

Commonwealth of Massachusetts

Annual Report of Multi-Agency Illegal Tobacco Task Force

February 25, 2026

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I. Task Force Creation and Legislative Background

The Illegal Tobacco Task Force (Task Force) was created pursuant to section 71 of the Fiscal Year 2016 (FY16) General Appropriations Act.¹ According to its enabling statute, the Task Force is co-chaired by the Colonel of the State Police and the Commissioner of Revenue, or their designees, and additional members include the Secretary of Public Safety and Security, State Treasurer, Attorney General, and Commissioner of Public Health, or their respective designees. The Task Force is statutorily required to, “coordinate efforts to combat contraband tobacco distribution, including efforts to foster compliance with the law and conduct targeted investigations and enforcement actions against violators.”² Further, the Task Force must:

- (i) facilitate timely information sharing among state agencies to advise or refer matters of potential investigative interest;
- (ii) dedicate not less than an aggregate of 20 personnel from member agencies to carry out enforcement and investigative strategies;
- (iii) identify where illegal tobacco distribution is most prevalent and target task force members’ investigative and enforcement resources against those in violation of [chapter 64C] and chapter 62C, including through the formation of joint investigative and enforcement teams;
- (iv) assess existing investigative and enforcement methods in the Commonwealth and in other jurisdictions and develop and recommend strategies to improve those methods; and
- (v) solicit the cooperation and participation of other relevant enforcement agencies and establish procedures for referring cases to prosecuting authorities as appropriate.³

The Task Force is required to meet at times and places determined by the Co-Chairs as “deemed necessary to carry out its mandate” and to submit a report by March 1 of each year “on the results of its findings, activities and recommendations from the preceding year....”⁴ Specifically, the report shall include: (i) a description of the Task Force’s efforts and activities during the year; (ii) identification of any administrative or legal barriers, including any barriers to multi-agency action or enforcement efforts; and (iii) proposed legislative or regulatory changes necessary to strengthen operations and enforcement efforts and reduce or eliminate any impediments to those efforts.⁵ The report is to be filed with the clerks of the Senate and House of Representatives, the Chairs of the Joint Committee on Revenue, the Chairs of the Senate and House Committees on Ways and Means, and the Chairs of the Joint Committee on Public Safety and Homeland Security. The Task Force is filing this Annual Report to comply with its March 1, 2026, reporting obligation.⁶

¹ St. 2015, c. 46, § 71; M.G.L. c. 64C § 40.

² M.G.L. c. 64C § 40(a).

³ M.G.L. c. 64C, § 40(b).

⁴ St. 2015, c. 46, § 71; M.G.L. c. 64C, § 40.

⁵ *Id.*

⁶ *Id.* For the Task Force’s prior reports, see <https://www.mass.gov/info-details/dor-illegal-tobacco-task-force#current-reports> (see tab entitled “DOR Illegal Tobacco Task Force Past Cases & Reports” for prior years) (accessed on January 7, 2026).

II. Results and Trends

During the past year, the Task Force has continued to address the economic, public health, and public safety challenges associated with the illegal tobacco market. Irrespective of these challenges, the Task Force has worked with our federal, state, and local partner agencies to foster compliance with the law as well as dismantle or disrupt sophisticated tobacco smuggling operations.

A. Most Recent Legal Changes Concerning Tobacco Control

There have been no major changes to the tobacco laws since passage of the “Act Modernizing Tobacco Control” into law on November 27, 2019,⁷ which included a ban on the retail sale of flavored tobacco products and a 75% excise tax on the wholesale price of “electronic nicotine delivery systems” (“ENDS”), commonly referred to as “vape.” These laws became effective on June 1, 2020, and are still in effect.

B. Tobacco Excise Tax Revenue

The chart below (**Figure 1**) identifies the tobacco excise tax collected by DOR for FY19 through FY25.⁸ An analysis of the revenue data identifies a longer-term trend related to a decline in cigarette and smokeless tobacco excise tax collections with smaller fluctuations in excise collections related to cigars, smoking tobacco, and ENDS.

Figure 1: MA Tobacco Excise Collections Broken Down by Product Category⁹

Collections by Type (in \$ Millions)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Cigarettes	515.4	486.0	370.6	363.9	338.7	315.3	289.4
Smokeless Tobacco	23.1	21.6	12.3	12.3	11.3	9.2	8.3
Cigar & Smoking Tobacco	18.2	16.3	15.2	14.5	15.3	15.0	14.8
ENDS	N/A	1.7 ¹⁰	13.3	16.3	13.9	14.8	14.9
Totals	556.7	525.6	411.4	407.0	379.2	354.3	327.4

Cigarette excise tax collections in FY25 decreased \$25.9 million from the prior fiscal year. In terms of an overall trend over the past several years, the decline in revenue corresponds to a national trend of a decreasing number of cigarettes manufactured in the United States¹¹ as well as a decrease

⁷ St. 2019, c. 133.

