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April 14, 2026

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To the legal representatives of Visa, Mastercard, American Express, and Discover Financial Services,

We, the undersigned State Attorneys General, write to request your immediate assistance in stopping sales of illicit e-cigarette products facilitated through Visa, Mastercard, American Express and Discover payment card networks. Illicit e-cigarette products now account for almost all of the U.S. e-cigarette market, generating over \$11 billion in annual retail sales and making up more than 80% of all e-cigarette sales nationwide.

Distributing those products [relies on](#) financial institutions and payment networks to process billions of dollars in retail sales, primarily through independent convenience stores and vape shops. While the FDA has [authorized](#) only 41 e-cigarette products for legal sale in the United States, thousands of unauthorized brands continue to use your platforms to facilitate illegal transactions. Distributing and selling those products violates many federal and state laws.

Those include parts of the Family Smoking Prevention and Tobacco Control Act, the Prevent All Cigarette Trafficking (“PACT”) Act, the Federal Food, Drug, and Cosmetic Act (“FDCA”), the Federal Trade Commission (“FTC”) Act, and other federal criminal and civil statutes related to fraud, false statements, and money laundering, as well as various state restrictions on the sale and distribution of these products (including comprehensive flavor bans, product registries, and laws intended to prevent marketing to youth).

We find the following issues particularly alarming:

- **Public Health:** [Because these products bypass the FDA’s premarket scientific review, their nicotine and chemical contents](#) have not been evaluated against the Appropriate for the Protection of Public Health standard required by law.
- **Youth Exploitation:** Many illicit e-cigarette brands are deliberately designed, packaged, and marketed with colors and flavors that appeal to children and are accompanied by dubious consumer-facing representations.
- **Widespread and Open Retail Distribution:** Illicit e-cigarettes are sold in more than 100,000 retail locations nationwide, including gas stations, independent convenience stores, and vape shops. The conspicuous nature of those sales occurring within ostensibly legitimate mainstream commerce creates a false veneer of legality that facilitates criminal enterprise.
- **Widespread E-Commerce Availability:** Illicit e-cigarettes are sold openly via e-commerce platforms that frequently lack robust age-verification protocols, [with products distributed through national carriers like USPS, UPS, and FedEx](#). The shipments are often [deliberately mislabeled](#) to bypass federal shipping regulations and [circumvent the adult-signature requirements](#) mandated by the PACT Act.
- **Transnational Criminal Activity:** Federal investigations have identified clear links between this illicit supply chain and [Chinese](#)

[Money Laundering Networks](#), Mexican drug cartels, and [other criminal organizations](#).

In support of the claim that more than 100,000 retailers may be selling these products, you may look to several sources. First, there are an estimated [380,000 retailers of tobacco products](#) in the United States. A field check conducted by the Center for Rapid Surveillance (CRST) between January and May 2025, specifically targeting the availability of illicit Geek Bar e-cigarettes, found that approximately 28% of the doors visited carried the product. That availability suggests that at least 100,000 national retailers may be carrying these illicit items. Further analysis [shows disproportionate availability](#) among store types selling e-cigarettes: vapes/tobacco shops demonstrated the highest proportion (74.5%), followed by non-chain (independent) convenience stores (38.9%), liquor stores (28.6%), and chain convenience stores (23.1%)

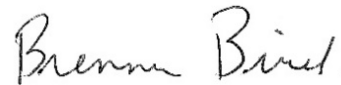
There is a [strong historical precedent](#) for public-private cooperation in this area. In 2005, [State Attorneys General and the Bureau of Alcohol, Tobacco, Firearms and Explosives](#) successfully collaborated with payment card networks to establish a joint initiative that curtailed the illegal sale of cigarettes over the internet – an effort that eventually led to the enactment of the PACT Act.

Building on that precedent, payment platforms must be more aggressive in identifying and removing merchants engaged in the sale of illicit e-cigarettes from their networks. Selling these products violates card network rules regarding illegal transactions, prohibited and high-risk merchant categories, and brand protection. So acquirers must fulfill their “Know Your Customer” and monitoring duties and exercise notice-based enforcement authority to terminate non-compliant accounts.

Once on notice of such activity, payment platforms must deny access to their services and take affirmative steps to identify, investigate, and remove merchants engaged in the unlawful sale of illicit e-cigarettes from their networks.

