



# **CORA AIT Strategy**

Raising Public Awareness &  
Demanding Government Action

August 2012





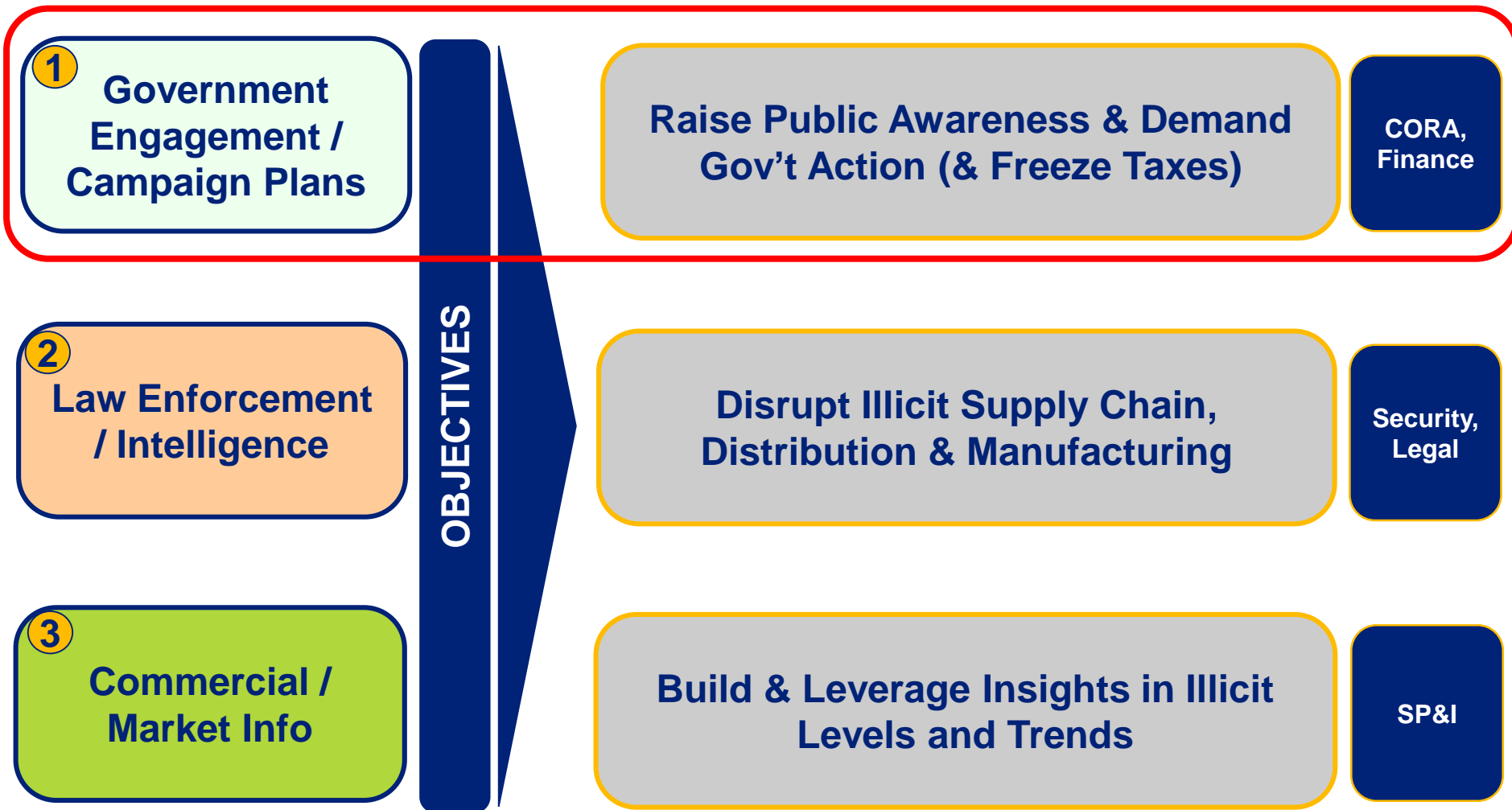
# AGENDA



- CORA AIT strategy
- Previous advocacy efforts
- 2012 Activities

# Reducing Illicit Trade In Canada:

## Three-Pronged Strategy – Key Focus Areas

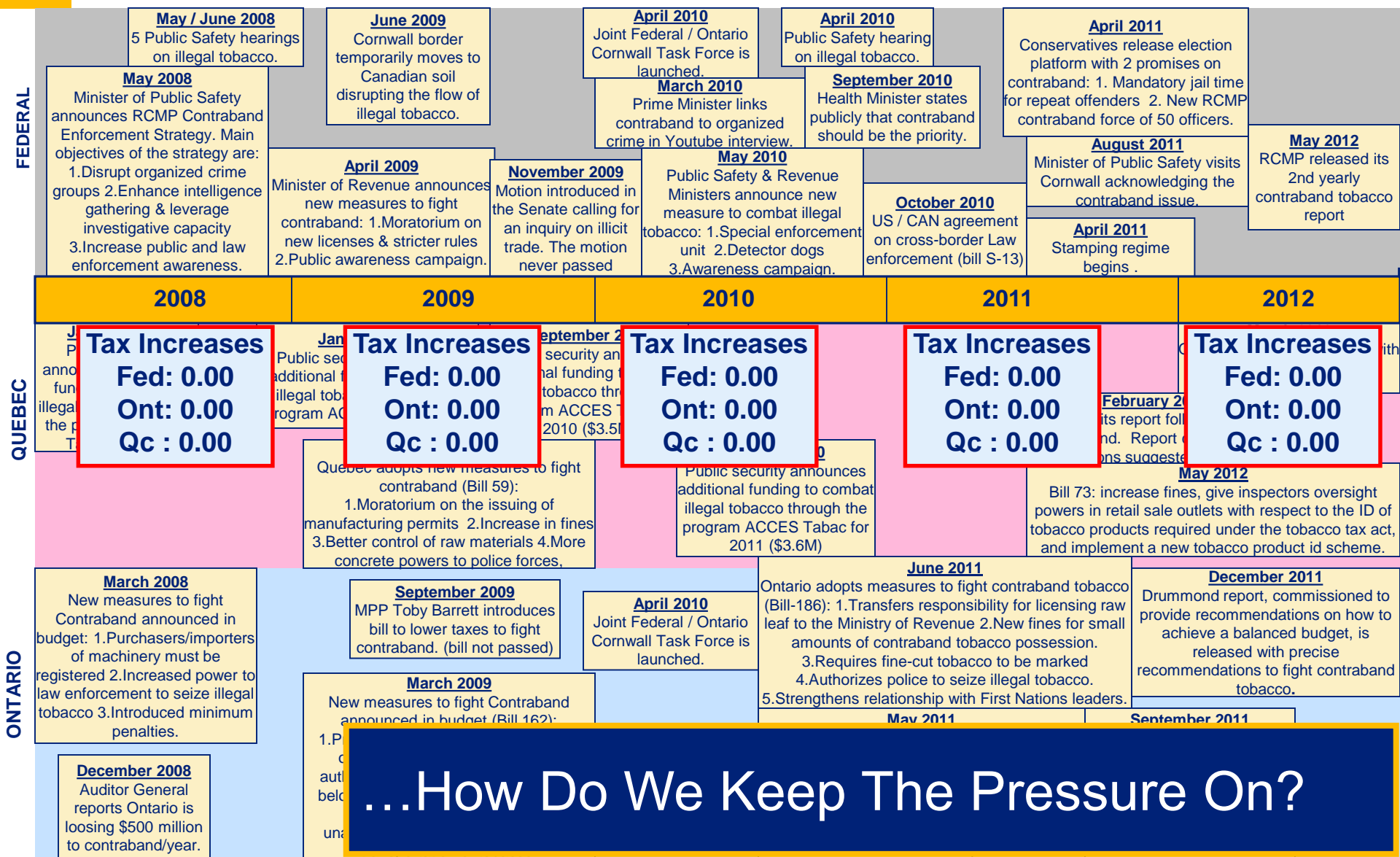




# Our Campaigns Have Delivered Some Success...



IMPERIAL TOBACCO  
CANADA



## ...How Do We Keep The Pressure On?

# 2012: Expanding On Previous Campaigns By Adding A New Voices & Message



IMPERIAL TOBACCO  
