



## **R.J. Reynolds Continues to Market to Kids, Oppose Policies to Reduce Smoking**

While defending themselves during the federal government's civil racketeering lawsuit, the tobacco companies claimed that they have made "profound and permanent" changes in their practices since the November 1998 state tobacco settlement and no longer market to children. The U.S. Department of Justice in 2005 (in documents filed in its tobacco lawsuit) called R.J. Reynolds a "serial violator" of the settlement.

R.J. Reynolds' actions should lead elected officials to reject any efforts by the company to influence public policies to reduce tobacco use, and it should lead reputable organizations and individuals to reject any efforts by the company to partner with them in order to improve its reputation and avoid real change in its harmful practices.

There is no better example that the tobacco companies have not changed than the conduct of the R.J. Reynolds Tobacco Company.

### **Still Marketing to Kids**

- R.J. Reynolds' most recent campaign, introduced in Spring 2006, again associates smoking with rebellious behavior that appeals to youth. Reynolds is currently promoting a new version of its Camel brand, called Camel Wides, with hip bar parties that feature graffiti artists and "rave" style paraphernalia such as glow-in-the-dark necklaces and offers to party-goers to get real tattoos at a discount.

(See Images at <http://www.tobaccofreekids.org/reports/camel/wides.php>)

- In December 2005, several state attorneys general expressed outrage at R.J. Reynolds' "Drinks on Us" promotion in which the tobacco company mailed customers celebrating their birthdays a promotional package that contained six drink coasters. Each coaster was imprinted with a recipe for a mixed drink – some containing as many as five shots of alcohol per drink – and slogans encouraging excessive drinking such as "Layer it on, go 'til daybreak." The attorneys general charged the promotion was encouraging unhealthy behavior by young people, including both smoking and binge drinking. After rejecting private requests to stop the promotion, R.J. Reynolds finally ended it after the attorneys general went public and distillers complained that Reynolds was making unauthorized use of their brands.

(See Images at <http://www.tobaccofreekids.org/reports/camel/drinksonus.php>)

- In January 2006, R.J. Reynolds opened the first "upscale" tobacco lounge in Chicago to sell the company's high-end "Marshall McGearty" cigarettes. The lounge and its

marketing present cigarette smoking as socially attractive and trendy, increasing its appeal to kids who want nothing more than to be like hip young adults. It also circumvents Chicago's new smoke-free workplace law.

- R.J. Reynolds continues to introduce and market new versions of its candy and fruit-flavored Camel cigarettes with names like Kauai Kolada, Twista Lime, Warm Winter Toffee and Mocha Mint. These so-called Camel Exotic Blends, first introduced in 1999, have come in fruit flavors such as berry, lime, coconut and citrus; sweet flavors such as vanilla, cinnamon, chocolate, mint and coffee; and alcohol flavors such as bourbon. A Harvard School of Public Health study published in November 2005 concluded, "Flavored cigarettes can promote youth initiation and help young occasional smokers to become daily smokers by masking the natural harshness and taste of tobacco smoke and increasing the acceptability of a toxic product." Internal tobacco industry documents show that the companies have long been aware that flavored tobacco products have their greatest appeal among young, new users. R.J. Reynolds has fought state and federal legislation to ban candy-flavored cigarettes.

(See Images at <http://www.tobaccofreekids.org/reports/targeting/-ads>)

- Since promising in the 1998 tobacco settlement to stop marketing to kids, R.J. Reynolds and the other cigarette manufacturers have increased their overall marketing expenditures by 125 percent to \$15.1 billion – \$41 million a day – in 2003, the most recent year for which the Federal Trade Commission has reported cigarette marketing expenditures. Most of these marketing dollars are now spent on price discounts, which have the greatest impact on kids, the most price-sensitive customers. Reynolds' Camel cigarettes remain the second most popular brand among kids, after Philip Morris' Marlboros, according to the federal government's National Household Survey on Drug Use and Health.

