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**TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE FEDERAL WORKFORCE, POSTAL SERVICE, AND THE DISTRICT OF
COLUMBIA SUBCOMMITTEE OF THE HOUSE COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM
APRIL 24, 2008**

I appreciate the invitation to participate in this hearing on "Eliminating Smoke and Mirrors in the Mail," a review of the role of the United States Postal Service in the delivery of cigarettes and other tobacco products.

Internet tobacco sales to youth are a real, significant and growing problem. The subcommittee should approve H.R. 2932, making cigarettes nonmailable. In spite of strong enforcement efforts by Attorneys General and law enforcement agencies, mail order and internet sales of illegal untaxed cigarettes, with no age verification, continue to be a major means to lure children into lifetimes of addiction and disease.

The plain truth is cigarettes are quickly addictive and profoundly deadly. At greatest risk of addiction are young people, who lack the judgment to resist the tobacco marketing bombardment and to protect themselves from harm. While virtually every state actively enforces minimum age requirements for the purchase of cigarettes, meaningful enforcement for internet purchases is nearly nonexistent.

Almost all internet sales are illegal because sellers fail to pay required state taxes. State enforcement of tax laws on these transactions is extremely problematic because many of the sellers change names and locations frequently, or locate on Native American Tribal reservations, or ship from foreign countries.

A cursory internet search reveals hundreds of websites offering these cigarette sales. A recent peer-reviewed study by Professor Kurt Ribisl of the University of North Carolina confirms that most internet vendors sell cigarettes without age verification. In a 2004 study, 29 of 30 fifteen and sixteen year olds were able to identify an internet cigarette vendor and place an order on their own in under 20 minutes, and 77% of the orders were successfully received. A 2006 California study found that none of 101 vendors sampled used adequate age verification procedures.

Internet sales of tobacco to youth are growing at an alarming rate. Between 2001 and 2005, the percentage of a sample of ninth grade smokers who had purchased cigarettes online increased by more than two and one half times, to over 5% of the teens sampled. As states and merchants continue to tighten age enforcement at retail stores, the number of youth buying cigarettes online will continue to rise.

We must put a decisive stop to this pernicious trend.

Working with the major credit card companies, including Visa, MasterCard, American Express, Discover and PayPal, state Attorneys General have greatly constrained cigarette websites in accepting or processing credit card or similar transactions. Through the efforts of state Attorneys General and the cooperation of the largest common carriers – UPS, FedEx, and DHL – we have almost eliminated delivery of these illegal products by every major carrier except one – the United States Postal Service. In other words, we are pressing a multi-pronged attack against a deadly enemy, and our greatest remaining pocket of resistance is an arm of the United States government.

This situation is irrational and unacceptable. The United States Postal Service has told state Attorneys General that it lacks legal authority to refuse cigarette shipments. Congress can and must remedy this situation, and direct the Postal Service to join other major delivery services in ending complicity in this dangerous business. We must stop an arm of the federal government from delivering these deadly, addictive drugs to kids.

H.R. 2932 removes the legal impediments to stopping the last major source of delivery of internet cigarettes to children and untaxed tobacco products to adults. The Subcommittee should take quick action to approve this legislation.

In addition, I join with almost all other state Attorneys General, in urging the Subcommittee and Congress to expeditiously enact PACT – the Prevent All Cigarette Trafficking Act. It can provide a broad framework of reforms to ensure uniform effective enforcement of tobacco laws through improved federal-state partnership.

I look forward to working with this Subcommittee to reduce cigarette sales to minors and tax evasion by Internet purchases of tobacco products.