⁸ It is important to note that all collections figures cited in this Annual Report exclude sales taxes collected on sales of tobacco products. The Department of Revenue does not separately track sales taxes collected on sales of tobacco products.

⁹ The FY25 Tobacco Excise Tax Collections on Cigarettes and ENDS can be found in Commonwealth of Massachusetts Department of Revenue Monthly Report of Collections and Refunds of June 2025. Breakdowns by category provided by DOR Miscellaneous Excise Bureau. See <https://www.mass.gov/lists/massachusetts-dor-blue-book-reports#fy2024> - (accessed on January 7, 2026).

¹⁰ The “Act Modernizing Tobacco Control” imposing a 75% excise tax on the wholesale price of ENDS became effective on June 1, 2020, so there is only one month of data available for ENDS excise tax revenue during FY 2020. See The Commonwealth of Massachusetts Department of Revenue Monthly Report of Collections and Refunds of July 2020. <https://www.mass.gov/lists/blue-book-reports-department-of-revenue> (accessed on January 21, 2026).

¹¹ See <https://www.ttb.gov/tobacco/tobacco-statistics> (confirming a 10-year decline in the number of cigarettes manufactured in the United States) (accessed January 21, 2026).

in the number of smokers since 2019.¹² The percentage of Massachusetts adults who currently smoke cigarettes has also consistently declined each year for the past decade – from 14.7% in 2014 to 8.8% in 2024.¹³

The continued decline in smokeless tobacco excise tax revenue is not surprising given that use of smokeless tobacco among adults in Massachusetts has consistently declined¹⁴ and the amount of smokeless tobacco sold (in terms of pounds) in the United States since 2017 has also continued to decline.¹⁵ However, as documented in last year’s annual report, inspectors and investigators in the field continued to observe significant amounts of nicotine pouches on store shelves, as opposed to traditional smokeless tobacco pouches. The introduction and popularity of these new products, among youth and adults, may also be contributing to the decline in smokeless tobacco revenue as nicotine pouches are not subject to a Massachusetts excise tax.

Since FY21, the first full year DOR collected ENDS excise taxes, ENDS revenue has fluctuated between a low of \$13.3 million in FY21 and a high of \$16.3 million in FY22. State public health data indicates that the percentage of Massachusetts adults who currently use ENDS products has decreased from 6.2% in 2023 to 5.6% in 2024.¹⁶ There has also been a 34.7% increase in ENDS sales nationwide between February of 2020 and June of 2024.¹⁷ However, the number of youth (middle and high school) nationwide and in Massachusetts who currently use ENDS declined to the lowest level in a decade.¹⁸ In future reports, the Task Force will continue to monitor changes in the ENDS excise tax collections to identify any longer-term trends.

¹² See <https://www.cdc.gov/tobacco/php/data-statistics/adult-data-cigarettes/> (Centers for Disease Control and Prevention, *Cigarette Smoking Among Adults in the United States, 2022* - Current cigarette smoking among adults has declined from 20.9% in 2005 to 11.6% in 2022, although that represents a 0.1% increase from 2021) (accessed on January 23, 2026). The 2022 data is the most recent reported by the CDC.

¹³ See <https://www.mass.gov/lists/brfss-statewide-reports-and-publications> (Massachusetts Behavioral Risk Factor Surveillance System (BRFSS) data for 2014, 2018, 2020, 2021, 2022, and 2023) (accessed on February 10, 2026). The 2024 preliminary data was received from the DPH, but the percentage of adult smokers could still be subject to revision until the final report is published.

¹⁴ See <https://www.mass.gov/lists/brfss-statewide-reports-and-publications> (Massachusetts Behavioral Risk Factor Surveillance System (BRFSS) data – smokeless tobacco use among adults has declined since 2018 when 2.8% of adults reported using smokeless tobacco and has continued to decrease to 2.3% in 2019, 1.7% in 2021, and 1.4% in 2023) (accessed on February 3, 2025). The 2024 data has not yet been released by DPH.

¹⁵ See <https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-releases-reports-cigarette-smokeless-tobacco-sales-marketing-expenditures-2022> (the amount of smokeless tobacco sold in the United States (in pounds) has declined approximately 13.5% since 2017) (accessed January 29, 2025). The 2022 data is the most recent reported by the FTC.

¹⁶ See <https://www.mass.gov/lists/brfss-statewide-reports-and-publications> (comparing ENDS use by adults in the 2021 - 2023 reports) (accessed on February 10, 2026). The 2024 preliminary data was received from the DPH, but the percentage of adults who use ENDS could still be subject to revision until the final report is published.

¹⁷ See <https://www.cdc.gov/media/releases/2023/p0622-ecigarettes-sales.html> for sales data related to 2020 - 2022 and see <https://www.cdcfoundation.org/programs/monitoring-e-cigarette-use-among-youth> for ENDS sales data for 2020 – 2024 (accessed January 22, 2026).