- In 2004, state attorneys general sued Brown & Williamson (now part of R.J. Reynolds) for violating the 1998 tobacco settlement by marketing to African-American kids with its Kool Mixx marketing campaign, which featured a hip-hop music theme, including a music CD and cigarette packaging and advertising with hip-hop imagery. B&W settled the actions in October 2004, agreeing to restrictions on their future Kool Mixx promotions and to pay \$1.46 million to support youth smoking prevention programs. (See Images at <http://www.tobaccofreekids.org/adgallery/display.php3?ID=406>)

- Despite being sanctioned for the Kool Mixx campaign, R.J. Reynolds in 2005 again launched a music-themed Kool marketing campaign, this time aimed at both African-American and Latino youth. This Kool Be True advertising campaign featured young, hip, multi-ethnic models, often with musical instruments, and appeared in magazines popular with young African-Americans and Latinos, including Jet, Essence, Latina and Cosmopolitan En Espanol. (See images at <http://www.tobaccofreekids.org/reports/ethnic/>)

- Despite repeated criticism, R.J. Reynolds continues to advertise cigarettes in magazines with large youth readerships, such as Sports Illustrated, Rolling Stone and People. This advertising continues despite the December 2004 settlement of a lawsuit brought by the state of California that alleged R.J. Reynolds violated the tobacco settlement by

advertising in magazines read by large numbers of kids. In that settlement, Reynolds agreed to pay \$17.3 million in civil penalties and legal costs and to limit, but not end, its cigarette advertising in magazines with large youth readerships.

- In December 2005, the California Supreme Court upheld lower court judgments that R.J. Reynolds six times had violated a state law banning the free distribution of cigarettes at events attended by minors.

- In December 2004, the Ohio Supreme Court upheld a lower court finding that R.J. Reynolds had violated the tobacco settlement by distributing matchbooks with cigarette advertising. The settlement prohibits tobacco brand advertising on non-tobacco merchandise.

### **Still Deceiving the Public**

R.J. Reynolds continues to deny the health risks of smoking and secondhand smoke and to market some of its brands as a safer alternative despite the lack of evidence that this is in fact the case:

- In 2005, while testifying during the trial of the federal government's tobacco lawsuit, Andrew Schindler, Reynolds' chairman, refused to admit, under oath, that smoking causes disease. In prepared testimony, Schindler also refused to admit that smoking is addictive. Even today on its website, R.J.Reynolds only admits that "smoking, in combination with other factors, causes disease in some individuals."

- Despite the overwhelming evidence, R.J. Reynolds continues to dispute that secondhand smoke poses significant health risks.

- Since 2000, R.J. Reynolds has marketed its Eclipse cigarettes as presenting "less risk of cancer" and other diseases despite the lack of independent scientific evidence that this is, in fact, the case. In July 2005, Vermont Attorney General William Sorrell sued R.J. Reynolds, charging that these claims about Eclipse violated both state consumer protection laws and the tobacco settlement, which prohibits tobacco companies from making material representations regarding the health consequences of using a tobacco product. The lawsuit is pending.

- In 1999, the Federal Trade Commission ordered R.J. Reynolds to stop its "No Bull" advertising campaign for Winston cigarettes that suggested Winston had no additives, thereby making it less hazardous. The FTC forced Reynolds to add a packaging and advertising label making it clear that there are no health benefits from smoking Winston.

### **Still Opposing Proven Solutions**

- R.J. Reynolds has led efforts at all levels of government to fight scientifically proven measures to reduce tobacco use. At the state and local level, Reynolds has fought tobacco tax increases and smoke-free workplace legislation, going so far as to set up and fund groups such as "MySmokersRights.com" to oppose such policies. At the federal level, R.J.Reynolds has led the fight against legislation to grant the FDA authority over

tobacco, which among other things would stop Reynolds' candy-flavored cigarettes and other marketing to kids as well as its unproven health claims about Eclipse.

- R.J. Reynolds has made millions in political campaign contributions and frequently flown politicians on its corporate jets, buying influence in its efforts to defeat legislation to reduce tobacco use. U.S. Rep. Tom DeLay (R-TX) in October 2005 flew to Houston aboard an RJR corporate jet to attend his arraignment on money-laundering charges.
- In 2003, R.J. Reynolds and the Lorillard Tobacco Company filed a lawsuit that claimed California's tobacco prevention ads vilified the tobacco companies and sought to shut down the ads, which have been among the most effective in the country. A federal judge found no merit to the litigation and threw it out. In February 2006, the U.S. Supreme Court refused to hear the companies' appeal.
- R.J. Reynolds offers a so-called youth tobacco prevention program, called Right Decisions, Right Now, that offers no reasons not to smoke and presents smoking as an acceptable adult habit, increasing its appeal to kids who want nothing more than to appear more grown up. Reynolds has been paying Miss American state pageant winners to promote the program in schools despite the complete lack of scientific evidence that it is at all effective. (See press release at <http://www.tobaccofreekids.org/Script/DisplayPressRelease.php3?Display=901>)