Guess Who's Secretly Backing This 'Anti-Smoking' Vape Group

thedailybeast.com/world-vapers-alliance-slams-cigarettes-big-british-american-tobacco-is-secretly-behind-it

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SMOKE AND MIRRORS

The World Vapers' Alliance has been promoting the health benefits of switching from cigarettes to vaping. Emails reveal the truth of who is behind the effort.

Updated Jan. 09, 2022 12:10PM ET / Published Jan. 08, 2022 9:00PM ET

January 9, 2022

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Photo Illustration by Elizabeth Brockway/The Daily Beast/Getty

A pro-vaping group says it wants to save your life. Cigarettes, they remind us, can kill you. But smokers may be surprised who's behind that message.

"The World Vapers' Alliance amplifies the voice of passionate vapers around the world and empowers them to make a difference for their communities," reads the <u>homepage</u> for the WVA, whose logo is revolutionary pastiche—a left fist clenching a vape pen. "Back vaping. Beat smoking," the page urges.

As for the people who want you to make the switch, the site says that its alliance "includes groups representing vapers—our partners—as well as individual vapers from around the world."

And while the WVA provides a list of those partners, one key name is missing: the world's largest tobacco company.

According to sources and internal documents, British American Tobacco has played a central and hands-on role in orchestrating, directing, and funding the World Vapers' Alliance—a seemingly grassroots lobbying group designed to recruit pro-vaping advocates around the world under an anti-smoking guise.

The webite of the World Vapers' Alliance contains its revolutionary-style logo.

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World Vapers' Alliance screenshot

To do so, the company teamed up with its European public affairs firm and a U.S.-based "dark money" non-profit with financial roots in the murky world of right-wing billionaires. And they have all gone to extraordinary lengths to keep the company's involvement under wraps.

The other groups have also created distance from the WVA. The PR firm, Red Flag, appears only in the page's <u>privacy policy</u> as "maintaining" the page "on behalf of the World Vapers' Alliance." The policy page also mentions the dark money group—a libertarian organization headquartered in Virginia, called the Consumer Choice Center—and claims that the WVA is "supported by" the CCC. (The truth is that those two entities are much closer, but more on that later.)

And while that page alludes to Red Flag's "affiliated companies"—with which it can share personal information and user metadata, including information "to target marketing communications and advertising"—the British American Tobacco name doesn't appear anywhere.

Emails obtained by The Daily Beast, however, show discussions last year between a new subcontractor, Red Flag, and CCC, acknowledging BAT's hands-on role in the WVA—as well as efforts to cover up that involvement.

In one email, an employee for the subcontractor mentions BAT's involvement with the social media ad strategy.

"We outlined the ideas we think that are needed to solve the above problem as well as ensure that we make sure we hit the goals laid out to the British American Tobacco Company," the subcontractor wrote.

In response, a Red Flag employee tells the subcontractor—with no CCC employees on this email—that "we don't mention BAT in correspondence with CCC on this campaign."

"Our bad this falls into the learning on the job piece," the employee wrote.

Two sources who worked on these campaigns, speaking on condition of anonymity for fear of professional backlash, confirmed to The Daily Beast that BAT was intimately involved in the WVA. The company "ran the show" and had provided significant funding, they said, pegging the scope of the project in the millions.

These people also confirmed that the cigarette giant was never to be mentioned by name in correspondence, and that communications with BAT officials were to take place in calls only.

BAT also contributed considerable human resources to the effort, the two people said, describing several strategy calls with company officials. The corporate official running point, they said, was Marcin Wiktorwitz, the BAT's <u>global head of campaigns</u>, who had regular contact with the outside groups.

The WVA has placed Facebook ads around the world, but rarely under its own name, and definitely not under the name of British American Tobacco, which the two sources claim played a key role in orchestrating, monitoring, and funding those ads. All social media ads went through Wiktorwitz for review, they said, and he received ad reports directly.

The <u>Facebook ad library</u> only lists four WVA ad campaigns, from Aug. and Sept. 2020. (The social media platform apparently removed two of them for violating its terms of service.)

The CCC was also hesitant about having its name pinned to those ads, emails show.

One CCC representative wrote that the group is "usually flagged by Facebook as Political or Social Issues Ads, and that sometimes can become a problem," noting that some countries did not permit the U.S.-based nonprofit to run political ads. The representative advised that ad copy can be changed to "make our political views less evident for the [Facebook] AI."

The emails also show that both Red Flag and the CCC were "nervous" about the payment. The CCC did not want to be labeled as the Facebook advertiser, and Red Flag was jittery about the amount spent—too much money might compromise its grassroots image.

Protesters vape during a 2019 rally outside of the White House to protest the proposed vaping flavor ban.

Jose Luis Magana/AFP via Getty

They appear to have gotten their wish. The <u>Facebook ad library</u> does not list any pro-vape ads from CCC, and hardly any from the WVA. But WVA partner groups in <u>Poland</u> and <u>Australia</u> both paid for ads in fall 2020.