¹⁸ See <https://www.fda.gov/tobacco-products/youth-and-tobacco/results-annual-national-youth-tobacco-survey> (comparing 2023 and 2024 Annual National Youth Tobacco Survey) (accessed on February 6, 2025). This is the most current FDA report. See also <https://www.mass.gov/lists/massachusetts-youth-health-survey-myhs> for Massachusetts data (accessed February 6, 2025). The 2024 data has not yet been released by DPH.

The Task Force cannot identify any single reason why the combined tobacco and ENDS excise tax revenues have declined approximately 41% between FY19 and FY25. The decline in tobacco excise revenue could be due in part to the excise tax revenue system itself as consumers change their spending habits based upon the costs of the tobacco products, especially given other economic pressures (e.g., inflation) over the past several years. The decline could also be due in part to effective public health messaging which informs people about the harms associated with tobacco use. Or the decline could be due in part to the smuggling of untaxed tobacco products into Massachusetts. The Commonwealth’s higher tax rates on tobacco and ENDS relative to other states do provide smugglers a financial incentive to import such products from low-tax states and sell them to in-state buyers thereby evading the applicable tobacco excise.¹⁹ However, whatever the reason(s) for the decline in revenue, the most consistent data point is that overall tobacco use has declined in Massachusetts as well as nationally for the past several years²⁰ – which would naturally result in decreased revenues.

C. Tobacco Seizures

Beginning in November 2021, the Task Force adopted universal metrics for all agencies to track the seizure of tobacco products. The Task Force now tracks the types and amounts of tobacco products seized during regulatory inspections or criminal investigations. It has been five years since the Task Force began reporting on the quantity of tobacco products seized by the State Police or the DOR’s Criminal Investigations Bureau (“CIB”) and Miscellaneous Excise Bureau (“MEB”). The new tracking program allows the Task Force to identify trends and better allocate resources in the future.

The charts below identify the quantities of untaxed tobacco products seized by the State Police (**Figure 2**), DOR (**Figure 3**), and all Task Force agencies (**Figure 4**) during FY22/23 – FY25.

Figure 2: State Police Tobacco Seizures

State Police Tobacco Seizures	FY22	FY23	FY24	FY25
Cigarettes (packs)	1,972	64	89	10
Smokeless Tobacco (tins/cans/bags)	15	25	58	0
Cigars	785	0	390	0
Smoking Tobacco (bags)	23	0	82	0
ENDS	6,406	1,326	279,432 ²¹	1,617

¹⁹ See <https://www.mass.gov/info-details/dor-cigarette-tobacco-and-vaping-excise-tax#> (related to the Massachusetts excise tax rate on smokeless tobacco products as 210% of wholesale price (highest in the nation) and the rate on cigars and smoking tobacco as 40% of wholesale price). See also <https://www.atf.gov/resource-center/fact-sheet/fact-sheet-tobacco-enforcement#> (related to the trafficking of tobacco products from states with low tax rates to states with higher tax rates) (accessed on January 21, 2026).

²⁰ See <https://www.mass.gov/lists/brfss-statewide-reports-and-publications> and <https://www.cdc.gov/media/releases/2024/p0905-youth-ecigarette.html> for nationwide data (accessed on February 3, 2025). The 2024 data has not yet been released by DPH.

²¹ The significant increase in ENDS seizures by the State Police during FY24 was due to a single large seizure and was not indicative of an increase in seizures across the Commonwealth.

Figure 3: DOR Tobacco Seizures

DOR Tobacco Seizures	FY23		FY 24		FY25	
	CIB	MEB	CIB	MEB	CIB	MEB
Cigarettes (packs)	6,945	2,738	817	4,123	1,578	1,929
Smokeless Tobacco (tins/cans/bags)	20,360	4,977	11,859	2,576	485	181
Cigars	30,133	64,642	115,321	36,364	6,625	18,614
Smoking Tobacco (bags)	469	1,971	1,549	1,047	749	738
ENDS	14,917	20,261	13,217	15,451	13,224	9,614

Figure 4: Task Force (State Police & DOR) Seizures

Task Force Seizures	FY23	FY24	FY25
Cigarettes (packs)	9,747	5,029	3,517
Smokeless Tobacco (tins/cans/bags)	25,362	14,493	666
Cigars	94,775	152,075	25,239
Smoking Tobacco (bags)	2,440	2,678	1,487
ENDS	36,504	308,100	24,455

Aside from the increase in ENDS seizures during FY24 due to a single State Police search warrant, Task Force seizures of untaxed tobacco and ENDS products have declined since the Task Force began tracking seizure data in November of 2021. Civil inspections and investigations have remained robust over the last several years so the improved enforcement and compliance (see Section III-A below) could account for the decline in seizures. The prevalence of ENDS products in the marketplace during the past couple years that are labeled “clear,” but which are actually flavored, could also have contributed to the decline in ENDS seizures as distributors pay the excise taxes for those products. However, Task Force member agencies will be coordinating efforts moving forward to combat these fraudulent products which are circumventing the Commonwealth’s flavored tobacco ban. Additionally, the smuggling of untaxed tobacco and ENDS products, while not overly prevalent, remains a challenge. Without providing too much detail about the processes and methods of Task Force enforcement strategies, smugglers continue to develop more sophisticated smuggling operations to counter the Task Force’s targeted enforcement and investigations. The Task Force will continue to monitor the tobacco excise revenues and seizures of untaxed tobacco products to identify any new trends.