CANADA

Messages

## Cash



## Crime



## Children



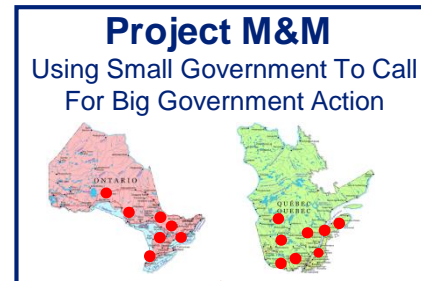
## Convenience



## Community



Voices



2009

2010

2011

2012

Campaigns



# 2012 – 6 Activities Targeting Supply & Demand



## Strategic Imperative

Raise Public Awareness & Demand Gov't Action (& Freeze Taxes )

### 2012 TACTICS / ACTIVITIES

#### **PROJECT M&M**

Mobilizing Local Governments To Pressure Big Government

#### **QUEBEC ELECTION**

Rallying Retailers To Keep Contraband A Political Issue

#### **AWARENESS CAMPAIGN**

Educating Consumers On The Effects Of Contraband

#### **National Coalition Against Contraband Tobacco**

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Mitigating The Potential Impacts Of A New Border Location

#### **INT'L ENGAGEMNT**

Engaging Canadian Government To Ensure Global Alignment



# Project M&M: Mobilizing Municipalities To Pressure For Big Government Action

①

**Urge Local Governments to Pass Resolution**

'Small Gov't Pressuring Big Gov't'

