

DAILY NEWS CLIPS

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NON-“LOBBYIST” LURKS IN LADIES ROOM

By Marcia Chambers

Branford Eagle (CT)

June 7, 2012

State Rep. Lonnie Reed thought she would get some privacy when she went to the ladies' room during a session of the General Assembly. Instead, she ran into Tracey Scalzi—and got an earful about a pending roll-your-own tobacco bill.

Scalzi, who's 49, owns cigarette shops in Norwalk and Orange. She's not a registered lobbyist, according to the Connecticut Office of State Ethics. Scalzi still managed to deliver an unmistakable message to Reed and to Reed's colleagues.

She went in and out of the ladies room off the House of Representatives chamber over a period of hours during the final three days of the session urging legislators not to enact a law to tax and license smoke shops.

Rep. Reed (D-Branford) said Scalzi presented herself to her in the ladies room as a “single mom just trying to make a living.” Reed said Scalzi used “a hard-to-get booklet complete with legislators' photos and contact information which she uses to call legislators at home.”

“She ignored the lobbyist ropes that restrict their access and chased us down, even in the ladies room on one of the last days of the session,” Reed recalled in an interview. Once inside, Scalzi “planted herself to grab the unsuspecting.” It's a fairly large, airy bathroom, with a sofa, two chairs, and a coffee table. There is no other restroom for House members to use during the session on that floor.

The roll-your-own (RYO) bill, which came out of the legislature's finance committee, is now at the center of an unfolding corruption scandal at the state Capitol. The bill would impose licensing fees and taxes at roll-your-own (RYO) cigarette stores. As it stands now, customers do not pay a tax on RYO cigarettes, and owners do not have to be licensed.

The scandal began after the FBI's decision to go undercover as supposed roll-your-own tobacco business agents and pretend to offer disguised campaign contributions to legislators in order to derail the RYO legislation. The probe has already produced one arrest and two departures from the Congressional

campaign of state House Speaker Chris Donovan, who says he was not at all involved in the bill. He does admit to poor judgment in the hiring of his finance director who was the first to be arrested by the FBI. .

The FBI is leading the Donovan investigation. Agents fanned out across the state to interview a dozen or more legislators, Democrats and Republicans, to find out what happened to the RYO bill. Click here to read about their 7 a.m. interviews.)

The RYO bill wasn't drafted before the end of the public hearing process. It ended up on the desk of Finance Committee members on its April 3 deadline. The committee passed it 33-17. But the bill was not acted on by the General Assembly and died before the legislative session ended.

Gov. Dannel Malloy said he intends to resurrect it in a special session. Pat Widlitz (D-Guilford and Branford,) the co-chair of the finance committee, told the Eagle late yesterday that "it is sure to come up."

And Scalzi—backed by a powerhouse national pro-tobacco law firm—is making sure her voice is heard in the matter. She calls her crusade a matter of survival.

Reed said she first met Scalzi inside the ladies room as the recent legislative session wound down last month.

"The ladies room has a little lounge that women legislators sometimes use to have private conversations or make phone calls or take a break," she said.

Scalzi spent hours in there. "When I suggested it was highly inappropriate, she told me she was a single mom again. Then she changed to her 'this is bad for small business' approach. This is a very sophisticated plan of attack," Reed observed, adding other small businesses selling cigarettes have to play by the rules.

Reed said that registered lobbyists "do not lobby you in the ladies room. It's not done. But she was working it."

In an interview yesterday Scalzi told the Eagle that she went to Hartford to fight for her stores. She said the state shut her down for six weeks last year, arguing she was a manufacturer and therefore subject to taxes and licensing procedures. Then the state sued her in Superior Court.

"I won my court case. I am not a manufacturer," she said.

"This bill should not be voted on next week because of these other [corruption] allegations ...They are losing sight of the issue. This bill if it becomes law will bankrupt us and put us out of business."

Enter Troutman Sanders, LLP.

As it turns out, whatever the final outcome of the RYO bill, Tracey Scalzi will be represented by one of the most prestigious law firms in the nation. At her side during the state's court case against her business was Anthony (Tony) F. Troy, a former attorney general of the state of Virginia and a senior partner in Troutman Sanders, LLP.

Troy's litigation and legislative law experience runs deep when it comes to tobacco companies and a famous tobacco settlement agreed to by 46 Attorneys General in 1998. Troy was involved in that settlement and knows its history and evolution. It was after the settlement, he said, that his firm stopped representing the major tobacco manufacturers in the country.

