

**BRITISH AMERICAN  
TOBACCO**

**Allegations of smuggling / Center for Public Integrity report**

Smuggling is a global and serious problem faced by many industries – illustrated by the serious erosion of the legitimate tobacco market in the UK, due to far higher taxes than in mainland Europe. Smuggling arises from tax differentials in different countries, and national trade barriers. A policy of raising tobacco taxes to excessive levels, often driven by anti tobacco activists, can only exacerbate this situation.

British American Tobacco group companies work with governments and customs and excise authorities around the world proposing solutions to the issue, and supporting initiatives to help eradicate the problem.

Along with many other companies in the tobacco industry, and in other industry sectors, we are aware that some of our products are handled other than through official channels. Smuggling is a matter of considerable concern to us, not least because it undermines our substantial investment over decades in building proper and well managed distribution networks. We are acting, with others, to seek to eradicate a significant global problem, but we cannot control the distribution chain all the way to the final customer.

The Center for Public Integrity is a United States based special interest group to whom the Guildford document depository in the UK has been made openly available and who claim to be preparing a report based on documents which they have selected from the Guildford facility. We have not seen this report. They appear to have 'cherry picked' a selected number of documents from the 8 million pages in the depository, and could be at high risk of drawing and publishing conclusions which are at variance with the facts.

Allegations such as these are not new. We have frequently encountered inaccurate claims, based on highly selective and out of context extracts from old documents, on this and other topics.

We do not intend to answer questions or address allegations apparently based on highly selective and out-of-context documents, about matters which are more properly addressed – and in many instances are being addressed with our full co-operation – by governments and customs authorities around the world.

**Note.** In February 1999, as a result of US litigation, a document depository for the public was established at Guildford in the UK, where visitors can view over 8 million pages from company files going back some 50 years. There is open access on request and copies of documents have been given to overseas plaintiffs' lawyers, and to several anti-smoking campaigners and pressure groups. Documents claimed to be 'secret' or 'unveiled', and in many cases placed on the Internet, have frequently come from this open access. Many visitors have searched the depository looking for evidence, for example, that important internal research was concealed which proved that smoking caused disease. None has been identified, and there is none.

**British American Tobacco**  
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