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## Commercial Tobacco Companies Target the Navajo Nation

### Internal Tobacco Company Documents Evidence Plan to Use Casinos and Rodeos to Boost Sales

**WINDOW ROCK, AZ** – A new report was released today by the American Cancer Society, the American Cancer Society Cancer Action Network (ACS CAN), and the Americans for Nonsmokers' Rights Foundation documenting internal strategies masterminded by the tobacco industry in order to increase commercial tobacco abuse and addiction within the Navajo Nation and Indian gaming enterprises. This press release includes only highlights the 13-page report.

#### A copy of the full report is available at:

[http://action.acscan.org/site/DocServer/Industry\\_Influence-Indian\\_Lands-Indian\\_Gaming.pdf?docID=8902](http://action.acscan.org/site/DocServer/Industry_Influence-Indian_Lands-Indian_Gaming.pdf?docID=8902)

Documents in the full report portray a well-coordinated tobacco industry strategy to battle smokefree laws, subvert tobacco taxes intended to discourage commercial tobacco initiation and addiction, and gain a foothold with young Native Americans who are targeted with "peer pressure" campaigns by the industry.

The report analyses a cross-section of tobacco industry documents, including internal strategy memos from Philip Morris, RJ Reynolds, Lorillard Tobacco Company, Santa Fe Natural Tobacco Company, and UST, also known as U.S. Smokeless Tobacco Company. The documents are part of a 50-million page searchable Tobacco Industry Documents Library which can be viewed at <http://legacy.library.ucsf.edu/>.

#### Manufacturers and Brands Highlighted in the Full Report include the following:

- 1. Lorillard Tobacco Company**  
manufacturer of *Newport, Kent, True, Old Gold, Maverick, Harley, and Style* brands
- 2. Philip Morris**  
manufacturer of *Marlboro, Winston, Basic, Benson & Hedges, Bristol, Cambridge, Merit, Parliament, and Virginia Slims* brands
- 3. RJ Reynolds (now known as "Reynolds American")**  
manufacturer of *Camel, Capri, Carlton, Doral, Dunhill, Eclipse, GPC, Kool, Legend, Misty, Monarch, Mustang, Pall Mall, Salem, Vantage, Viceroy, and Winston* brands
- 4. Liggett Group, Inc.**  
manufacturer of *Eve, Grand Prix, Kingsport, Pyramid, and Tourney* brands
- 5. UST (and its subsidiary, U.S. Smokeless Tobacco Company)**  
manufacturer of *Skoal, Copenhagen, Red Seal, and Husky* brands
- 6. Santa Fe Natural Tobacco Company (now owned by Reynolds American)**  
manufacturer of *Natural American Spirit* cigarette brand

Below is an excerpt from a Lorillard Tobacco Company document (document file viewable at: <http://legacy.library.ucsf.edu/tid/owq10e00>) that details a marketing analysis of tribal (commercial) tobacco retailers in Arizona and New Mexico, including Navajo tobacco retailers. The report identifies which factors allow some tribal tobacco retailers to perform better and sell more cigarettes compared to others. Casinos are identified as a major factor which helps Lorillard sell more cigarettes.

Bates number 94410378

Indian Gaming Casinos, which also operate under Tribal, rather than State authority, are commonly near, adjacent to, or combined with the Cigarette Stores. These casinos can help support Cigarette store volumes by attracting large numbers of tourists, or residents to rural areas that would otherwise not be visited.

UST, makers of top-selling smokeless tobacco brands Skoal and Copenhagen, admits in their own company files that they employ "peer pressure" (view at: <http://legacy.library.ucsf.edu/tid/hmu11b00>) within rodeo events such as the National Intercollegiate Rodeo Association ("NIRA") event in Tsaille, AZ to hook more young persons on smokeless tobacco, which can be very high in nicotine content and is a known gateway drug for other tobacco use and addiction. The UST document below outlines a strategy using "sampling" (i.e., free product giveaways) used to start new young users on these deadly products.

Bates number 2521049

<u>EVENT NAME:</u>	NIRA Rodeo
<u>DATE:</u>	September 1981 - June 1982
<u>LOCATION:</u>	States West of Mississippi River
<u>DESCRIPTION:</u>	Sponsorship of educational scholarship program for college rodeo athletes. \$102,300 awarded at the regional level and \$32,000 awarded at the National Finals. Scholarships are given to the colleges and universities in the winners names to be used exclusively for the education of participants in that schools rodeo program.
<u>OBJECTIVES:</u>	To provide an introduction to our products through sampling and peer pressure at a grassroots level in one of our primary markets create brand awareness, reinforce brands to consumers, continue association with western lifestyle.