Now, he said, his firm represents various components of the tobacco world, including representing RYO's nationally. "We are in litigation on this in Ohio, Wisconsin, Minnesota, obviously Connecticut. We were involved subsequently after the fact in West Va., and New Hampshire, the only cases that were lost. We have those on appeals and in various other stages.

"The roll your own market has been around for years and it is not a big percentage of the overall tobacco market today. But it is the fastest growing share of the market, not because of our RYO's but because of our economic times. Congress increased the tax on cigarettes and is rolling tobacco so high that people who want to smoke are looking for alternatives."

He said there are RYO stores in 35 to 40 states in the nation, and the numbers are growing.

Troutman Sanders uses public relations firms on cases, sometimes one within the firm, Troy said. When the CT News Junkie sought comment from five tobacco shop owners in recent months, all the owners referred the press to Capital Results, the Virginia-based public relations and government affairs firm. Capital Results is also based in Richmond.

"I was wondering who was bankrolling this," Reed said. "And who was orchestrating it because this was a very sophisticated plan of attack. I knew it was bigger than Tracy Scalzi. This is somebody beyond her who created this approach. It is way too skillful."

From Scalzi's point of view, she is doing her form of legislative persuasion on her own.

Scalzi's crusade has taken various forms of communication. She has met with legislators in their offices. She has buttonholed them in hallways. She calls them at home. Tuesday she sent a long e-mail to the state's legislators, again pleading "for my cause." She asked lawmakers "for your support and to ask you to spread the word and get more support for my cause with all of your constituents." It went out just before 6 p.m. Tuesday.

Her email is entitled "Please Help Me!" In it, she said that 140 people would lose jobs across the state if the bill became law to license and tax RYO stores. In addition, she said the state would lose \$1.455 million in taxes from the 15 existing RYO stores.

She told the legislators that in February she won "a court ruling in Superior Court by Judge (William H.) Bright, that 'I was NOT A CIGARETTE MANUFACTURER,'" she said using capital letter for emphasis. In March, she went on, "a bill was underhandedly slipped into the finance committee by the DRS (Department of Revenue Services) with no public hearing, except for the DRS showing up, to undermine the ruling made by Judge Bright."

Unmentioned in the email: Judge Bright also issued an injunction barring her store from having employees help customers roll the cigarettes. He enjoined them as well from offering for sale cartons or packs of cigarettes manufactured on the premises, and he stopped them from advertising for sale cartons or packs of cigarettes manufactured within their stores. In short, he agreed with the state's

Attorney General's Office, which brought the case and with the Commissioner of Revenue Services that the store had acted illegally. Scalzi claims she had implemented the judge's requirements long before he ordered them.

However, once the stores made these changes, they won the right to say they were not manufacturing cigarettes. Sullivan said the department was surprised by the judge's decision. He was left with the option of changing the law via legislation. And that is what he and the State Attorney General, George Jepson, are still trying to do.

Tobacco Team

What Scalzi also did not say in her email to legislators was that as a small business owner with limited money, she is being represented by Troutman Sanders.

Troutman Sanders' website in Virginia even has a "Tobacco Law Blog", which it says "offers timely updates regarding the tobacco industry to inform you of recent changes in the law, upcoming regulatory deadlines and significant judicial opinions that may impact your business."

On its website, the law firm also describes a "Troutman Sanders Tobacco Team," which consists of partners, attorneys, of counsel and associates.

"The Team includes a former state Attorney General [Troy] and Deputy Attorney General who have the 'inside' experience, legal skills and business savvy to best service our tobacco clients in particular. Most team members have experience as former state Assistant Attorneys General."

The Tobacco Team, it continues, " works closely together and with clients to develop business strategies; to maneuver through the complicated regulatory process; and to handle branding, transactional and litigation matters." Troy, the site says, "formed and headed the Tobacco practice group as well as an Attorney General practice group which is now the Regulatory Compliance group."

Customers in the RYO shops typically purchase loose tobacco and pour it into a machine that rolls 200 cigarettes in less than 10 minutes. These cigarettes are made with so-called "pipe tobacco," which is usually half the price of the major brands. Without taxes and licensing fees, customers pay far less than the usual cost at a local convenience store, a cost that hovers in the ten dollars a pack range in some states in part because of state and local taxes.