②

**Mobilize local retailers  
To Speak Out**

**NORTH BAY PARRY SOUND DISTRICT HEALTH UNIT  
BOARD OF HEALTH**

③

**Keep issue alive in  
local media**

**Illegal Smokes Flooding Windsor**

April 19th, 2012 . Blackburn News

**RESOLUTION**

**CONTRABAND  
SMOKES BUTT  
OUT BUSINESS**



**Leverage local pressure with  
provincial & federal politicians**

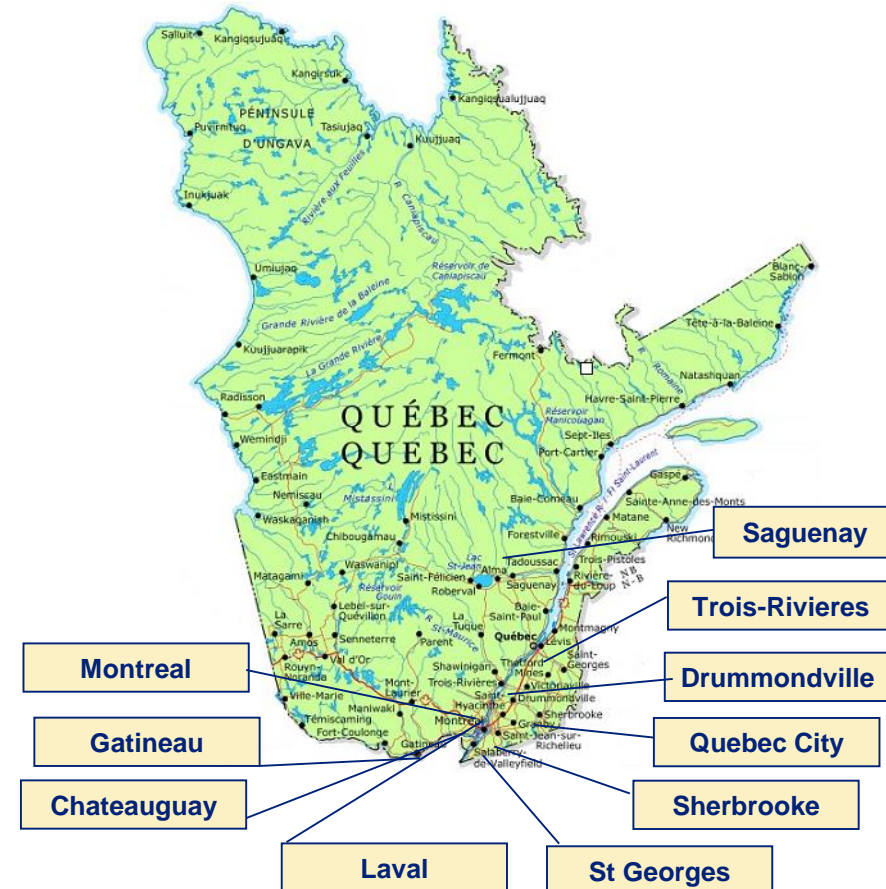




# Engage In Strategic Municipalities In Ontario & Quebec



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CANADA



## Criteria:

- Proximity to illicit
- Seizure activity
- Internal sales data
- Political weight
- Likelihood of buy in

# M&M In Action - Mobilizing Local Pressure

Example: Windsor Ontario



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CANADA

Council urges government to  
step up  
contrab

## Windsor City Council Commits to Fighting Contraband Tobacco

In Canada, one town formalizes its fight against illegal tobacco, with OCSA offering strong support.

Share:

Posted: May 11, 2012

Email Print Print ALL Comm

Windsor, Ont., leads province in illegal cigarette busts

Convenience store association says illegal smokes are causing stores to close

[CBC News](#)

Posted: Apr 19, 2012 9:04 AM ET



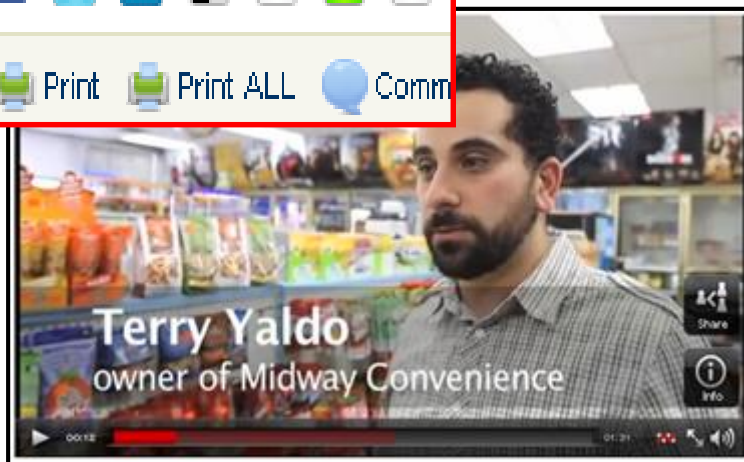
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Home News Opinion Business Sports Entertainment Life Health Technology Travel Jobs

With Vid: Contraband smokes butt out business in Windsor

Black market luring patrons, group says

BY DOUG SCHMIDT, THE WINDSOR STAR APRIL 12, 2012 6:22 AM



1 Resolution Passed

8 Media Hits

6 Retailers Speaking Out

### Ontario: 8

#### NOTICE OF COUNCIL DECISION

Windsor City Council adopted the following resolution at its meeting held May 8, 2012

Moved by Councillor Jones, seconded by Councillor Maghnieh,  
**M226-2012** That **Report No. 26 of the Public Safety Standing Committee** of its meeting held April 18, 2012 regarding Contraband Tobacco and Community Safety **BE ADOPTED** as presented.  
 Carried.