III. Summary of Task Force Activities

The Task Force has continued to meet as needed to share information with member agencies, hear about recent developments in tobacco taxation and enforcement, and to discuss policy matters.

The Task Force has convened five public meetings in the past year. Each of these meetings was held via videoconference in accordance with Sections 18-25 of Chapter 30A of the Massachusetts General Laws and the Governor’s Order suspending certain provisions of the Open Meeting Law,

M.G.L. c. 30A § 20. These meetings took place on the following dates:

December 10, 2025
January 14 and 28, 2026
February 10 and 25, 2026

During the meeting held on December 10, 2025, the DPH arranged for a presentation by the Public Health Law Center (PHLC) focusing on the problems associated with tobacco product waste and discussing possible solutions. The PHLC presentation was uploaded to the DOR Task Force webpage for public viewing.

Pursuant to the Open Meeting Law, detailed minutes of Task Force meetings were taken, including all votes, presentations, and discussions, and these minutes were published to the DOR Task Force webpage for public view according to the requirements of G.L. c. 30A, §§ 18-25.

In addition to its regular public meetings, the Task Force continued to successfully collaborate among Task Force agencies to conduct civil and criminal enforcement actions undertaken by the State Police, DOR, and DPH – operating through the Local Boards of Health (“LBOH”).

A. Civil Investigations/Inspections/Litigation

According to DOR records, there are currently 6,930 tobacco retailers and 121 tobacco distributors located in Massachusetts.²² The number of tobacco retailers has increased by 8.7% since 2023. DOR’s MEB and CIB and LBOH (in collaboration with the DPH) have worked hard to help combat the sale of untaxed tobacco products and/or unlawful tobacco products associated with tobacco diversion. Significantly, DOR has increased the number of annual inspections by approximately 24% since FY20 (2,978 inspections). The charts below (**Figure 5 and 6**) provide inspection, seizure, and civil action data for FY21 - FY25.

Figure 5: DOR Tobacco Inspections

DOR Tobacco Inspections	FY21	FY22	FY23	FY24	FY25
MEB Inspections	3,405	4,236	4,203	4,319	3,663²³
MEB Seizures	157	298	225	227	181
MEB Actions (warning letters, suspensions, revocations) ²⁴	56	577	394	353	247
CIB Inspections	13	28	32	46	37
CIB Seizures	13	28	19	36	28

²² Licensee information obtained from DOR MEB, but see also <https://www.mass.gov/info-details/dor-cigarette-tobacco-and-vaping-excise-tax#licensed-tobacco-retailers-and-distributors> (accessed on January 9, 2026).

²³ It should be noted that DOR MEB had 33% fewer tobacco inspectors employed during FY25 than during the prior fiscal years (FY21 – FY24) which could account for the decline in inspections.

²⁴ In addition to license suspensions or revocations imposed by DOR related to a tobacco licensee’s violations of the tobacco tax regulations or laws, it should be noted that the Massachusetts Lottery Commission, in accordance with M.G.L. c. 10 § 30B, also suspended the lottery licenses of forty (40) licensees based upon DOR tobacco license suspensions.

It is important to note that during FY25, for the third year in a row, **94%** of licensees inspected by the DOR fully complied with the Commonwealth's tobacco tax laws and regulations. The summaries below provide examples of DOR inspections during the past year.