Master Settlement Fallout

Troutman Sanders represents all 15 RYO shops in Connecticut. These RYO's do not fall under the massive 1998 Tobacco Master Settlement Agreement (MSA) between the four largest United States tobacco companies and the attorneys general of 46 states.

DRS Commissioner Kevin Sullivan told CTNewsJunkie in April that the RYO operation created three sets of concerns, including a product safety issue that jeopardizes the state's ability to receive money from the major tobacco settlement fund, he said.

In 2012 the state received nearly \$1 billion from the fund. And the funds go higher with each year.

The massive MSA agreement settled Medicaid lawsuits against the tobacco industry for recovery of their tobacco-related, health-care costs, and also exempted the companies from private lawsuits regarding the serious harm caused by tobacco use.

In exchange, the companies agreed to curtail or stop their marketing practices, especially to the young. They also agreed to pay, in perpetuity, various annual payments to the 46 states, including Connecticut, to compensate them for the high medical costs associated with caring for patients with smoke-related illnesses.

Rep. Reed said the Connecticut Attorney General's Office as well as the Commissioner of Revenue Services' office have told legislators that if these smoke shops are allowed to exist "without taxes and without seals, that creates a two-tier system and will evidently jeopardize the MSA funds that go to Connecticut.

"By helping the RYO shops to legally win exemption from taxes in a court case, and perhaps to eliminate health oversight of cigarettes, the tobacco companies can win big by finding a way to reduce Connecticut's share in the MSA settlement. That is what we are being told," she said.

Troy agreed.

"Every time there is a loss of market shares now, the majors [the big cigarette companies] are pounding on the states to help them put these things [RYOs] out of business or they will say that is "failure to diligently enforce" and the state won't get all its money. So effectively the states through money are fearful of fighting the four majors and have come to the aid of the tobacco companies," Troy said.

What has happened, said Troy, is ironic. The states are now helping the tobacco industry because they fear loss of MSA funds.

The legislature will meet in special session Tuesday and is expected to consider the RYO bill at that time. If it adopts a law that changes RYO stores from retailers to manufacturers, would Troy sue the state?

Troy, who was born and raised in Farmington and said he thinks of himself as a Nutmegger, called that "an interesting question. And there is no clear answer. We have the same issue in Virginia. We are looking into it. To simplify it, when they pass a law knowing the law cannot be complied with, what they are doing is declaring these retailers to be a duck when they know that they cannot walk or talk like a duck. Then there is an issue of whether that is a valid law. There are some cases that have held it is not."

As far as Commissioner Sullivan is concerned, "this really is a manufacturing process. It's not the same as an individual rolling one on his back porch for a smoke," he said.

Troy said he disagrees with the concept that RYO merchants are manufacturers "and more importantly can never become manufacturers. And that is because if you are a manufacturer you have to meet certain federal requirements. You have to have a brand, packaging, rotating warnings about the dangers of smoking. None of these, common sense tells you, can exist for a consumer who uses a machine to produce one cigarette at a time."

He compared it to a grocery store requiring a dollar from a consumer to use a coffee grinder to grind one pound of coffee beans. "That doesn't make the store a manufacturer," he said.

Meanwhile, Scalzi keeps pounding away at the legislators she contacts. In her email Tuesday night, she wrote a detailed version of a tax break down on Other Tobacco Products (OTP) taxes, ending with the statement that: "I feel that I have provided you with enough information on how damaging this bill would be if passed."

She said she wrote the letter herself. This experience, she added, has made her extremely knowledgeable.

Originally published here:

http://www.newhavenindependent.org/index.php/branford/entry/ryo_advocate_buttonholes_legislators_in_ladies_room/

THIRD ALLEGED CO-CONSPIRATOR IDENTIFIED IN DONOVAN CAMPAIGN PROBE

By John Lender, Edmund H. Mahoney and Dave Altimari
The Hartford Courant (CT)
June 7, 2012

Joshua Nassi, the fired congressional campaign manager for House Speaker Christopher Donovan, has been identified by sources as the third alleged co-conspirator mentioned in a federal affidavit about how thousands of dollars ended up in Donovan's congressional campaign from hidden donors.

The sources said that Nassi, the former legislative aide to Donovan who joined his 5th Congressional District campaign as manager, is "CC-3" in the affidavit. The document outlined how the FBI says CC-3 accepted multiple political contribution checks of \$2,500 from so-called "conduit" donors, passing through money from donors who wanted their identities hidden.