### Quebec: 70

RÉSOLUTION NUMÉRO : 153-0412

#### APPUI ENVERS LE PREMIER CONSENSUS QUÉBÉCOIS ET CANADIEN DE LUTTE À LA CONTREBANDE DE TABAC

**CONSIDÉRANT** que le Comité des Finances publiques de l'Assemblée nationale a déposé en février 2012 un rapport unanime sur les mesures à prendre pour combattre la contrebande de tabac;

**CONSIDÉRANT** que la première recommandation proposée se lit comme suit (extrait) : *Que le gouvernement du Québec fasse des représentations auprès du gouvernement canadien, du gouvernement américain, du gouvernement ontarien et de la nation mohawk en vue de créer une commission mixte formée de 5 parties consacrées à la lutte à la contrebande de tabac. Son objectif premier serait de proposer un plan d'action intégré qui porterait, entre autres, sur une entente « gagnant-gagnant » entre les gouvernements et les Autochtones afin que cesse la vente de tabac sans taxe<sup>3</sup> à grande échelle aux non-autochtones;*

2

## Results Retailers Eager To Speak Out

**45+ Vocal Retailers in Ontario**



**50+ Vocal Retailers in Quebec**







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CANADA

**Ontario**  
**35+ Media Hits**

**Quebec**  
**40+ Media Hits**

northumberlandnews.com

Northumberland News • The Independent



Print

## Governments must take a stand against contraband tobacco sales, distribution

May 28, 2012

## Illegal smokes infiltrate



## CONTRABAND SMOKES BUTT OUT BUSINESS

Black market  
luring patrons,  
group says

DOUG SCHWARTZ  
The Windsor Star

Tobacco consumption rose 100 percent last week's survey

— people come to and see "What is the cheapest brand you have?" said Auer, adding these smokers will continue until the best illicit cigarette arrives to town. There's been a lot of that in the store lately. In their store, street prices are the past three months, the RCMP in Windsor about 1,000 per cent and 1,300 "bought" of contraband cigarettes — says

## Black market cigarettes cost just \$20 for 200 in Durham

Jillian Follert

May 24, 2012

DURHAM — In Oshawa, 40 per cent of all cigarettes consumed are illegal — so are about 20 per cent of those found in local high schools.

Those are some of the statistics a group representing convenience store owners brought to local politicians in the hope of spurring renewed action on the black market tobacco problem.

Dave Evans, president of the Ontario



## Faire la lutte aux contrebandiers du tabac

L'Association canadienne des dépanneurs en alimentation somme le gouvernement d'agir



CHICOUTIMI — Fort d'un premier appel obtenu d'une municipalité, en l'occurrence Saguenay, l'Association canadienne des dépanneurs en alimentation (ACDA) lance un appel aux députés fédéraux de la région afin d'inciter le gouvernement fédéral à créer une commission mixte sur la

sources principales du problème concerne la production sur les réserves autochtones d'Algonquin et de Kanatake en la crise organisée c'est en partie de l'industrie. Il se trouve que ces réserves autochtones sont à cheval entre le Canada et les États-Unis, ce qui rend difficile au contrôle.

L'ACDA rappelle qu'en février dernier elle a obtenu un gain important lorsque la Commission des finances qu'elle déclare les revenus tirés de la vente de cigarettes et que ses revenus leur soient remis pour leur développement. «Ce n'est pas vrai de penser que parce que ça ne passe sur une réserve autochtone qu'on ne peut régler le problème», affirme-t-il.



TOLÉRER LA  
CONTREBANDE  
DE TABAC,  
C'EST JOUER  
AVEC LE FEU.

Ça fait sept ans qu'on se bat. Entre 2005 et 2012, un total de 11 500 décès.