- In March of 2025, CIB conducted three separate inspections of a licensed distributor in Hampden County and seized a quantity of untaxed smoking tobacco and ENDS – representing the evasion of approximately \$4,596 in excise taxes. As a result of the seizures, DOR issued a 90-day suspension of the distributor's ENDS license and a 14-day suspension of the cigar license.
- In April of 2025, MEB conducted an inspection of a licensed retailer in Middlesex County and seized a large quantity of untaxed ENDS as well as cigarettes, smokeless tobacco, cigars, and smoking tobacco – representing the evasion of approximately \$14,300 in excise taxes. As a result of the seizure, DOR issued a 90-day suspension of the retailer's ENDS license, a 60-day suspension of the retailer's cigarette license, and a 30-day suspension of the retailer's cigar license.
- In May of 2025, MEB conducted an inspection of a licensed retailer in Plymouth County and seized untaxed ENDS representing the evasion of approximately \$2,200 in excise taxes. As a result of the seizure, DOR issued a 90-day suspension of the retailer's ENDS license.
- Between February and July of 2025, CIB conducted three separate inspections of a licensed distributor in Hampden County and seized a quantity of untaxed smoking tobacco and ENDS – representing the evasion of approximately \$4,596 in excise taxes. As a result of the seizures, DOR issued a 90-day suspension of the distributor's ENDS license and a 14-day suspension of the cigar license.
- In August of 2025, MEB conducted an inspection of a licensed retailer in Middlesex County and seized untaxed cigarette and smokeless tobacco – representing the evasion of approximately \$800 in excise taxes. As a result of the seizure, DOR issued a 30-day suspension of the retailer's Cigarette/Smokeless Tobacco license.
- In August of 2025, MEB conducted an inspection of a licensed retailer in Berkshire County and seized untaxed cigarettes, cigars, smoking tobacco, and ENDS – representing the evasion of approximately \$1,800 in excise taxes. As a result of the seizure, DOR issued a 60-day suspension of the retailer's ENDS license and cigarette and cigar license warning letters.
- Between August of 2024 and October of 2025, CIB conducted three separate inspections of a licensed retailer in Hampden County and seized significant quantities of untaxed cigarettes, cigars, smokeless tobacco, and ENDS – representing the evasion of approximately \$47,000 in excise taxes. As a result of the seizures, DOR revoked the retailer's cigarette, cigar, and ENDS licenses and issued civil penalties against the taxpayer.
- In September of 2025, CIB conducted an inspection of a licensed retailer in Bristol County and seized untaxed ENDS products – representing the evasion of approximately \$4,372. One week later, CIB conducted a follow-up inspection of the same retailer and seized a small quantity of untaxed ENDS products. As a result of the seizures, CIB issued a 240-day suspension of the retailer's ENDS license and issued civil penalties against the taxpayer.

- In October of 2025, MEB conducted an inspection of a licensed retailer in Essex County and seized untaxed ENDS – representing the evasion of approximately \$3,800 in excise taxes. As a result of the seizure, DOR issued a 90-day suspension of the retailer’s ENDS license.
- In November of 2025, MEB conducted an inspection of a licensed retailer in Worcester County and seized untaxed cigarettes and ENDS – representing the evasion of approximately \$1,800 in excise taxes. As a result of the seizure, DOR issued a 60-day suspension of the retailer’s ENDS license and a warning letter for the cigarette license.
- In November of 2025, CIB conducted an inspection of a licensed retailer in Hampden County and seized untaxed cigarettes and ENDS – representing the evasion of approximately \$3,596 in excise taxes. As a result of the seizure and based upon a second offense, DOR issued a 270-day suspension of the retailer’s ENDS license, a 90-day suspension of the cigarette license, and issued civil penalties against the taxpayer.
- In December of 2025, MEB conducted an inspection of a licensed retailer in Worcester County (same retailer inspected in November of 2025 and noted above) and seized untaxed cigarettes and cigars – representing the evasion of \$1,100 in excise taxes. As a result of the seizure, DOR issued a 180-day suspension of the retailer’s cigarette license and a warning letter for the cigar license.
- In January of 2026, CIB, with assistance from the Fall River Police Department, served an administrative search warrant at an unlicensed retailer in Bristol County. The retailer previously refused to allow CIB to conduct an inspection of the premises without a warrant. As a result of the search warrant, CIB seized a quantity of untaxed ENDS and smoking tobacco products – representing the evasion of approximately \$4,490 in excise taxes. DOR issued civil penalties against the taxpayer for operating as a tobacco and ENDS retailer without a license.

The Litigation Bureau within the General Counsel’s office is another important part of DOR’s civil tobacco enforcement team. The tobacco seizures, license suspensions, civil penalties, and audit assessments generated by CIB and MEB are sometimes appealed to the Appellate Tax Board (“ATB”). The Litigation Bureau, comprised of dedicated civil attorneys, defends the DOR Commissioner before the ATB. Since last year’s report, DOR successfully managed thirty-four ATB appeals, having secured significant license suspensions without the need for a trial. To date, the Litigation Bureau has conducted eighteen license suspension trials before the ATB which resulted in seventeen rulings in favor of the Commissioner.

Figure 6: Local Boards of Health Tobacco Inspections (POST Data)

LBOH Tobacco Inspections	FY21	FY22	FY23	FY24	FY25
Inspections	4,935	6,290	6,342	6,610	6,847
Violations Cited ²⁵	2,178	2,080	1,514	1,480	1,450

LBOH inspectors completed 6,847 tobacco retail inspections in FY25, which represents a 38.74% increase since FY21. The great majority of inspections during FY25 indicate retailers

²⁵ It should be noted there could be multiple violations issued during a single inspection.

complied with local and state laws with a compliance rate of approximately **78.8%**. The violations indicated are reflective of both state and local policy violations and are the total number of violations found, not violations per unique retail establishment. The summaries below provide examples of significant LBOH inspections during the past year.