Documents obtained by The Daily Beast also show that the WVA acknowledged internally that it was presenting a false outward image. An overview of its on-the-ground strategy in the Netherlands states that the group was engineering "seemingly organic letters."

"Our team will be carrying several variations of stationary in size, color, style in order to obtain a wide array of seemingly organic letters from all supporters. We will then quality control these letters, and schedule them to be sent to the targets in a frequency that the campaign dictates," the document says.

The key purpose of the BAT-backed campaign, according to the emails, was to get individuals to pressure their member of Parliament (in some cases the European Parliament) to roll back regulations. Specifically, the group is concerned about bans on vaping flavors, health warnings, as well as tax and price regulations, according to the website.

In addition to the digital efforts, the WVA also sponsored a "<u>Vape Bus Tour 2021</u>," featuring a van with a pink boxing glove attached to the roof.

This lobbying effort was first detailed in a November <u>investigation</u> from French outlet *Le Monde*, which explored the connections between big tobacco, the WVA, the CCC, and the funding. That investigation pointed to an old donor connection between BAT and CCC—which CCC <u>discloses</u> in a corner of its website—but did not produce evidence of BAT's direct involvement.

Asked for comment, a BAT spokesperson provided a statement acknowledging that the company supported organizations that share its goal of "tobacco harm reduction."

"Tobacco harm reduction underpins our purpose to build A Better Tomorrow by reducing the health impact of our business. Like many other companies, we support organisations that contribute to the debate on issues that are important to our consumers, in particular tobacco harm reduction," the statement said.

The statement did not mention the World Vapers' Alliance by name. Asked why BAT would not want its involvement with WVA to be publicly known—if the group's goals did indeed so closely comport with the cigarette company's "purpose"—the spokesperson did not reply.

The WVA website is thick with anti-smoking messaging.

The first thing that the WVA website shows viewers is a video featuring this warning: "Smoking is the leading cause of preventable cancer and cancer death."

The next panel on the site reads, "Back vaping. Beat smoking," which appears to be a favored tagline.

"Vaping can save 200 million lives," that panel continues. "2021 is the year we can take this opportunity, or lose it forever. We need to act NOW." The sprawling site features testimonials, literature, and a spate of <u>research</u> supporting various positive aspects of vaping. (One study is from the WVA/CCC.)

Notably, the group acknowledges that it is not a good idea for non-smokers to take up vaping, something pointed out in much of the research it provides. Instead, most of that research, as well as blog entries, push the health gains of trading smoking for vaping.

And while a knives-out anti-smoking mission may seem contradictory for a major tobacco company, it is consistent with BAT's corporate strategy.

Of course, BAT has shown no desire to pull the plug on its booming cigarette business. The multinational has a current market cap of nearly <u>\$90 billion</u>, according to Bloomberg, and counts among its holdings U.S.-based R.J. Reynolds, makers of Lucky Strike and Pall Mall.

British American Tobacco owns Reynolds, which makes Pall Mall cigarettes.

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Justin Sullivan/Getty

But while BAT acknowledges that it's good to give up smoking, the company doesn't want to give up its nicotine delivery business—or tobacco. So, instead of urging smokers to quit, it urges them to start vaping.

The <u>"Tobacco"</u> page of the BAT website says "the only ways" to avoid "the well-known health risks" of smoking are "to not start or to quit smoking." But the next sentence dismisses quitting: "For those who still smoke, we encourage them to switch to scientifically substantiated, reduced risk alternatives," the website says.

The company, and the WVA, prefers the phrase "tobacco harm reduction." (Several pages on the BAT site also echo the copy deployed by WVA.) After all, BAT markets cigarette alternatives, such as glo, a device that heats compatible (read: BAT-made) tobacco sticks, instead of combusting cigarettes. In the United States, BAT sells Camel Snus smokeless products, as well as vape systems Velo and Vuse—the first vape system to get regulatory approval in the states.

In a fine-print disclaimer, BAT acknowledges "these products are not risk free and are addictive," and "no reduced-risk claims will be made as to these products without agency clearance."

The multinational wants to build on that ground-floor space in the growing worldwide vape market, which in terms of regulation appears to be a less friendly space than in the United States specifically.

Today, BAT, along with other tobacco and e-cigarette companies, is locked in a battle with global regulators. Some countries have banned vape products outright, and many have imposed taxes and restricted flavors—which anti-vaping advocates say appeal to non-smokers and young people, who could then get addicted to nicotine and take up smoking. (Or keep on vaping, and paying for the privilege.)

This battle space is, of course, familiar territory for cigarette manufacturers. In response, the company has adopted a familiar strategy, enlisting help from an experienced anti-regulatory nonprofit network to craft a fake grassroots "astroturf" lobbying pressure campaign.

The World Vapers' Alliance is the embodiment of that movement.

And while the WVA is fairly clear about what it does, it is not clear about how it does it; the group does not mention that the major tobacco interests backing it stand to benefit handsomely from its mission.

But the WVA is also not clear about what it is.