Actualités



Députés fédéraux  
interpellés sur la  
contrebande



# Phase 2: Bringing It All Together

Leveraging The Results On Parliament Hill

November

- **Event on Parliament Hill**
  - 3 Convenience store association presidents
  - Councilmen & mayors
  - Local retailers from QC & Ont
  - Key account representatives
  - 100+ resolutions
  - One call to action on behalf of the municipalities



**Using Small Government to Call for Big  
Government Action**

# Project M&M: Adding An Additional Voice To The Debate

Council urges government to  
step up efforts to end  
contraband smokes



## Business Partners



Taxpayer.com  
*Stand Up. Be Heard!*

## Convenience Store Association



## Coalitions



Stopping the sale of illegal cigarettes in Canada



# 2012 – 6 Activities Targeting Supply & Demand



## Strategic Imperative

Raise Public Awareness & Demand Gov't Action (& Freeze Taxes )

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Engaging Canadian Government To Ensure Global Alignment

# Quebec Election

Leverage Project M&M & Launch Targeted QCSA Tour In Targeted Ridings



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CANADA

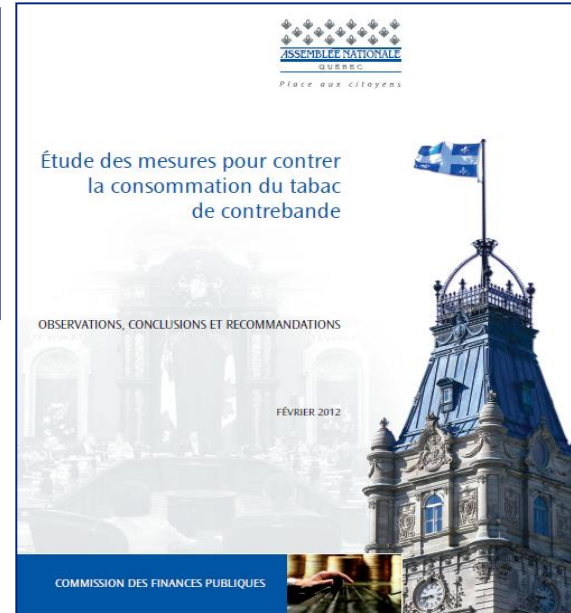
Objective: Make contraband a priority issue during election

- Tight race
- Finance Committee recommendations on contraband
- 70 municipalities have called for action (M&M)

## CRUNCHING NUMBERS

In Quebec election, three-way races could make the difference

ÉRIC GRENIER  
The Globe and Mail



**Liberal Party - 31%**



**Coalition Avenir Quebec - 21%**



**Parti Quebecois 33%**



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# Public awareness campaign

50%

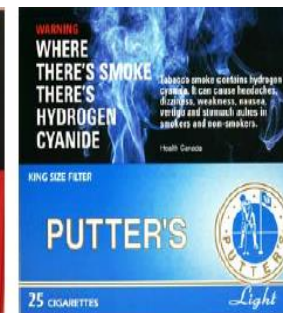


June 2012

75%



RISK



Limit consumer down-trading to illegal market

# Strategy

**Roll-out awareness campaign aimed at educating illicit tobacco consumers and legal consumers**

**What:** Billboard campaign

**Where:** Targeted locations across Ontario

38 boards across Ontario, 20 located in Toronto

**Cornwall  
Niagara Falls  
Thunder Bay  
Toronto East  
Belleville  
Kingston**

**When:** 1<sup>ST</sup> Billboard - July 16th – for 10 weeks

**Who:** Signed by the Ontario Convenience Store Association



- All MPs will be back in their districts for the summer!
- Post GFK study

**BONUS**



# Execution

1

**DON'T BE FOOLED!**  
**ILLEGAL SMOKES COME IN**  
**BAGGIES... AND PACKS.**

**IF YOU'RE CAUGHT, YOU'LL BE FINED!**



Buying contraband is illegal and harms the community.