- In April of 2025, the LBOH conducted an inspection of a licensed retailer in Bristol County and observed large quantities of untaxed menthol cigarettes and ENDS products. The LBOH referred the information to CIB. In June of 2025, CIB conducted an inspection of the retailer and seized untaxed cigarettes and ENDS – representing the evasion of approximately \$3,300. This case will be referred for criminal prosecution (more details in the “B. Criminal Investigations” section below) so no civil action has been taken yet.
- In May of 2025, CIB assisted the LBOH with an inspection of a licensed retailer in Norfolk County. LBOH served a cease-and-desist letter upon the retailer for previously selling flavored ENDS products. CIB conducted an inspection and seized untaxed ENDS – representing the evasion of approximately \$700 in excise taxes. As a result of the seizure, the LBOH issued a civil penalty, and DOR issued a 30-day suspension of the retailer’s ENDS license.
- In August of 2025, the LBOH conducted a compliance check of a licensed retailer in Essex County which resulted in the retailer selling a flavored ENDS product to a youth. The LBOH contacted the DOR/MEB and a joint inspection was conducted the following day. The MEB seized a quantity of untaxed cigarettes, smoking tobacco, and ENDS products – representing the evasion of approximately \$2,240. As a result of the seizure, the LBOH issued a civil penalty, and DOR issued a 30-day suspension of the retailer’s cigarette and ENDS licenses and a warning letter for the cigar/smoking tobacco license.

During the past several years, the DPH updated the Point-of-Sale Toolkit (POST) database that tracks enforcement and inspection visits of tobacco retailers throughout Massachusetts. POST enables DPH and LBOH to record violations of all state and local policies. The LBOH monitors and collects information on compliance and violations, from signage, product types, and product placement.

The updates to POST allowed DPH to monitor the type of violations cited by LBOH during inspections. Most violations were cited for technical or administrative matters, but there were 290 violations issued for selling flavored tobacco products during FY25 – which is a decrease from last fiscal year (298). That said, most retailers complied with flavor regulations during both years, with a **95.8%** compliance rate in FY25. The 290 flavor violations identified represent the number of inspections where a flavor violation was identified. The decrease in flavor law violations could have various contributing factors such as continued enhanced enforcement efforts by DPH, LBOH, and DOR or a decrease in the use of flavored ENDS products by youth.²⁶ These findings indicate the need for continued data collection, compliance resources, and enforcement coordination to uphold state public health tobacco policies and laws. DPH and LBOH will continue to provide retailer education, resources, and signage to support compliance with tobacco policies.

DPH tobacco enforcement staff and LBOH inspectors continue to work with the CIB to

²⁶ See <https://monitoringthefuture.org/data/bx-by/drug-prevalence/Vape/2017-2025> Noting decline in youth Vaping between 2024 and 2025 (accessed January 23, 2026).

coordinate the sharing of intelligence regarding retail inspection and compliance results. CIB and DPH established a system so LBOH can share information related to the discovery of potential untaxed flavored tobacco products.²⁷ This collaborative effort has strengthened enforcement efforts.

B. Criminal Investigations

The State Police Detectives assigned to the Attorney General's Office and CIB continued their criminal investigation efforts in conjunction with other law enforcement partners. Below are some highlights from the past year:

- In June of 2025, CIB conducted an inspection of a tobacco retailer in Bristol County and seized 14,000 unstamped cigarettes in addition to untaxed ENDS products – representing the evasion of approximately \$3,300. The cigarettes originated from New Hampshire, Connecticut, and Georgia. The investigation is ongoing and the criminal case will be referred to the Bristol County District Attorney's Office.
- In July of 2025, CIB, with assistance from the State Police, served an administrative search warrant at a warehouse used by an unlicensed tobacco and ENDS distributor in Middlesex County. As a result of the search warrant, CIB seized a large quantity of untaxed ENDS products. The CIB investigation determined that the distributor purchased untaxed ENDS products from unlicensed out-of-state sellers over several years and sold the ENDS products, as well as smoking tobacco products, to customers in Massachusetts without collecting the applicable sales tax. The smuggling involved the evasion of approximately \$272,000 in ENDS excise and sales taxes from 2020 to 2025. The criminal case has been referred to the Middlesex County District Attorney's Office for prosecution.
- In August of 2025, CIB, with assistance from the Springfield Police Department and State Police, served administrative search warrants at two unlicensed retailers in Hampden County. As a result of the search warrants, CIB seized a large quantity of untaxed cigarettes – representing the evasion of approximately \$16,791 in excise taxes. The criminal case has been referred to the Hampden County District Attorney's Office for prosecution.
- In November of 2025, the State Police, with assistance from CIB, served search warrants at unlicensed retailers in Middlesex County and Bristol County and seized a large quantity of untaxed, flavored tobacco and ENDS products between both locations. As a result of the seizures, DOR issued civil penalties against the taxpayers for operating as a tobacco and ENDS retailer without a license. The criminal case will be referred to the Middlesex County District Attorney's Office for prosecution.
- In December of 2025, the State Police, with assistance from CIB, executed search warrants at a licensed retailer in Norfolk County and seized a large quantity of untaxed, flavored tobacco and ENDS products. The criminal case has been referred to the Norfolk County District Attorney's Office for prosecution.