We look forward to learning more about what steps you have taken so far to combat this problem, including the procedures you use to identify and respond to merchants engaged in illegal e-cigarette sales. We would welcome the opportunity to discuss these issues further and to work collaboratively toward effective solutions. The scale of this problem, the harm to public health, and the involvement of organized criminal networks make prompt and decisive action imperative. For your convenience, find an appendix with additional information about this issue attached.

Sincerely,



Brenna Bird
Attorney General of Iowa



Steve Marshall
Attorney General of Alabama



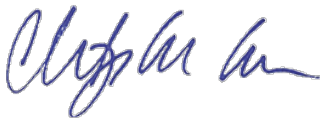
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Appendix

Background Facts, Enforcement Examples, and Media Coverage

I. FDA Authorization Facts

Under the Federal Food, Drug, and Cosmetic Act (“FDCA”), e-cigarette products may be marketed in the United States only if they receive FDA premarket authorization through the Premarket Tobacco Product Application (“PMTA”) pathway.

Before receiving FDA authorization to market their products, the FDA requires manufacturers to provide scientific evidence demonstrating that their products are “appropriate for the protection of public health.” The FDA conducts a thorough scientific review of this evidence to evaluate the products’ ingredients, constituents, health risks, and the net public health impact, including the potential for adult smokers to switch completely from combustible cigarettes to e-cigarettes and the risk of initiation of nicotine consumption among youth. In the United States, it is illegal to sell e-cigarette products without FDA authorization.¹ As of the date of this letter, FDA has authorized 41 e-cigarette products in tobacco and menthol flavors.

The vast majority of e-cigarette products currently sold in U.S. retail locations—including disposable brands such as Geek Bar, Raz, Lost Mary, Elf Bar, and similar products—lack FDA authorization and are therefore illegal to market, distribute, or sell in the United States.

¹ E-cigarettes are subject to federal regulation under the Family Smoking Prevention and Tobacco Control Act (TCA), 21 U.S.C. § 387a et seq. (2009), following the FDA’s 2016 Deeming Rule (see 81 Fed. Reg. 28974). Because e-cigarettes were first marketed after Feb. 15, 2007, they are classified as “new tobacco products” and are required to undergo premarket review through a Premarket Tobacco Product Application (PMTA) process, 21 U.S.C. § 387j. Without authorization from the FDA (in the form of a Marketing Granted Order), these products are considered “adulterated” under the Federal Food, Drug, and Cosmetic Act (FDCA) and are therefore illegal to sell in the United States, 21 U.S.C. §§ 387b(6)(A), 331(a).

FDA has issued thousands of warning letters, civil money penalty complaints, and no-tobacco-sale orders, and has pursued product seizures and injunctions related to unauthorized e-cigarette products.^{2,3}

II. Enforcement and Investigative Examples

Federal Enforcement Examples

Date	Action Summary
Feb. 4, 2026	Senator Katie Britt Questions ATF Director Nominee, Robert Cekada at Senate Judiciary Hearing Regarding Chinese Illicit Vapes
Feb. 3, 2026	Senate Republicans sent a letter to Treasury Secretary Scott Bessent and USTR Jamieson Greer urging them to "use their respective enforcement and diplomatic authorities to combat illegal Chinese e-cigarettes" (letter)
Jan. 22, 2026	Houston man was indicted in the Eastern District of North Carolina for the global distribution of illicit vape products
Dec. 18, 2025	Durbin, Tillis, Conaway, Maloy Introduce Bipartisan Legislation To Strengthen And Improve Enforcement Of Illegal Tobacco Products

² See FDA [“Working with States, FDA Warns More than 100 Retailers for Illegal Sale of Youth Appealing E-Cigarettes, including Geek Bar”](#) (Dec. 2024).

³ See National Association of Tobacco Outlets (NATO) [summary of FDA enforcement actions against illicit e-cigarette brands](#).