Nassi has been unavailable for comment since last week, when the U.S. Attorney and FBI arrested Robert Braddock Jr., the finance director for Donovan's campaign. Braddock was charged, following an FBI sting, with conspiring to hide the source of \$20,000 in political contributions, most of them to Donovan's Democratic campaign, in April and May. No one else has been charged.

Nassi's attorney, William Bloss of Bridgeport, declined to comment this week when asked to confirm that his client is the CC-3 in the affidavit, which also included references to CC-1 and CC-2. The Courant has identified CC-1 and CC-2 in earlier reports:

-- An article last week said that CC-1 has been identified by sources as Ray Soucy of Naugatuck, a correctional industries supervisor at the Cheshire state prison complex and labor union activist who supports Donovan.

-- On Wednesday, sources told The Courant that CC-2 is a former employee of a smoke shop in Waterbury, Smoke House Tobacco on Watertown Avenue, a retail outlet that has "roll-your-own" cigarette machines. The machines and proposed taxes on them have figured prominently in the continuing criminal investigation of alleged influence-buying at the state Capitol. Smoke House Tobacco was not mentioned in the affidavit.

According to the FBI affidavit, CC-1 and CC-2 helped conceal the true source of two groups of \$10,000 payments collected by the Donovan campaign.

Those two co-conspirators allegedly found people to put their name on \$2,500 checks for money that ostensibly came from an investor in a "roll-your-own" tobacco shop who wanted to kill a legislative proposal to impose taxes on such shops. In reality, the money appears to have been provided by an undercover FBI agent posing as such an investor in one or more of the "roll-your-own" tobacco shops.

It remains unclear from the FBI affidavit if anyone who was fighting against the "roll-your-own" tax bill under consideration in the recently concluded legislative session was trying to funnel money to Donovan's campaign — or if the effort was an FBI sting operation from the start.

The role of CC-3 was at the receiving end of those checks, on behalf of the Donovan campaign, the FBI affidavit said. CC-3 was "an aide to the [Donovan] campaign" other than Braddock, the affidavit said.

Federal authorities, who have refused to discuss the investigation in the past, again declined Thursday to discuss Nassi's role in their investigation.

In addition to firing Braddock, Donovan also dismissed Nassi and another campaign worker, Sara Waterfall, who worked in the finance office. All three have been unavailable for comment since federal authorities announced Braddock's arrest last week. Before joining Donovan's campaign payroll, Nassi had been the \$110,000-a-year chief policy counsel in the House Speaker's office at the legislature — a job he left Oct. 7.

The affidavit says that after four \$2,500 "conduit" contributions went into Donovan's campaign in April, another four "conduit" checks for \$2,500 each were handed over to CC-3, now identified by sources as Nassi, at Donovan's campaign, on May 14. He allegedly received them from CC-1, who has been identified as Soucy, the affidavit said.

Three of those May 14 checks were made payable to the Donovan campaign, and one payable to "a political party," the affidavit said. Party executive director Jonathan Harris identified Nassi as the person who delivered a \$2,500 check to the party. Harris said the party thinks that the check Nassi delivered was one of the "bad checks" from a "conduit" contributor as payment for Donovan's share of the May 14 party convention expenses.

The party originally deposited the check — written to the state Democrats and dated May 14, the day of the convention — but has since written a new check for \$2,500 and sent it back to the contributor, Joseph M. Daddona Jr. of Wolcott, a registered Democrat, Harris said earlier this week.

Daddona and his attorney have been unavailable for comment.

Donovan is the convention-endorsed candidate for the party's nomination for the congressional seat, but he still faces an Aug. 14 primary for the nomination against Democratic challengers Elizabeth Esty and Dan Roberti.

Meanwhile, new details emerged Thursday about an involuntary, paid leave on which Soucy was placed this week by a Department of Correction supervisor.

"This letter is to confirm our conversation advising you that you are being placed on Administrative Leave, with pay, effective Tuesday, June 5, 2012, pending an investigation into an incident that may subject you to disciplinary action up to and including dismissal from State service," David A. Brown, director of correctional enterprises, wrote in a certified letter on Monday.

Soucy is not supposed to go to, or communicate with, the Cheshire prison complex unless he's asked, the letter said. "You are not to visit the facility grounds, report to or telephone the facility unless notified by my designee or me," Brown wrote. "If there is a change in your leave status you will be notified."