²⁷ The intelligence sharing program between DPH/LBOH and DOR was created because the 2019 Act Modernizing Tobacco Control is silent regarding LBOH's authority to seize any flavored tobacco products if located during an inspection. The LBOH has been advised to ask the retailer to box up the flavored tobacco products. However, the LBOH may report the discovery of flavored tobacco products to the DOR for possible follow-up and seizure of any untaxed tobacco products, which could then lead to civil or criminal penalties.

The Task Force has continued to streamline communication with the public and between its member agencies. The Task Force began utilizing social media to announce meeting dates and topics, which has increased attendance.

As noted above, the Task Force has utilized a robust, multi-faceted enforcement model whereby the Task Force has suspended tobacco licenses of retailers or distributors selling illegal (untaxed) tobacco products; seized and confiscated illegal tobacco products; issued civil assessments and penalties for unpaid tobacco excise taxes; and prosecuted large-scale smugglers for violations of the

Commonwealth's tobacco tax laws. Despite these notable successes, there is still more work to be done to combat the illegal tobacco trade.

IV. Legislative Proposals

No substantive legislative changes have been made to the tobacco revenue or compliance laws since 2019. The FY25 budget, approved on July 29, 2024, provided slightly more funding for the Task Force than FY24.

Pursuant to its statutory mandate, the Task Force is charged with making recommendations to the legislature, "to strengthen operations and enforcement efforts and reduce or eliminate any impediments to those efforts."²⁸ For the past several years, the Task Force has held public meetings to discuss statutory and regulatory changes that could improve enforcement efforts by enhancing certain civil and criminal provisions and updating regulatory and administrative procedures. The current Task Force's recommendations remain mostly unchanged as the Legislature has not yet taken up any of the previously approved recommendations. Below is a summary of the Task Force's recommended changes to existing tobacco enforcement laws and regulations.²⁹

M.G.L. c. 62C § 16 (Filing of Returns):

- Change timing of payment of excise tax for unlicensed wholesalers/distributors (i.e., retailers purchasing from unlicensed distributors) of smokeless tobacco, cigars, smoking tobacco, and ENDS so that returns are filed upon purchase or importation of untaxed products. This could correct existing inconsistencies between the timing of filing returns for different tobacco license types (e.g., monthly filing for ENDS and smokeless tobacco and quarterly filing for cigars and smoking tobacco).

M.G.L. c. 62C § 68 (Suspension/Revocation of Licenses):

- Add language that a conviction for violation of chapter 64C or federal tobacco trafficking statutes could serve as basis for suspension/revocation of tobacco license.
- Add language that a licensee's refusal to allow DOR access to conduct an inspection is grounds for a license suspension or revocation.
- Amend appeals language so licensee is required to notify DOR commissioner of appeal and file bond before appeal hearing can take place – consistent with current DOR Administrative Policies and M.G.L. c. 58A § 9.

²⁸ M.G.L. c. 64C § 40(d)(iii)

²⁹ DOR has completed a draft document containing the detailed changes summarized in this report.

M.G.L. c. 62C § 67(2) (Licensing):

- Add the words “suspension or” prior to “cancellation” so that the DOR Commissioner has the authority to revoke a tobacco license in those circumstances when a “new” owner files for a tobacco license as a subterfuge to avoid a tobacco suspension or revocation. The current law only allows the Commissioner to revoke a license if the “new” licensee is seeking to avoid a revocation, but not a suspension.

M.G.L. c. 62C § 73 (Tax Evasion):

- Amend tax evasion criminal sentencing provision to change “imprisonment for not more than five years” to “imprisonment in the house of correction for not more than 2 ½ years or state prison for not more than 5 years...” None of the tobacco-related criminal statutes include this jail/prison distinction, which is common in other criminal statutes. This inconsistency has created jurisdictional and sentencing confusion among prosecutors and judges.
- Authorize DOR/CIB investigators to file criminal complaints pursuant to Chapter 218 § 35A.

M.G.L. c. 64C § 1 (Definitions):

- Modify definitions to update language and resolve conflicts/confusion. For example, “tobacco products” does not include cigars and smoking tobacco under current definition.

M.G.L. c. 64C § 5 (Record Keeping):

- Clarify DOR’s authority to examine the books, papers, and records of wholesalers, vending machine operators, unclassified acquirers, or retailers of cigarettes or smokeless tobacco and investigate, examine, and search any premises where cigarettes or smokeless tobacco products are possessed, stored, or sold.
- Require cigarette, cigar, and ENDS wholesalers, vending machine operators, unclassified acquirers, or retailers to maintain records on-site for cigarette and smokeless tobacco products.
- Add civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for a second or subsequent offense, for hindering, obstructing, or preventing authorized DOR inspection of records or cigarette/smokeless tobacco products.

M.G.L. c. 64C § 7B (Cigars):

- Clarify DOR’s authority to examine the books, papers, and records of any retailer or distributor of cigar or smoking tobacco products and investigate, examine, and search any premises where cigars or smoking tobacco products are possessed, stored, or sold.
- Add records as an item to be seized in addition to untaxed cigars/smoking tobacco.
- Add civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for a second or subsequent offense, for hindering, obstructing, or preventing authorized DOR inspection of records or cigar/smoking tobacco products.

