.

The agents taped at least 200 meetings and telephone calls, the court documents said, adding that one videotape captured Mr. Berardelli taking a cigarette out of a shipment and smoking it.

(END)

Cigarette Smuggling
Brief Analysis
by Bruce Bartlett

Diverse state tobacco taxes are a key reason for cigarette smuggling, in which organized crime and terrorist groups increasingly are involved. A July 21 article in the Detroit News quoted John D'Angelo of the Bureau of Alcohol, Tobacco and Firearms (ATF) as saying, "There is no doubt that there's a direct relationship between the increase in a state's tax and an increase in illegal trafficking."

The Profit in Smuggling.

According to the Federation of Tax Administrators, so far this year 17 states have raised their cigarette taxes in an effort to cover their budget deficits. The magnitude of the increases is remarkable.

On January 1, 2002, the median state cigarette tax rate was 34 cents per pack and the average was 45 cents. Six months later, the median rose to 41 cents and the average to 54 cents. By contrast, 10 years ago both the median and average were 25 cents. New York and New Jersey have the highest state tax rates, \$1.50 per pack. New York City imposes an additional tax of \$1.50, for a total tax of \$3.00 per pack. At the other end of the spectrum, North Carolina's tax is just 5 cents per pack, Kentucky's is 3 cents and Virginia's is 2.5 cents. [See Figure I.]

N 90c15

It is easy to buy a truckload of cigarettes in North Carolina and sell them in New York City for a profit of almost \$30 per carton. Thus a few hours' "work" can yield several thousand dollars' profit.

Every day, residents of Maryland (\$1 tax) and the District of Columbia (65 cents tax) technically engage in smuggling by buying cigarettes in Virginia. Although interstate cigarette smuggling is a crime, prosecutions are rare.

The Role of Organized Crime and Terrorism.

On June 1, the Washington Post reported that Maryland's cigarette tax increase from 66 cents to \$1 led to an immediate jump in smuggling. It said that "a vast and burgeoning underworld of criminals" is now engaged in the business: "Criminals who once dealt exclusively in illegal drugs are now smuggling cigarettes because it is so lucrative and punishments generally are much less severe."

For years, police have warned of organized crime's move into cigarette smuggling. The criminal gangs have brought experience from the drug trade, economies of scale and other efficiencies to cigarette smuggling. For example, they can counterfeit tax stamps, something small-time smugglers cannot do.

Terrorists, too, are smuggling cigarettes to finance their operations - not surprising since they are tightly organized, highly disciplined and experienced in smuggling weapons and explosives. A March 10 San Francisco Chronicle story entitled "Terrorists Mimic Crime Syndicates to Fund Attacks" detailed the involvement of many groups in smuggling. "More and more, terrorists are acting like traditional organized crime groups, engaging in rackets like cigarette and fuel smuggling," the Chronicle reported. Indeed, it said terrorists are working alongside organized crime.

The Irish Republican Army has long been implicated in cigarette smuggling in Europe. Recently, a member of Hezbollah was convicted of running a multimillion-dollar smuggling operation out of North Carolina. The Washington Post quoted Maryland State Comptroller William Donald Schaefer as saying, "We know that some of the money used by smugglers is directly passed on to terrorist organizations."

N 10 of 15

On September 28, the Los Angeles Times reported that federal authorities have been probing western New York for evidence of cigarette smuggling as a source of Al Qaeda funding. One smuggling scheme involving several local Arab Americans was broken up in 1999, said the Times.

Smuggling via the Internet.

The Internet simplifies smuggling. Cigarettes from Indian reservations, where state cigarette taxes are not collected, are often available online. The purchaser pays by credit card, and the cigarettes are delivered to his or her home.

The Jenkins Act requires vendors to report to the buyer's state tobacco tax administrator when cigarettes are sold across state lines. However, many Internet vendors do not report the sales. An August 9 General Accounting Office report concluded that transferring primary investigative jurisdiction from the Federal Bureau of Investigation (FBI) to the ATF would give the latter comprehensive authority to enforce the Jenkins Act and should result in better enforcement.

Adding Jenkins Act enforcement responsibility to its authority under the Contraband Cigarette Trafficking Act may increase the likelihood that the ATF will detect and investigate violators and that U.S. attorneys will prosecute them. Yet so long as tobacco products are legal and state cigarette taxes are divergent, the ATF can do only so much. The authorities cannot even keep cigarettes from being smuggled into prisons.

Consequences of High Tobacco Taxes.

The growth of cigarette smuggling is a key reason why cigarette tax revenues are not keeping pace with tax increases. Between 1992 and 2000, the average state cigarette tax rate increased 64 percent while gross state tax revenues rose only 35 percent. [See Figure II.] The apparent fall in smoking rates over this period was not nearly enough to account for the revenue shortfall. This suggests that states expecting higher revenues from recent Cigarette tax increases may never see them.

Even liberal groups like the Center for Budget and Policy Priorities (CBPP) now warn states against expecting too much revenue from higher

cigarette taxes. The CBPP also is concerned that the poor, who smoke in higher numbers, may be unduly burdened. It suggests a tax rebate to low-income smokers. Of course that would only make it easier for them to afford cigarettes.

Another problem is that as cigarette distribution moves out of normal outlets and into criminal channels, controls on cigarette purchases by minors erode. Not only does this potentially increase smoking by teen-agers, but it brings more of them into contact with dealers pushing stronger drugs.