Brown also wrote: "While you are on Administrative Leave you are responsible for making yourself available and cooperate fully with the department." He added that Soucy's paycheck would be mailed to his home address.

Soucy was already on a voluntary, paid personal leave for more than a month before the involuntary leave began Tuesday. The paid leave began April 29, three days after the law enforcement affidavit says that Soucy was confronted by the FBI about his activities, and was persuaded to cooperate with investigators. That cooperation included allowing federal agents to record his conversations with members of Donovan's campaign staff about further possibly illegal campaign contributions.

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ALLEGATIONS DO NOT EQUATE TO GUILT

Opinion by Brandon T. Bisceglia
Connecticut Post
June 7, 2012

The allegations against House Speaker Chris Donovan's campaign finance director, Robert Braddock Jr., and an unknown number of co-conspirators are serious indeed. But any cynical dismissal of Donovan (or politics more generally) as corrupt is premature.

Donovan has reacted appropriately so far. He fired key players in the controversy and is cooperating with federal authorities. His first public statement was slow in coming, but hit the right notes. He hasn't been charged with any wrongdoing, and has said he didn't know that anyone might be trying to funnel illegal contributions to his campaign.

That denial is credible. Braddock was a new face in Connecticut. And Donovan is well-known as a crusader against the very types of influence-peddling now being rooted out at the Capitol. Unless the federal investigation turns up evidence that contradicts his statements, we must take him at his word.

This doesn't mean that Donovan is off the hook. He will need to be honest and forthright with investigators and voters as the probe continues. And he will need to redouble scrutiny of his own staff to make sure he is not plagued by scandals in the future.

In the meantime, it's prudent to wait for all of the facts to come out before making any judgments.

We shouldn't be surprised that corruption exists -- that's why we have campaign finance laws in the first place. If anything, the discovery of these illegal contributions is proof that vigilance and enforcement can keep corruption from overtaking the system.

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PUT ON THE BRAKES

By Editorial Staff

Westfair Business Communications (CT)

June 7, 2012

It is perfectly apparent to us – what we cannot understand is why it appears that was not the case with the people who represent us.

Gov. Dannel P. Malloy, U.S. Sen. Richard Blumenthal and U.S. Rep. Chris Murphy did not immediately say it, so we will: Christopher Donovan must temporarily suspend his campaign for Murphy's Fifth District seat in the U.S. House of Representatives. The reason being that the FBI arrested Donovan's campaign director and levied charges of influence peddling on legislation in the Connecticut General Assembly where Donovan represents Meriden and is speaker of the state House of Representatives.

Meriden resident Robert Braddock Jr. was charged on suspicion of soliciting and concealing campaign payments and then stubbing out legislation in the Connecticut General Assembly deemed burdensome by "roll-your-own" tobacco shops.

Braddock pleaded innocent and Donovan was not named in a May 31 FBI affidavit. Consider this an ironclad statement – we do not presume any guilty conduct on the part of Donovan. The actions alleged by the FBI could have easily transpired without his knowledge.

Lock this one in iron as well – we do presume he has no right to campaign to represent the state of Connecticut in Washington, D.C. until he has come out with that full explanation.

We fully believe in the doctrine that someone is innocent unless proven guilty. But this is not a trial – it is a campaign, with a different set of standards. Connecticut cannot send a man to Congress with even a whiff of graft floating in his general vicinity. Not after former Gov. John Rowland. Not after umpteen instances of funny money in Bridgeport, Hartford, Waterbury, Shelton – the list goes on and on, ad nauseam. Until Donovan can answer all questions on the allegations, he cannot continue his quest for Congress.

Malloy immediately issued a statement demanding Donovan give a full explanation of what he knows. After trotting out his new campaign manager Tom Swan to field questions, Donovan took questions himself a few days later – but did not shed any additional light on details surrounding Braddock.

With that information not immediately forthcoming, Malloy's immediate next move, as one of the two most prominent Democrats in Connecticut, should have been a demand for Donovan to suspend his campaign until he airs that explanation.

Contacted the morning of June 1 after the FBI filed its charges, Malloy office spokesman Andrew Doba declined to speak immediately on the record about whether the governor considered making such a demand, while noting the short time that had elapsed and the calling attention to the governor's statement decrying the charges as "despicable" and demanding facts.