The site does not say whether the organization is a for-profit business, a nonprofit, a trade organization, or some other loose affiliation of advocacy groups. It certainly strives to give the appearance of the latter. All but one of the partner organizations <u>listed</u> on the site are vaping advocacy and "tobacco harm reduction" groups, in countries around the world, from Taiwan to Uganda to Poland.

But there's a notable exception: The United States is not represented.

There's also one notable exception among that spray of vaping advocacy group logos: The CCC, which appears crammed into the third of four levels.

And that group is the clue to the WVA's organizational status—which is predictably, and purposefully, complex.

If you want to give the WVA money, click the "donate" button on the site, and you get swept over to the CCC website. That page informs readers that the Consumer Choice Center is a nonprofit, registered in the United States under the IRS code as a 501(c)4 social welfare group—meaning it does not have to disclose its donors.

And those donors are important—and familiar.

Public records show that the CCC <u>launched in 2017</u> as a project of another nonprofit called Students for Liberty, an anti-regulation, libertarian-leaning youth group which has received heavy funding from <u>billionaire Charles Koch</u>.

The Consumer Choice Center launched in 2017 as a project of another nonprofit called Students for Liberty, a libertarian-leaning youth group which has received heavy funding from billionaire Charles Koch.

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Daniel Boczarski/Getty

Students for Liberty, a 501(c)3 nonprofit which also operates internationally, has received substantial financial support from a number of other influential conservative groups, including the Koch-linked <u>Institute for Humane Studies</u>, the <u>Lynde and Harry Bradley Foundation</u>— co-founded by a member of the John Birch Society—and the <u>Ken W. Davis Foundation</u>. Even more money has poured in through <u>Donors</u> <u>Trust</u>, an outfit favored by the Kochs and other right-of-center one-percenters to funnel money anonymously to their favored nonprofits.

Further funding for Students for Liberty has arrived via the <u>Atlas Network</u>, which a 2016 <u>academic paper</u> characterized as a "strategic ally of the tobacco industry," and which has received extensive grants from cigarette giant Philip Morris.

The *Le Monde* investigation noted that the Kochs have a long history of coordinating and cooperating with the nicotine business to pursue their shared anti-government aims. Anti-regulatory think tanks began taking that same "astroturf" approach to promote vaping as far back as <u>the Obama administration</u>.

The Kochs also have direct financial interests in the e-cig business. Koch Industries owns Phillips-Medisize, a major contracted <u>manufacturer</u> of JUUL, the dominant e-cig brand in the US.

And in late 2019, the Consumer Choice Center spun off from Students for Liberty and received its own 501(c)4 tax-exempt status, <u>IRS</u> documents show. Students for Liberty made the official announcement the following year.

Still, the CCC has yet to file its own financial disclosures with the IRS, and it appears the group has not obtained permission to solicit funds separate from Students for Liberty in their shared home state of Virginia, where government records show they still share the same name.

Notably, the CCC also shares its name with another group: In May 2021, the CCC filed a fictitious name certificate with the <u>Virginia</u> secretary of state—for the World Vapers' Alliance.

It appears that, far beyond simply supporting the WVA, the CCC *is* the WVA. And, going by the Virginia nonprofit registry, the CCC is, in at least one official sense, the same organization as Students for Liberty.

The nested structure perplexed nonprofit tax law experts, who also pointed out that the secretive corporate ties could, depending on the extent of the involvement, raise legal concerns about the groups' tax status.

Phil Hackney, an expert in tax exempt organizations at University of Pittsburgh Law School, said he was not familiar with an organizational structure like this.

"It seems like it could create problems for the c(3) group [Students for Liberty]. Since they are not a social welfare organization, it would seem like they would have to keep scrupulous track of their separate activities. That is uncommon," Hackney said.

Lloyd Mayer, nonprofit law expert at the University of Notre Dame School of Law, said that the setup and its corporate ties reminded him of another Koch-fueled effort, the American Legislative Exchange Council, which consulted with private entities in drafting model legislation to pass to lawmakers.

"This seems like a specialized version of ALEC, of anti-regulation groups using judo-type legal moves, which is savvy," Mayer told The Daily Beast.

"If they're not getting a charitable donation here, the only reason to do it this way is to hide the source of the money."

- Lloyd Mayer, University of Notre Dame Law School

But BAT's role put a wrinkle in their analysis.

"I find the international activity really interesting. You'd love to know why a U.S. group is doing this sort of thing," Hackney said.

"Going out to essentially advertise and make the business of vaping better seems a little questionable for a social welfare group, and more like business-related activity," he added, noting that when <u>credit counseling nonprofits</u> had credit card companies supporting them, it called into question their tax status. "While this seems more in for-profit interests than social activity, it's hard to say for sure."

As for helping BAT cover its tracks, Mayer wondered, "Why do it this way?"

"If they're not getting a charitable donation here, the only reason to do it this way is to hide the source of the money. It only really just benefits the company," he said. "Nothing in IRS code prevents [the CCC] from receiving foreign contributions or operating overseas, but if the corporate interests are too closely tied, they may lose their tax status."

Both experts also said that the CCC clearly should have filed its returns and disclosed its donors by now, and that it was baiting an IRS penalty if it had not.