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ONLINE VAPING RETAILERS AGREE TO PAY \$600,000 IN FINES AND CHANGE BUSINESS PRACTICES IN SETTLEMENTS REACHED WITH THE CITY OF CHICAGO

Enhanced Age Verification, Social Media Restrictions and a Ban on Underage Models Used for Advertising Among Changes Agreed to by Defendants

CHICAGO – Mayor Lori E. Lightfoot was joined by Corporation Counsel Celia Meza, Business Affairs and Consumer Protection (BACP) Acting Commissioner Kenneth Meyer and Chicago Department of Public Health (CDPH) Commissioner Allison Arwady to announce that the City of Chicago has resolved its lawsuit against eight online e-cigarette retailers for illegally selling vaping products to Chicago minors. The settlement agreements with defendants require the online businesses to pay nearly \$600,000 in fines and make significant changes to their business practices, including enhanced age verification, prohibition on the use of cartoon characters in their marketing materials, and discontinuation of e-cigarette and e-juice sales in Chicago for six of the named defendants.

"Today's action sends a clear message to every market participant in the e-cigarette retail and marketing industry: we will not tolerate illegal sales and advertisements towards our minors," said Mayor Lightfoot. "Whether you are a market leader like JUUL or a smaller retailer that ignores the age requirement for the sale of these harmful and addictive products, we will hold you accountable for violating our laws and won't hesitate to seek financial and injunctive relief."

In 2018, the City filed a lawsuit against eight e-cigarette retailers following a sting operation conducted by BACP that revealed several businesses made no attempt to determine purchasers' ages, while others failed to verify that purchasers met the City's minimum-age requirement. The complaint alleges that the online retailers marketed to minors by selling flavored vaping products named after popular children's food like Cotton Candy, Froot Loops, and Twinkies. The companies named in the lawsuit also used young models and "influencers" popular with kids to advertise their addictive products on social media.



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“It’s clear from the marketing materials used by these online vaping retailers that targeting minors was part of their business model. We intend to use every legal tool at our disposal to keep our children safe,” said Corporation Counsel Celia Meza.

“We are committed to protecting Chicago’s consumers, including the youth, from deceptive practices such as the ones demonstrated by these online e-cigarette retailers,” said BACP Acting Commissioner Kenneth Meyer. “Our enforcement efforts go beyond brick-and-mortar stores, we are also able to target online retailers, and all are subject to the same ordinances.”

Six defendants agreed to stop selling into Chicago as a result of the lawsuit. The other defendants agreed to various injunctive remedies including enhanced age verification, “age gating” that restricts underage access to social media, health warnings, and prohibitions on the use of cartoon characters, underage models, and flavored products. Defendants also agreed to pay a combined \$584,500 in fines.

The City has taken these actions in response to what the federal government has declared an “epidemic” in youth e-cigarette use, with the percentage of high school students who vape increasing from 1.5% in 2011 to 27.5% in 2019. The epidemic threatens public health. According to the American Academy of Pediatrics, “strong and consistent evidence finds that children and adolescents who use e-cigarettes are significantly more likely to go on to use traditional cigarettes—a product that kills half its long-term users.”

“We have made tremendous progress in Chicago in the last couple decades with youth smoking rates declining significantly, yet the growing vaping epidemic is unacceptable,” said Dr. Arwady. “This settlement is a step in the right direction in helping prevent youth from ever picking up the habit.”

“Chicago has been a national leader in combatting underage vaping, and today’s announcement is an example of our collective effort to protect the health of the City’s youth,” said 19th Ward Alderman Matt O’Shea. “We will continue to work aggressively with each of our city partners to reduce the illegal marketing and sale of these addictive products and their harmful effects on young people.”

The City has been pursuing targeted actions against manufacturers and sellers of e-cigarettes and e-juices for their unfair marketing tactics aimed at luring Chicago youth into a harmful addiction. Since 2018, the City has filed six lawsuits against more than 40 online vaping retailers and has served notices of violation on many more. Settlements have been reached with 48 of these companies in exchange for agreements to change their business practices and pay about \$1.75 million in fines. In addition, the City has also obtained default judgments against seven online vaping



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businesses that require changed business practices and award about \$1.75 million in fines. There are several actions remaining against online vaping businesses as well as a lawsuit against market leader JUUL and several local retailers that sold JUUL products to minors.

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