Whatever statements Malloy has made on the situation and or plans to make going forward, he simply should have done more in the moment – the word "suspend" should have been in the first sentence rolling off his tongue. There are demands for explanations, and then there is demanding accountability until such explanations are forthcoming.

It was Malloy who in 2010 ran on a platform of transparency, who touted his background as a onetime federal prosecutor.

It was Malloy who promised businesses a fair playing field in Hartford – incidentally, a playing field kept pretty clean by his predecessor Gov. M. Jodi Rell who was left with the unenviable job of cleaning up Rowland's mess.

The candidate and our other elected representatives must be made to recognize that no immediate action in the form of a temporary campaign suspension demand simply deepens the distrust the residents and businesses of Connecticut have for the whole lot of them.

A suspended campaign is just that – one that can be resumed, and in Democrat-dominated Connecticut, one that any individual in that party can resume with little difficulty.

If Donovan's lawyers have any boilerplate legal concerns about him making statements, the good news is that there is a U.S. House of Representatives election every two years. There is nothing stopping Donovan from picking up his quest in 2014 when presumably all facts are out. If he's the best Democrat for the job, he can prove it in the primary that year.

It's your vote. Use your best judgment – just expect your elected representatives to do the same.

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NYC PROBE FINDS MASSIVE NUMBER OF ILLEGAL, UNTAXED CIGS

By David Seifman
New York Post
June 8, 2012

Millions of dollars in cigarette-tax revenue for the city are going up in smoke.

The Sheriff's unit of the city Finance Department that conducted a sweep of 1,700 stores licensed to sell tobacco products found an astounding 42 percent either peddling untaxed cigarettes or using counterfeit stamps to duck the combined \$5.85 city-state tax, The Post has learned.

"That is an alarming number," said Jim Calvin, president of the New York Association of Convenience Stores, which represents 1,600 outlets around the state.

He said that while there's no excuse for tax evasion, "it's a reflection of the desperation of some store owners" trying to make ends meet in a jurisdiction with the highest cigarette tax in the nation.

The number of smokers in the city is falling each year — with Mayor Bloomberg crediting his administration's anti-smoking policies for the drop.

But tax revenues from cigarettes are plummeting even more quickly.

The city took in \$158.5 million from its share of the cigarette tax in 2003. Last year, collections were down to \$69.8 million, a 56 percent drop.

During that same period, the smoking rate fell 28 percent.

Finance Commissioner David Frankel said his agency's pursuit of cigarette tax cheats is as much about fairness as revenues.

"At a recent outreach event in The Bronx, I had a guy who came up to me desperate for help because his family's delicatessen is going out of business because their competitors are selling illegal cigarettes and they refuse to do it," Frankel recalled.

"It's our job to protect them, and we're going to do that."

Most of the store owners caught in the sweep had only a few cartons of illegal smokes in their shops.

But in one case, a butt-legger led Finance Department agents to a storage locker. They installed a camera outside the facility, and it produced enough evidence for a search warrant.

Once inside, the agents seized 1,700 cartons of untaxed cigarettes and thousands of phony tax stamps.

In some cases, Frankel said the counterfeiting extends to the cigarettes themselves.

"They're mostly cigarettes made in foreign countries," he explained. "They're brought in here and they're mislabeled and they're sold that way."

A legitimate pack of Newports was selling yesterday for \$10.75 at the Optimo shop on Park Row across from City Hall.

An illegal pack can go for as little as \$5, according to grocery industry officials.

Frankel said the city is drawing up legislation to increase the penalties on those who flout the tax law because their impact "is devastating to small businesses" that are honest.

In an appearance before the City Council on Wednesday, Frankel said the penalties for those caught with a few cartons of untaxed cigarettes now is minimal.

Councilman Lew Fidler (D-Brooklyn) urged him to be more aggressive.

"Clearly, the people getting the four cartons are getting them from the people who have 40 cartons, who have the 4,000 [cartons] in the warehouse," said Fidler.

The city is known for having the toughest anti-smoking laws in the nation, with bans on puffing in restaurants and even parks.

The Bloomberg administration also has sued residents for buying untaxed cigs on the Internet and has cracked down on "roll your own" tobacco shops.