Nov. 12, 2025	<u>Trump Signs H.R.5371: FDA to Deploy \$200 Million to Block Influx of Illicit Vapes Tied to CCP⁴</u>
Nov. 6, 2025	<u>Chicago CBP officers seize 43,200 illicit vaping products</u>
Sep. 30, 2025	<u>Over \$1M in unmanifested vapes seized at the Los Angeles/Long Beach Seaport</u>
Sep. 30, 2025	<u>A Statement from FDA Commissioner Marty Makary, M.D., M.P.H.: Encouraging Retailers to Stop Selling Illegal Vapes</u>
Sep. 29, 2025	<u>Minneapolis CBP officers seize 165,000 illicit vaping products</u>
Sep. 25, 2025	<u>More Than Two Million Illicit Vaping Products Seized in Nationwide Sweep</u>
Sep. 22, 2025	<u>Operation Vape Trail Cracks Down on Illegal Substances in Vape Shops</u>
Sep. 10, 2025	<u>Attorney General Bondi, HHS Secretary Kennedy Announce Seizure of Illicit Vaping Products</u>
Aug. 22, 2025	<u>Oversight Committee Seeks DOJ Briefing on Illegal Chinese Vape Products Threatening American Consumers and Public Health</u>
Aug. 11, 2025	<u>USPS blocks shipping of illicit vapes</u>

⁴ See Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, Pub. L. No. 119-37, § 772.

May 22, 2025	FDA and CBP Seize Nearly \$34 Million Worth of Illegal E-Cigarettes During Joint Operation
Jan. 10, 2025	More Than \$7 Million Worth of Illegal E-Cigarettes Seized in Federal Operation

State & Local Enforcement Examples

State / City	Date	Action Summary
25 State Attorneys General	Nov. 24, 2025	Co-Leading Bipartisan Coalition, Attorney General Bonta Calls on Shopify to Crack Down on E-Cigarette Sales.
New Mexico	Oct. 2025	New Mexico AG retained outside counsel to prioritize enforcement actions against illicit Chinese vapes.
Virginia	Oct. 2025	Governor Glenn Youngkin announced the statewide results of “Operation Magic Dragon,” a Virginia State Police investigation that targeted and uncovered extensive illegal drug activity and illegal weapons offenses within vape and electronic cigarette retail establishments across the Commonwealth.
New York	Sep. 2025	Gov Hochul Announces Largest Criminal Vape Enforcement Action in NY History. State-led “Operation

		Vapers’ Dozen” resulted in over a dozen arrests and 38 criminal charges against owners and distributors for the unlawful online shipping of vapor products, a state law violation.
South Mississippi (Multiple Counties)	Sep. 2025	Multi-county investigation led to at least 12 arrests of business owners/employees for the illegal sale of alcohol, dangerous vapes, and THC edibles to underage customers.
Louisiana	Jun. 2025	Operation Vape Out - Multi-agency state and federal crackdown on unauthorized vape products resulted in 10 arrests and more than \$1 million worth of illegal vape pens, pods, juices and other products taken off the streets.
Republican State Attorneys General	Apr. 10, 2025	29 Attorneys General Ask White House to Crack Down on Illicit Vapes.
South Dakota	Mar. 20, 2025	Johnson Calls on Trump Administration to Crack Down on Chinese-made E-Cigarettes.
San Francisco, CA	Dec. 2023 – Mar. 2025	Sued multiple vape shops and wholesalers for selling illegal flavored products, resulting in judgments that

		included financial penalties and permanent injunctions.
New York	Feb. 20, 2025	<p>Attorney General James Sues Nation’s Largest Vape Distributors for Fueling the Youth Vaping Epidemic. Companies Intentionally Marketed Vaping Products to Children Despite Knowledge of Health Risks; Misled Consumers About Safety and Legality of Vaping</p> <p>AG James Seeks Hundreds of Millions of Dollars for Damages, Penalties, Disgorgement, and Vaping Abatement Fund.</p>
New York	Jan. – Feb. 2025	Filed major lawsuits against numerous e-cigarette manufacturers, distributors, and retailers for violating the state’s ban on flavored products, sales to minors, and licensing laws.
New York	Jan. 29, 2025	New York State Health Department Announces Arrest of Central NY Vape Shop Owner for Illegally Shipping E-liquid for Vaping.
10 State Attorneys General	Jan. 15, 2025	Attorney General Bonta Vows to Continue Cracking Down on Illicit Flavored Disposable E-Cigarette Products As Part of Bipartisan National Collaboration with Ally States.

