

**Letitia James**

New York State Attorney General

## **Attorney General James Secures \$462 Million from JUUL for Its Role in the Youth Vaping Epidemic**

**JUUL to Pay \$462 Million to Six States and D.C., New York to Receive \$112.7 Million**

**April 12, 2023**

***Funds Will Help Young New Yorkers Quit Vaping and Support Underage Vaping Abatement Programs***

NEW YORK – New York Attorney General Letitia James today [secured the largest multistate agreement with JUUL Labs Inc. \(JUUL\)](#) and its former directors and executives for their alleged role in contributing to the youth vaping epidemic that led to a rise in underage e-cigarette vaping nationwide. As part of a multistate agreement co-led by Attorney General James and California Attorney General Rob Bonta, JUUL will pay \$462 million to six states and the District of Columbia. New York will receive \$112.7 million, which will support underage vaping abatement programs across the state. The agreement also requires JUUL to secure JUUL products behind retail store counters and verify the age of consumers that directly sell or promote its products online. The agreement is the largest multistate settlement with JUUL and places the most stringent restrictions on JUUL's marketing, sales, and distribution practices in order to protect and prevent minors from underage vaping.

“JUUL lit a nationwide public health crisis by putting addictive products in the hands of minors and convincing them that it's harmless — today they are paying the price for the harm they caused,” said **Attorney General James**. “Too many young New Yorkers are struggling to quit vaping and there is no doubt that JUUL played a central role in the nationwide vaping epidemic. Today's agreement will help young New Yorkers put their vapes down for good and ensure that future generations understand the harms of vaping. I thank my fellow attorneys general for their collaboration on this effort to protect the health and well-being of our communities.”

In November 2019, Attorney General James [sued JUUL for its deceptive and misleading marketing](#) that glamorized vaping with colorful ads featuring young models using fruity, sweet, and minty flavors that appealed to youth. JUUL misled consumers about the nicotine content of its products, misrepresented the safety and therapeutic value of its products by stating that they were safer than cigarettes, and failed to prevent minors from purchasing its products in stores across the country.

The lawsuit alleged that JUUL's conduct violated New York's General Business Laws, which prohibit deceptive acts and practices and false advertising; Common Law Public Nuisance, which prohibits substantial and unreasonable interference with the public health; and Executive Law § 63(12), which prohibits repeated and persistent fraud and illegality, based on violations of the New York Public Health Law prohibiting underage sales of tobacco products to minors.

In addition to marketing to young New Yorkers, JUUL engaged in direct outreach to high school students, including in at least one New York City school, where a JUUL representative falsely told high school freshmen that its products were safer than cigarettes. JUUL's pervasive launch and ad campaign reached teenagers across the country, who then introduced JUUL's products to their peers in rapid numbers.

After JUUL launched in 2015, e-cigarette use in New York City high school students increased three-fold from 8.1 percent in 2014 to 23.5 percent by 2018. By 2019, the proliferation of vaping led to a national outbreak of severe vaping-related illnesses, with more than 2,500 hospitalizations. In October 2019, a 17-year-old male from the Bronx died due to a vaping-related illness, making him the first reported vaping-related fatality in New York, and the youngest vaping-related fatality in the United States. The New York State Department of Health reports that more than 1 in 5 high school students reported vaping in 2020. The Centers for Disease Control and Prevention (CDC) report that more than 1 in 7 high school students use e-cigarettes as of 2022.

Today's agreement requires JUUL to pay \$462 million to six states and the District of Columbia. New York will receive \$112.7 million over an eight-year period. JUUL is required to make its first payment to the states within 90 days of the effective date of the agreement followed by seven annual payments.

The agreement also has stringent restrictions on JUUL's sales and marketing abilities, including requiring JUUL to:

- Refrain from any marketing that directly or indirectly targets youth, including using anyone under the age of 35 in promotional material or funding, operating youth education/prevention campaigns, or sponsoring school related activities,
- Limit the amount of retail and online purchases an individual can make,
- Perform regular retail compliance checks at five percent of New York's retail stores that sell JUUL's products for at least four years,
- Treat synthetic nicotine as nicotine,
- Refrain from providing free or nominally priced JUUL pods as samples to consumers,
- Exclude product placement in virtual reality systems, and
- Increase funding to a document depository by up to \$5 million and add millions of relevant documents to the depository to inform the public on how JUUL created a public health crisis.

In addition, the agreement's restrictions on JUUL are binding on JUUL's former directors and executives, Adam Bowen, Hoyoung Huh, James Monsees, Nicholas Pritzker, and Riaz Valani, and any business they control that sells nicotine products.

"For too long, JUUL has gotten away with deceptively hooking young people on nicotine. Today's settlement puts an end to those nefarious practices and invests in a healthier New York," said **Manhattan Borough President Mark Levine**. "I'm grateful to Attorney General James and her team for spending years working to hold JUUL accountable and curb vaping's rise in youth."