2

**DON'T BE FOOLED!**  
**CONTRABAND CIGARETTES**  
**CAN COST YOU MORE**  
**THAN YOU THINK.**

**UP TO \$500 FOR POSSESSION OF 1 BAGGIE\***

\*[http://www.fin.gov.on.ca/en/tax/tt/faq\\_illegal.html#nlvl](http://www.fin.gov.on.ca/en/tax/tt/faq_illegal.html#nlvl)



Buying contraband is illegal and harms the community.



# Measurement



**GCS – Call  
Back Survey**



**Internal  
Shipments vs  
Target  
Shipments**



**Pricing on  
Reserve**



**In-store POS  
Data**

**Does speaking directly to consumers have an  
impact?**



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# The Contraband Watchdog

NATIONAL  
COALITION  
AGAINST  
**CONTRABAND**  
TOBACCO

Stopping the sale of illegal cigarettes in Canada



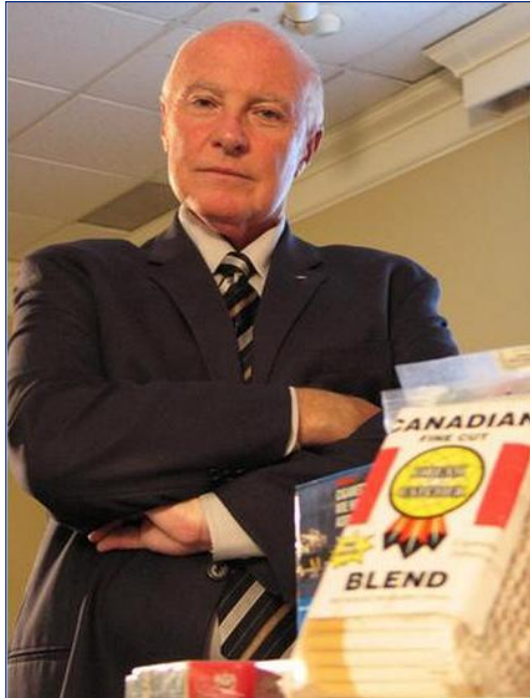
LA COALITION  
NATIONALE  
CONTRE  
LE TABAC DE  
**CONTREBANDE**

Enrayer la vente de cigarettes illégales au Canada



Not just “big tobacco”!

# One issue – Two angles



**Gary Grant – Official spokesperson**  
Retired police officer and current director and founder of Toronto Crime Stoppers



**Jacqueline Bradley – Executive Director of the NCACT**  
Concerned mother of two, married to a police officer

**The credible voice for contraband tobacco**

# Tactics and techniques



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When it comes to keeping contraband tobacco away from our kids, the Canadian government has serious work to do.

This World No Tobacco Day, let's work together to protect kids from illegal cigarettes.  
[stopcontrabandtobacco.com](http://stopcontrabandtobacco.com)



## Federal Government Report Action on Contraband

Overall Grade **D**

Public education **F**

Keeping cigarettes from kids  
**A** - Legal  
**F** - Contraband

Resources for law enforcement **D**



**Stop Illegal Tobacco**

@StopContraband

National organization fighting against spread of contraband tobacco in Canada

Canada <http://www.stopcontrabandtobacco.ca>

Follow

408 TWEETS

381 FOLLOWING

258 FOLLOWERS

LET'S TELL POLITICIANS THAT  
**CONTRABAND TOBACCO**  
IS A SERIOUS PROBLEM.

**Activities with Impact and Staying Power**



# The vigilant watchdog



**THE RECORDER & TIMES**  
Serving the residents of Brockville, Leeds, Grenville, Lanark and South Dundas since 1871

## Illegal smokes cost us all

By Nick Gardiner The Recorder and Times  
Posted 14 days ago

Think your contraband smoking doesn't hurt anyone but yourself?

Think again, says Gary Grant, the national spokesperson for the National Coalition Against Contraband Tobacco.

"People who smoke contraband tobacco know it's wrong and it's against the law, but they see it as victimless."