Connecticut	Jan. 2025	Served subpoenas on retailers and wholesalers to investigate the supply chain of illegal imported flavored e-cigarettes.
Hawaii	Jan. 2025	Sent letters to over 800 retailers and distributors, urging them not to sell tobacco products unauthorized by the FDA.
Illinois	Jan. 2025	Sued e-cigarette importers and sellers for marketing to minors and selling products that lack FDA authorization, violating state consumer fraud and youth vaping laws.
Minnesota	Jan. 2025	Sued an e-cigarette company for deceptively marketing products designed for “stealth vaping” to youth; also launched a civil investigation into another local manufacturer.
California	Dec. 2024 – Jan. 2025	Filed multiple lawsuits against e-cigarette importers, distributors, and online retailers for violations, including selling illegal flavored products, lacking proper licenses, and violating federal (PACT Act) and state sales laws.
New Jersey	Aug. 2024 – Jan. 2025	Sent thousands of warning letters to businesses regarding the state’s ban on flavored e-cigarettes and issued notices

		of violation with civil penalties to non-compliant retailers.
New York, NY	Jul. 2023 – Nov. 2024	Filed multiple lawsuits against dozens of major distributors and retailers for violating federal, state, and city laws by selling unauthorized and flavored e-cigarettes and creating a public nuisance.
Ohio	Apr. – Jul. 2024	Sent warning letters and subsequently filed lawsuits against retailers for selling e-cigarette products that lack FDA marketing authorization, in violation of consumer sales laws.
Los Angeles, CA	May 2024	Sued a chain of tobacco stores and an online retailer for violating city and state prohibitions on flavored products and online tobacco sales.
Arizona	Apr. 2024	Sent warning letters to retailers reminding them not to sell tobacco products lacking FDA marketing authorization.
Florida	Feb. 2024	Florida Senator Marco Rubio warns that FDA is not stopping the flood of Chinese vapes into the U.S.

33 State Attorneys General	Aug. 29, 2023	Multi-State Coalition of Attorneys General send letter to FDA on Flavored Disposable E-Cigarettes.
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III. Media Coverage

Date	Publication	Title
Feb. 3, 2026	Fox	GOP warns Chinese vapes could be used by CCP to spy on Americans, launder cartel cash
Feb. 3, 2026	Fox	Moms org backs Trump's efforts with 'aggressive' campaign against illicit Chinese vape: 'This is personal' - Moms for America Action says combating illicit Chinese vapes will be a top priority in 2026
Jan. 30, 2026	Associated Press	After Mexico bans vapes, cartels tighten their grip on a booming market
Dec. 9, 2025	Washington Examiner	Chinese vape imports surge despite Trump administration's crackdown, data suggests
Dec. 8, 2025	Fox	Pressure mounts on Mamdani to 'continue the fight' on illicit Chinese vapes flooding NYC
Sep. 29, 2025	ABC	Illegal Chinese E-Cigarettes Vapes Flood US Market, Feed Youth Vaping Epidemic
Aug. 11, 2025	Reuters	USPS Blocks Shipping of Illicit Vapes in Boost for Big Tobacco

Jul. 22, 2025	ABC	<u>Inside the crackdown on a flashy new generation of illicit vapes popular with US teens</u>
Jun. 23, 2025	Reuters	<u>How middlemen funnel illegal Chinese vapes into the United States</u>
May 9, 2025	Washington Examiner	<u>Trump administration taking action on ‘port shopping’ to combat Chinese vape ‘attack’</u>
Apr. 30, 2025	The Atlantic	<u>Well, That’s One Way to Address America’s Vaping Problem: Millions of Americans are inhaling e-cigarettes illegally imported from China. Because of tariffs, they’re about to get a lot more expensive.</u>
Apr. 23, 2025	Daily Wire	<u>China is flooding America with illegal vapes - and more than 90% fly under the radar. The mislabeling could allow Chinese companies to dodge FDA regulations and tariffs.</u>
Mar. 4, 2025	Bloomberg	<u>Top vapes trace back to a Chinese E-Cigarette Billionaire</u>
Feb. 22, 2025	Reuters	<u>Smokescreen: some vape firms pivot after FDA crackdown</u>
Jun. 25, 2024	Wired	<u>The US Is Being Flooded by Chinese Vapes</u>
Jun. 10, 2024	New York Times	<u>Law Enforcement Unit Formed to Crack Down on Illegal E-Cigarettes</u>

Jun. 10, 2024	Wall Street Journal	<u>U.S. Pledges Crackdown on Illegal E-Cigarettes</u> <u>FDA and DOJ form task force to go after fruity, disposable vapes flooding the market</u>
Dec. 8, 2023	Reuters	<u>China e-cigarette titan behind 'Elf Bar' floods the US with illegal vapes</u>
Oct. 10, 2023	New York Times	<u>Illicit E-Cigarettes Flood Stores as F.D.A. Struggles to Combat Imports</u>