M.G.L. c. 64C § 7E (ENDS):

- Clarify DOR’s authority to examine the books, papers, and records of any retailer or distributor of ENDS products and investigate, examine, and search any premises where ENDS products are possessed, stored, or sold.
- Add records as an item to be seized in addition to untaxed ENDS products.
- Add civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for a second or subsequent offense, for hindering, obstructing, or preventing authorized DOR inspection of records or ENDS products.

- Add civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for a second or subsequent offense, for any retailer who knowingly violates Section 7E(c) (possession of untaxed ENDS products) which results in the seizure of untaxed ENDS products so long as the conduct underlying the offense is upheld following any appeal. The new civil penalty will assist with offsetting the significant cost of ENDS disposal to comply with state and federal environmental laws.

M.G.L. c. 64C § 8 (Prosecution for Illegal Possession):

- Modernize language (apply to all tobacco products) and remove outdated sections.
- Add reference to the new Section 10 criminal provision (see below).

M.G.L. c. 64C § 10 (Tobacco Trafficking & Penalties):

- Create a new criminal provision for Dealing in Tobacco Products without a License that would apply to the trafficking and associated tax evasion for all tobacco products, with the amount of tobacco sold or possessed with intent to sell serving as the basis for a misdemeanor or felony charge (similar to existing criminal charge for possession of unstamped cigarettes in M.G.L. c. 64C § 34). This provision would apply to individuals as well as licensees who are acting outside the scope of their license (e.g., a retailer acting as an unlicensed distributor).
 - Currently, only the possession of unstamped (i.e., untaxed) cigarettes is a separate criminal offense (M.G.L. c. 64C § 34). There are no separate criminal statutes related to the possession, possession with intent to sell, or smuggling of untaxed smokeless tobacco, cigars, smoking tobacco, or ENDS, although such conduct could be prosecuted as tax evasion, failure to file a tax return, or the filing of a false tax return pursuant to M.G.L. c. 62C § 73.
- Require payments to purchase tobacco products by wholesalers, vending machine operators, distributors, unclassified acquirers, or retailers be in the form of a check, EFT, or credit/debit card (cash payment prohibited) and impose civil and criminal penalties for violations. This will create transparency and allow more efficient and effective civil and criminal enforcement of the tobacco tax laws.
- Add civil penalty of not more than \$5,000 for the first offense and not more than \$25,000 for a second or subsequent offense, for anyone who knowingly violates the new criminal provision of Dealing in Tobacco Products without a License.
- Add authority for DOR/CIB investigators to file criminal complaints pursuant to Chapter 218 § 35A.

M.G.L. c. 64C § 11 (Records/Reporting):

- Clarify DOR's authority to examine the books, papers, and records of any retailer, wholesaler, or distributor of tobacco products and investigate, examine, and search any premises where tobacco products are possessed, stored, or sold.
- Require cigarette retailers and vending machine operators to maintain records on-site for cigarette and smokeless tobacco products.

M.G.L. c. 64C § 34 (Possession Unstamped Cigarettes):

- Add house of correction and prison sentence language (see M.G.L. c. 62C § 73 above).

M.G.L. c. 64C § 35 (Possession/Transportation of Unstamped Cigarettes):

- Add house of correction and prison sentence language (see M.G.L. c. 62C § 73 above).

M.G.L. c. 64C § 38A (Seizure/Forfeiture of Unstamped Cigarettes & Smokeless Tobacco):

- Add records as an item to be seized in addition to untaxed cigarettes & smokeless tobacco.

The Task Force finds that the above legislative recommendations are necessary so the Task Force can effectively disrupt illegal tobacco trafficking and reduce, as well as recover, lost revenue.

V. Anticipated Barriers

The Task Force is committed to a whole-of-government approach to carry out its mandate to enforce the tobacco tax laws, collect revenue, and help protect the health and safety of the citizens of the Commonwealth. However, there remain several administrative and legal barriers which continue to hinder the Task Force's ability to carry out its mandate. The administrative barriers with civil enforcement relate to challenges with inspection authority, licensing, and penalties while the challenges with criminal enforcement relate to jurisdiction, legal authority, and prosecution. The Task Force, through discussion of feedback from the member agencies and the public, has identified solutions, noted above in Section IV Legislative Proposals, to help "strengthen operations and enforcement efforts and reduce or eliminate any impediments to those efforts."³⁰ The Task Force asks that the legislature consider the above proposals to help remove some of the barriers to effective tobacco regulation and enforcement.

VI. Conclusion and Next Steps

Over the past year, the Task Force has successfully built upon the foundation it established with federal, state, and local law enforcement partners since its creation in 2015. While there are still challenges related to changes needed to the tobacco regulations and laws, the disposal of ENDS, and the ongoing coordination of limited resources, the Task Force remains committed to effectively combatting the problems associated with tobacco smuggling.

³⁰ M.G.L. c. 64C, § 40