"There are many victims. That's what I would tell people," Grant said during an interview at The Recorder and Times.

Grant, who is touring from Cornwall to Oshawa this week to make the coalition's case, said Canadian and Ontario taxpayers are among the victims because they are robbed of the services that could be provided with \$2.4 billion in lost tax revenues.

He said that money would be better used to support other government initiatives such as health care or law enforcement.



NICK GARDINER The Recorder and Times Gary Grant, national spokesperson for the National Coalition Against Contraband Tobacco, says people should think twice if they believe it is a victimless crime.



**Keeping contraband front and center**

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# Cornwall Overview

**July, 2009**

Cornwall port of entry  
moves to Canadian side  
cutting off main  
smuggling route.

**2010**  
CRTF  
created

**December, 2011**



**March, 2012**



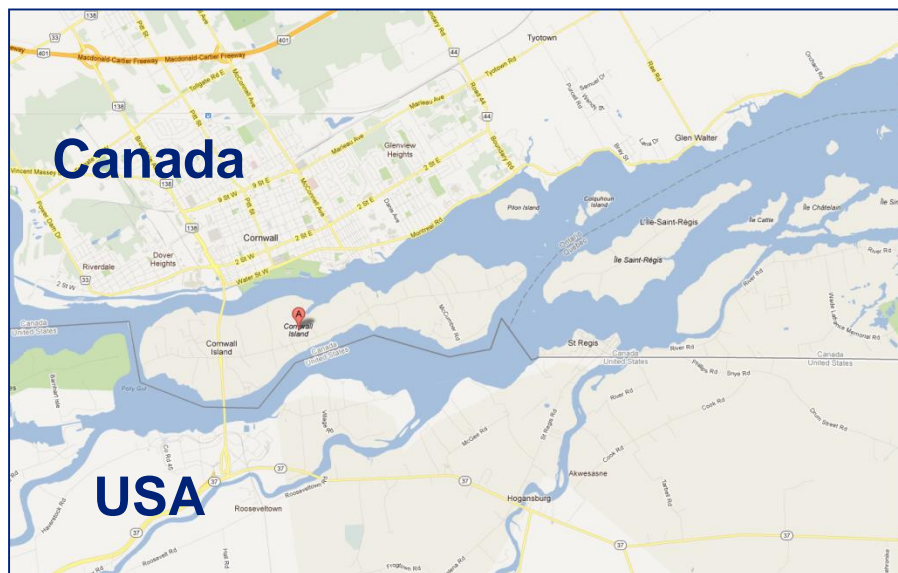
NCACT meets with Cornwall CAO

**Q1, 2013**

Earliest the new bridge  
could open

**Q1 – Q2, 2013**

Port of entry moved  
to Massena, NY



## NEXT STEPS

- Identify potential business risks
- Use opportunity to engage government





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# Keeping The Contraband Issue Alive

Q1

## Windsor City Council Commits to Fighting Contraband Tobacco

In Canada, one town formalizes its fight against illegal tobacco, with QCSA offering strong support.

REGULATION

**DON'T BE FOOLED!**  
**ILLEGAL SMOKES COME IN**  
**BAGGIES... AND PACKS.**

IF YOU'RE CAUGHT, YOU'LL BE FINED!



Buying contraband is illegal and harms the community.



➤ **QCSA Election Plan**

Q3

Q2

Kids can get a baggie of illegal cigarettes for less than the cost of a movie ticket. To make matters worse, the RCMP has identified over 175 criminal gangs involved in the contraband trade.

When it comes to keeping contraband tobacco away from our kids, there is serious work to do. May 31<sup>st</sup> is World No Tobacco Day. The time is now to remind our government to take meaningful action and keep criminals and contraband away from our kids. Join the fight and visit [www.stopcontrabandtobacco.ca](http://www.stopcontrabandtobacco.ca)

## Illegal Smokes Flooding

April 19th, 2012 . Blackburn News



TAXATION



Q4



THANK YOU