Originally published here:

http://www.nypost.com/p/news/local/cig_tax_cheating_stores_burn_city_luuaDIHR0g99Wj1qpBntuK#ixzz1xD0rDZ48

AT LEAST 800,000 BALLOTS STILL UNCOUNTED IN CALIFORNIA

By Judy Lin, Associated Press

San Jose Mercury News (CA)

June 7, 2012

The votes are all in for the California primary, but many remained uncounted Wednesday, leaving some contests still up in the air, notably the statewide question on whether to increase the tax on tobacco to fund cancer research.

With more voters casting their ballots by mail, local election officials can't process them all on Election Day, even one such as Tuesday that produced one of the lowest turnouts ever for a statewide primary.

While tabulations show votes from all precincts across the state, many votes will remain uncounted for days or weeks afterward. No one had a precise estimate of the uncounted votes statewide, but it was at least 800,000 and perhaps a million or more as of Wednesday.

Los Angeles County reported it has 162,108 ballots left to count. Election officials in San Diego County said they had about 135,000; Orange County had about 113,000; Santa Clara County had as many as 96,000; Sacramento County 84,000; Alameda County 61,000; Riverside County 49,200; San Francisco County 31,000; San Bernardino County 30,000; San Joaquin County 18,000; and Santa Cruz County 16,000.

The 11 counties reported a total of 800,000 uncounted ballots. There are 58 counties in the state.

"Every election, it's the same story. The next day everybody calls in shock that there are ballots left to be processed and you can't call these tight elections like the cigarette tax," said Gail Pellerin, president of California Association of Clerks and Election Officials and registrar of voters for Santa Cruz County.

With about 3.8 million votes counted, Proposition 29 calling for a \$1 tax hike on cigarettes and other tobacco products was losing by about 64,000 votes, or 1.6 percent.

Most of the unprocessed ballots were from people who mail in their ballots near the deadline or drop off mail-in ballots at their polling sites. Some also are provisional ballots, which are cast when there's a question about a voter's eligibility.

The Secretary of State's office reported turnout at 24 percent statewide, with about 4.1 million votes counted so far out of more than 17.1 million registered voters. The percentage will increase as the uncounted ballots are tabulated but even then the total likely will be only about 30 percent.

The lowest statewide primary turnout was 19.75 percent in June 2008. The presidential primary was held in February that year. This year, the presidential primary was held along with other races Tuesday, but with no competition for President Barack Obama and Mitt Romney's nomination on the Republican side already assured, there was little interest.

Originally published here: http://www.mercurynews.com/elections/ci_20803501/at-least-800-000-ballots-still-uncounted-california

YES ON 29 CAMPAIGN REFUSES TO CONCEDE ON TOBACCO TAX INITIATIVE

By Phil Willon

Los Angeles Times Blog

June 7, 2012

Proponents of the tobacco tax initiative on Tuesday's state ballot refused to concede Thursday, saying they still hope to overcome the current 1.4% margin of defeat as elections officials across California tally an estimated 1 million uncounted ballots.

The measure, on the ballot as Proposition 29, on Thursday was losing by just over 55,000 votes as updated ballot counts continued to trickle in from county elections offices.

The Secretary of State's office released a partial estimate of the number of uncounted ballots as of Thursday afternoon -- 702,000 -- but that did not include estimates in more than half of California's 58 counties.

Among those not included were Orange, Fresno, Kern, Santa Clara and San Bernardino counties. There were 176,000 ballots left to be counted in Los Angeles County, which was included in the state estimate.

Steve Smith, a political consultant for Yes on 29, said the campaign believes there are more than 1 million ballots left to be counted. Just under 4 million ballots cast in the primary election already have been tallied, state election records show.

"We're talking about 20% of the overall vote essentially not being counted yet," Smith said. "The election almost certainly is going to get narrower."

Beth Miller, spokeswoman for No on 29, said their campaign was happy to emerge with a 63,000 vote advantage on election night.

"Nothing that we've seen right now would indicate there would be a big vote swing one way or another. But obviously we are watching it closely," she said.

The pool of uncounted ballots consists of many vote-by-mail ballots, including some that were turned in on Election Day, as well as provisional and damaged ballots. Signatures on the vote-by-mail and provisional ballots must be verified by elections workers before being counted.

So-called "provisional ballots" are given to voters when polling places do not have a record of their registration, often because a voter has moved since registering. Provisional ballots must also be checked to make sure that votes were not cast in local elections outside the jurisdiction in which the voter lived. About 80% to 85% of provisional ballots are usually deemed valid.

County elections officials have until July 6 to process those ballots and report their final results to the Secretary of State.

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