

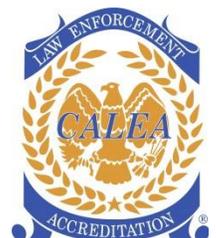
# Tobacco Taxes: Enforcement Report

September 2015



**Joe Testa**  
Tax Commissioner

**Criminal Investigations Division**





Department of  
Taxation

October 1, 2015

Senator Scott Oelslager, Chairman, Finance Committee  
Senator Bob Peterson, Chairman, Ways and Means Committee

Representative Ryan Smith, Chairman, Finance Committee  
Representative Jeff McClain, Chairman, Ways and Means Committee

Dear Chairmen,

As directed by Ohio Revised Code 5703.85, I am submitting to you a report summarizing certain aspects of the Department of Taxation's enforcement of tobacco laws including:

- 1) The number of tobacco inspections and investigations
- 2) The number and types of violations of tobacco laws
- 3) The number of prosecutions of tobacco laws
- 4) The number of agents assigned to enforcing tobacco laws

As envisioned and as stipulated in law, this report is to be submitted quarterly. The first report, submitted on September 1, covered only two months (July and August) of tobacco enforcement activity. This report covers activities for the month of September. The subsequent report will cover the period of October – December, 2015 and each report thereafter will encompass a three month period.

I hope you will find the report enlightening and useful.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Testa".

Joe Testa  
Ohio Tax Commissioner



## Criminal Investigations Division

# TOBACCO REPORT

House Bill 64, the biennial budget bill, passed into law July 1, 2015 and provided funding to the Ohio Department of Taxation to hire additional tobacco enforcement officers. In response, the department's Criminal Investigations Division (CID) assigned four experienced agents to investigate tobacco tax complaints and conduct retail tobacco inspections (aka the Tobacco Team).

Simultaneously, the department created and posted four new CID positions to replace the agents who were assigned to the Tobacco Team. More than 400 applications were submitted for those job openings and are currently being reviewed. Applicants are being screened for job specific minimum qualifications, to include a current Ohio Police Officer Training Academy certification, and at least two years of law enforcement experience. Applicants who qualify will be invited to participate in physical fitness testing as prescribed by the union (Fraternal Order of Police) contract.

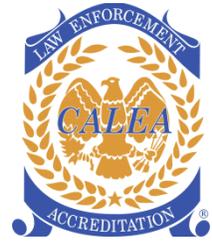
The next step is to interview the top applicants. Following the interview process, those chosen will advance to medical and psychological testing. On completion of all testing and evaluation, the department will offer employment opportunity to the highest ranked applicants. Those who accept and join the CID will start the 16-week Field Training Officer (FTO) program that all new agents are required to complete. They are assigned with a Field Training Officer who will work with them for eight weeks and then be assigned to work with a different FTO for the final eight weeks. After the FTO Program is complete, the newly hired agents are released to work on their own and with other CID agents.

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Department of  
Taxation

Criminal Investigations Division  
September 2015



Tobacco Investigations	Remain Open	Initiated Cases
Cigarette/OTP Tax	45	399

Investigations by Region	Remain Open	Initiated Cases
Southwest	7	95
Northeast	13	84
Central	4	35
Northwest	4	68
Tobacco Team	17	117

Confiscations	
Tobacco Inspections	397
Blunt Tubes Untaxed "Each"	
Cigarettes "Each Single Stick"	264
Cigarettes Taxed "Packs"	
Cigarettes Untaxed "Packs"	926
Cigars Untaxed "Each"	10,861
Loose Tobacco Untaxed "Container"	675
Hookah Untaxed "Container/Bags"	85
MSA Cigarettes "Packs"	35
Snuff Untaxed "Cans/Bags"	



Department of  
Taxation

Criminal Investigations Division

September 2015



**Criminal charges arising from inspections.**

**Charges {14 People, 27 Total Charges}**

Charges	Degree*	SW	NE	CTL	NW	TOB**	Counts
5743.071 - Failure to Maintain Cigarette Purchase Records	M4	0	0	0	0	1	1
5743.10- M1 - Possession of Untaxed Cigarettes 2nd Offense	M1	0	0	0	0	1	1
5743.111 - Possession of Untaxed Cigarettes	F4	0	0	0	0	1	1
5743.112 - Trafficking in Cigarettes with Intent to Avoid Payment of Tax	F4	0	0	0	0	1	1
5743.19 - No Cigarette License	M4	1	1	1	0	5	8
5743.20 - Retail / Wholesale Tobacco Violation	M4	0	2	0	0	4	6
5743.41 - Failure to Post License / " Single Stick "	M4	0	0	0	0	6	6
5743.54(A) - Distributor Failure to Maintain Records of Tobacco Purchases	M4	0	0	0	0	3	3

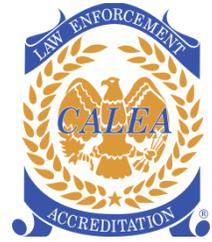
**Convictions obtained during the quarter from recent and past issued citations. Convictions received may not be related to charges filed during this quarter.**

**Convictions {11 People Convicted}**

Convictions	Degree*	SW	NE	CTL	NW	TOB**	Counts
2917.11 - Disorderly Conduct	MM	0	0	0	0	1	1
2923.02- MM - Attempt to Commit an Offense	MM	1	0	0	0	0	1
5739.29 - Failure to Collect Sales Tax	UM	0	1	0	0	0	1
5743.10- M1 - Possession of Untaxed Cigarettes 2nd Offense	M1	0	0	0	0	2	2
5743.19 - No Cigarette License	M4	0	1	0	0	4	5
5743.41 - Failure to Post License / " Single Stick "	M4	0	0	0	0	2	2
5743.54(A) - Distributor Failure to Maintain Records of Tobacco Purchases	M4	0	0	0	0	1	1



Criminal Investigations Division  
September 2015



\* UM - Unclassified Misdemeanor  
MM - Minor Misdemeanor  
M1 - First Degree Misdemeanor  
M2 - Second Degree Misdemeanor  
M3 - Third Degree Misdemeanor  
M4 - Fourth Degree Misdemeanor

\* F1 - First Degree Felony  
F2 - Second Degree Felony  
F3 - Third Degree Felony  
F4 - Fourth Degree Felony  
F5 - Fifth Degree Felony

\*\* Tobacco Team