As much as politicians and antismoking zealots hate to admit it, there are limits to how much states can tax tobacco. At some point, they may have to admit that high cigarette taxes are even more harmful than smoking.

Bruce Bartlett is a senior fellow with the National Center for Policy Analysis.

Two people charged with illegally importing cigarettes
02/03/03

SALEM -- A state task force formed to investigate tobacco-related crime has made its first arrests, charging two people with illegally importing cigarettes. Francisco and Nicolasa Osegueda face charges of racketeering, unlawful distribution of cigarettes and making false cigarette tax reports. An indictment filed in Marion County Circuit Court alleges that the Oseguedas and their company, United Trading, imported hundreds of cartons of "gray market" cigarettes -- unstamped and untaxed cigarettes produced outside the United States and not intended for import, or cigarettes produced domestically intended only for export. Such cigarettes do not meet the stringent state and federal labeling laws, official said. The indictment was announced Friday by Oregon Attorney General Hardy Myers and the Tobacco Compliance Task Force, established by the 2001 Legislature to combine the efforts of the Oregon State Police, the Department of Revenue and the Department of Justice. The Oregon Department of Revenue estimates that more than \$10 million is lost annually to illegal distribution and sales of unstamped and gray market tobacco.

Liquor Control Board Seizes \$40,600 worth of Untaxed Cigarettes

February 7, 2003

Olympia - The Liquor Control Board Tobacco Tax Team confiscated a van loaded with approximately 18,190 packs of unstamped, untaxed cigarettes Yesterday afternoon. With assistance from the Washington State Patrol, the van, headed to a smoke shop in the Tacoma area, was stopped East of Ellensburg on Interstate 90.

Shipping documents indicate the wholesale value of the 18,190 packs to be at \$40,623. In addition, the cigarette tax on this seizure amounts to over \$25,900.

One woman and one man were taken into custody for felony possession and transportation of contraband cigarettes and booked into the Kittitas County jail.

The penalties for possession of untaxed cigarettes are as follows:
Seizure of untaxed cigarettes.

A remedial penalty of \$10 per pack of cigarettes or a \$250 minimum penalty, whichever is greater.

Payment of cigarette tax and interest.

It is a class C felony to be in possession of more than 60,000 untaxed cigarettes. Washington imposes a cigarette tax of \$14.25 per carton on the sale, use, consumption, possession or distribution of cigarettes. Currently the state loses an estimated \$175 million a year due to cigarette tax evasion.

'Fake cigarettes' health alert

Counterfeiters repackage fake cigarettes as top brands
Buying cheap counterfeit cigarettes might seem like a bargain but you could be putting your health at even greater risk, a BBC documentary reveals. If you have ever bought cheap cigarettes from street sellers you probably

N 13 of 15

thought the only person you had cheated was the taxman
But the chances are you've been conned into buying low quality
cigarettes illegally packaged as top brands. Even buying your
cigarettes from a reputable outlet is no guarantee that you will be
getting what you pay for. BBC Two's Crooked Britain discovered fake
cigarettes are also being sold as the genuine article in some shops and
pub vending machines. Inferior product Des Campbell, Head of Camden
Trading Standards had some counterfeit cigarettes bought on the street
tested in a laboratory. He told the programme: "These counterfeit
cigarettes had 75% more tar, 28% more nicotine and about 63% more
carbon monoxide.

That's twice the amount of cancer causing agents found in most other
cigarettes.

Mr Campbell also revealed that the tests showed the cigarettes were
contaminated with sand and other packing material such as bits of
plastic.

He said: "There was quite a significant difference between the tobacco
that's in these kind of cigarettes and the genuine product.

"You're actually buying a product that is far inferior."

In Britain the Treasury estimates that counterfeit cigarettes accounted
for

one in five of all cigarettes sold in Britain last year.

That adds up to about three billion cigarettes - at a cost of up to
£50m in

lost revenue to the taxpayer.

Supply chain

Reporter Mike Radford went undercover for the programme to discover how
fake

cigarettes are making their way into Britain.

He met Ronnie and Baldev Singh, and secretly filmed them boasting about
how

they had fooled shopkeepers, who thought they were getting a genuine
bargain, into buying counterfeit cigarettes.

They explained that they bought cartons of cigarettes for £20, but were
selling them on for £35.

They said that they had received no complaints and bragged about the
easy

money they were making.

Crooked Britain also uncovered some of the big suppliers of fake
cigarettes

in Britain.

N 14 of 15

In north London we met, Fio Mayil, who runs a large business buying and distributing fake cigarettes.

He told the programme he had a queue of customers all over the country waiting for delivery.

And he made no secret about the low quality of counterfeit cigarettes . He said: "You see they use wood and tobacco mixed and put it into the cigarette. That's what they do with a lot of copies.

"I'm an honest man.... I'll tell you this is what I've got my friend, it's

fake, it's this, it's that, whatever.

"It's like dealing drugs, same thing."

Big business

Mick Southgate, Customs Detection Manager at Felixstowe, is on the frontline

in the battle to halt the flow of the thousands of counterfeit cigarettes

being smuggled into Britain every week.

He told the programme that organised criminals are funding and organising

cigarette smuggling on a massive scale.

He said: "We are talking very big business these are not people just bringing a few cigarettes off their holiday.

"These are large organised criminal gangs who are very sophisticated and

very well financed."

N15 of 15