



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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Attorney General's Tobacco Arrests Continue

Attorney General Earl Anzai announced today two persons from Tuli's Grocery and Bakery in Waipahu, were arrested late Friday for selling unstamped cigarettes in violation of Hawaii's Tobacco Tax Laws. The arrests on Friday follow two other arrests earlier in the week of persons from Lingayen's Fish Market in Pearl City. All of the arrests resulted from undercover operations by investigators from the Attorney General's Office. All were for felony violations. Anzai said, "This shows the pervasive and continuing violations of the tobacco tax laws by so-called legitimate businesses. There is absolutely no excuse for this illegal business practice to continue six months after the cigarette tax stamp law went into effect." The Attorney General will prosecute all violations and ask for the maximum penalties which are up to 5 years in jail and a fine up to \$10,000.

The taxation of cigarettes is nothing new. Cigarettes have been taxed for decades. What is new is the cigarette tax stamp law requiring the affixing of a tax stamp to the bottom of each pack of cigarettes which now allows investigators to determine if the cigarette tax has been paid. That law required the tax stamp to be placed on the bottom of each pack of cigarettes on January 1, 2001 and all cigarettes sold at retail had to have such a stamp beginning on April 1, 2001.

Beginning on Sunday, April 1, 2001, the Attorney General's Office began inspections of stores selling cigarettes. Over 300 stores on all major islands have been inspected and over 25 persons involved with approximately 16 businesses on Oahu and Kauai have been arrested.

On August 9, 2001, the Attorney General's office with the invaluable assistance of U.S. Customs broadened its investigations to include individuals who are illegally importing cigarettes into Hawaii from overseas. On August 9, 2001 an individual who had attempted to illegally import cigarettes from Tonga was arrested for a felony violation. On the same day another individual was arrested for attempting to illegally import cigarettes from Vietnam. Attorney General Anzai said, "If those involved in evading the payment of these taxes think that we will be winding down our investigations they are sorely mistaken. If anything we will step it up because of continuing violations."