Below is a document (from a file viewable at: <http://legacy.library.ucsf.edu/tid/hpf44a00>) in which Lorillard Tobacco Company identifies "Indian Bingo" operations as the "most desirable targets for special events" (an industry term denoting promotional/marketing opportunities for their commercial tobacco products) while noting "many of the Indian Halls sell tobacco products." The combination of gaming and tobacco retail outlets garner special attention as a means for Lorillard to sell more commercial tobacco.

Bates number 93323274

There are hundreds of bingo halls throughout the country both Indian and charity. For the purpose of cigarette promotion we have chosen to concentrate on Indian Bingo halls for the following reasons.

Indian Bingo does not fall under the jurisdiction of the Gaming Commission or the Commission on Alcohol, Tobacco and Firearms. Whereas state agencies limit the hours and number of games many organizations may run in a given time period (often only two or three games per week) Indian gaming operations are unregulated and allowed to operate 24 hours per day seven days per week.

High stakes bingo was developed and established as an economic development vehicle for the tribes to further education, employment, health and welfare of tribal members, especially in compensating for a sharp reduction in federal aid. Federal Indian reservations were historically granted the special legal status of sovereign nations; therefore, they are not regulated by state laws which limit prize amounts in games of chance. It is not uncommon for Indian bingo halls to feature jackpots in excess of \$100,000 regular game "payouts" average from \$500 to \$5,000.

The size of the Indian games, the sophistication of their operations and the high stakes of the jackpots offer the most desirable targets for special events. In addition many of the Indian Halls sell tobacco products.

Other tobacco industry internal documents make reference to what appear to be immoral, underhanded, and potentially illegal cigarette pricing strategies. Commercial tobacco manufacturers implement highly competitive strategies aimed at luring low-income, price-sensitive individuals into tobacco addiction. The below RJ Reynolds document (viewable at: <http://legacy.library.ucsf.edu/tid/xcm14d00>) shows evidence of corporate competition for new Navajo commercial tobacco users. In the document, one RJ Reynolds corporate manager is seen complaining to another that Doral needs to cut their prices in order to stay competitive with Philip Morris' ("PM") "free product, coupons, and under the table payments...".

Bates number 507839729

By way of example, when PM introduced Bristol into the northeastern Arizona market, they provided six Indian smokeshops and a Beacon Oil truckstop with a combination of free product, coupons and under the table payments to discount Bristol to a retail selling price of \$4.99 per carton. By way of contrast, Doral with a \$3.00 coupon retailed at \$6.49 per carton. This introductory offer went on for a full three-month period.

Another problem we have encountered is highly unusual activities targeted to specific retail accounts by our competitors. By way of example, let me again use the northeastern Arizona market; specifically, six Indian smokeshops owned and operated by Armand Ortega, who is the owner of Indian Ruins Tobacco, our sole Indian direct account. Last spring, in these outlets, Liggett was using Eve coupons to discount the price of Pyramid by a further \$1.00 per carton to a retail selling price of \$5.49. Again, this is to be compared to Doral with a \$3.00 coupon retailing for \$6.49. This activity, which we first observed in April, is still going on today.

These tobacco industry internal corporate documents demonstrate intent on the part of commercial tobacco companies to use, abuse, and defraud the Navajo Nation with respect to our health, their culture, and their financial independence. Many of these tobacco industry activities and misdeeds continue to occur today without regard to Navajo interests or those of the public at-large.

The most reliable source for health-related data regarding commercial tobacco use and secondhand smoke is the U.S. Surgeon General, and in particular, the most recent report entitled "The Health Consequences of Involuntary Exposure to Tobacco Smoke." This report is available on-line at: <http://www.surgeongeneral.gov/library/secondhandsmoke/>.

The public health dangers posed by corporate tobacco marketing strategies in the Navajo Nation suggest a need for regulation of commercial tobacco products and their use in order to protect the health of present and future generations. Comprehensive approaches utilizing best practices, including increases to tobacco taxes, smokefree policies, and commercial tobacco use prevention and cessation programming, can achieve significant reduction in commercial tobacco use by children and adults while protecting nonsmoking individuals from secondhand smoke. The Navajo Nation has the sovereign power to customize these best practices for reducing commercial tobacco-related harms while protecting religious and ceremonial uses of tobacco important to cultural preservation in Indian Country.

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The American Cancer Society is dedicated to eliminating cancer as a major health problem by saving lives, diminishing suffering and preventing cancer through research, education, advocacy and service. Founded in 1913 and with national headquarters in Atlanta, the Society has 13 regional Divisions and local offices in 3,400 communities, involving millions of volunteers across the United States. For more information anytime, call toll free 1-800-ACS-2345 or visit [www.cancer.org](http://www.cancer.org).

ACS CAN, the nonprofit, nonpartisan advocacy partner of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. ACS CAN works to encourage elected officials and candidates to make cancer a top national priority. ACS CAN gives ordinary people extraordinary power to fight cancer with the training and tools they need to make their voices heard. For more information, visit [www.acscan.org](http://www.acscan.org).

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