"As a parent of two young daughters and the sponsor of the law banning flavored e-cigarettes in New York, I'm extremely grateful to Attorney General James for the \$462 million settlement she has reached with JUUL, which created a public health crisis by cynically marketing its flavored vaping products to underage youth and misleading consumers about the harmful effect of e-cigarettes," said **State Senator Brad Hoylman-Sigal**. "I'm hopeful that this historic settlement by the Attorney General will be a precursor to the FDA once and for all banning JUUL vaping products altogether due to the overwhelming safety concerns and extraordinary rise in youth vaping."

"From the outset, JUUL had ripped a page straight from big tobacco's playbook, spending millions of dollars to market their new product to youth and hook a new generation on nicotine," said **Assemblymember Linda B. Rosenthal**. "I applaud Attorney General James and the attorneys general of the other states involved in this settlement

for their efforts in protecting youth from the harm we know is caused by vaping. Having worked on legislation to crack down on the e-cigarette industry since 2010, it's become abundantly clear that JUUL has been deceptive and dishonest in its marketing practices, prioritizing its bottom line over the health of millions of young people. This settlement and the restrictions it will impose on e-cigarette marketing will finally create some accountability, and I thank Attorney General James for leading the charge.”

“This settlement is an important step in holding JUUL accountable for fueling the youth e-cigarette epidemic with its flavored, nicotine-loaded products and youth-oriented marketing,” said **John Bowman, Executive Vice President of U.S. Programs, Campaign for Tobacco-Free Kids**. “We applaud Attorney General James for her leadership in shining a spotlight on JUUL’s wrongdoing and forcing the company to change its harmful practices. By requiring the disclosure of previously secret JUUL documents and providing funding for youth vaping prevention programs, this settlement can have a particularly significant impact in protecting the health of our children.”

“We are enormously grateful to New York Attorney General Letitia James for her relentless pursuit of JUUL and her fight to hold the company accountable for marketing to young people across New York and around the country, creating the youth vaping epidemic that has harmed millions of families,” said **Dorian Fuhrman and Meredith Berkman, Co-Founders, Parents Against Vaping E-cigarettes**. “Her tireless efforts — and those of her remarkable team — have helped lead to today’s massive multi-state settlement with JUUL that will have an important impact on public-health education and vaping cessation efforts for years to come. We are particularly encouraged that today’s settlement requires disclosure of discovery documents detailing JUUL’s youth-centric marketing that will be housed in an academic archive. Public access to these papers is essential to the protection of public health so that this kind of predatory behavior will not be repeated.”

“Truth Initiative applauds the tremendous leadership of New York Attorney General Letitia James and California Attorney General Rob Bonta on behalf of six states and the District of Columbia that has resulted in the largest and most comprehensive settlement against JUUL to date, including much-needed stringent sales, marketing, and distribution restrictions,” said **Robin Koval, CEO and President, Truth Initiative**. “With the persistence of the youth e-cigarette crisis, we look forward to the use of these hard-won funds to educate young people, prevent them from ever starting to use tobacco products, and help them stop if they do. Truth Initiative is grateful for this important

milestone and stands ready to work with New York to protect millions of young people from the harms of nicotine use and the risks of addiction.”

Joining Attorney General James in today’s historic agreement are the attorneys general of California, Colorado, Illinois, Massachusetts, New Mexico, and the District of Columbia.

For New York, settlement discussions were led by Senior Advisor and Special Counsel M. Umair Khan, Assistant Attorneys General Hailey DeKraker and Noah Popp, and Healthcare Deputy Bureau Chief Leslieann Cachola. The settlement was also brought about by the work of Assistant Attorneys General Sarah Millings, Michael Reisman, and Abigail Kasowitz; Consumer Frauds Bureau Chief Jane Azia; Senior Assistant Solicitor General Dennis Fan, Deputy Solicitor General Judith Vale; Special Assistant Attorney General Emily Auletta; Senior Enforcement Counsel John Oleske; Deputy Director of Research and Analytics Megan Thorsfeldt and Data Scientist Jasmine McAllister; Chief Scientist Jodi Feld, Information Technology Manager Corey Nugent, Information Technology Specialists Hewson Chen and Paige Podolny; E-Discovery Document Review Manager Carol Cheng; Civil Recoveries Section Chief Martin Mooney; and former Special Counsel Morenike Fajana, former Healthcare Bureau Chief Lisa Landau, and former Section Chief Amy Schallopp. The Division for Social Justice is led by Chief Deputy Attorney General Meghan Faux and the Division for Economic Justice is led by Chief Deputy Attorney General Chris D’Angelo. Both the Division for Economic Justice and the Division for Social Justice are overseen by First Deputy Attorney General Jennifer Levy.