



Attorney General Doug Peterson

News Release

FOR IMMEDIATE RELEASE
December 6, 2022

Attorney General Peterson Announces Nebraska to Receive 8 Million Dollars from JUUL Settlement

Lincoln- Attorney General Peterson announced today a \$438.5 million settlement between JUUL Labs and 33 states and territories, resolving a two-year bipartisan investigation into the e-cigarette manufacturer's marketing and sales practices. In addition to the financial terms, the settlement will force JUUL to comply with a series of strict injunctive terms, severely limiting their marketing and sales practices.

Nebraska will receive a total between \$8.1 million to \$8.8 million in annual installments between 2022 and 2027, 2029, or 2031.

"This settlement aids in the first steps to addressing the vaping problem facing teens. JUUL is being required to provide settlement money towards programs that help curb addiction. It also sends a strong message to companies in any industry: Don't mess with our children," stated Attorney General Peterson.

JUUL was, until recently, the dominant player in the vaping market. The multistate investigation revealed that JUUL rose to this position by willfully engaging in an advertising campaign that appealed to youth, even though its e-cigarettes are both illegal for them to purchase and are unhealthy for youth to use. The investigation found that JUUL relentlessly marketed to underage users with launch parties, advertisements using young and trendy-looking models, social media posts, and free samples. It marketed a technology-focused, sleek design that could be easily concealed and sold its product in flavors known to be attractive to underage users. JUUL also manipulated the chemical composition of its product to make the vapor less harsh on the throats of young and inexperienced users. To preserve its young customer base, JUUL relied on age verification techniques that it knew were ineffective.

The investigation further revealed that JUUL's original packaging was misleading in that it did not clearly disclose that it contained nicotine and implied that it contained a lower concentration of nicotine than it actually did. Consumers were also misled to believe that consuming one JUUL pod was the equivalent of smoking one pack of combustible

cigarettes. The company also misrepresented that its product was a smoking cessation device without FDA approval to make such claims.

As part of the settlement, JUUL has agreed to refrain from:

- Youth marketing
- Funding education programs
- Depicting persons under age 35 in any marketing
- Use of cartoons
- Paid product placement
- Sale of brand name merchandise
- Sale of flavors not approved by the FDA
- Allowing access to websites without age verification on the landing page
- Representations about nicotine not approved by FDA
- Misleading representations about nicotine content
- Sponsorships/naming rights
- Advertising in outlets unless 85 percent audience is adult
- Advertising on billboards
- Public transportation advertising
- Social media advertising (other than testimonials by individuals over the age of 35, with no health claims)
- Use of paid influencers
- Direct-to-consumer ads unless age-verified, and
- Free samples.

The agreement also includes sales and distribution restrictions, including where the product may be displayed/accessed in stores, online sales limits, retail sales limits, age verification on all sales, and a retail compliance check protocol.

Alabama, Arkansas, Connecticut, Delaware, Georgia, Hawaii, Idaho, Indiana, Kansas, Kentucky, Maryland, Mississippi, Missouri, Montana, North Dakota, Nebraska, New Hampshire, New Jersey, Nevada, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Vermont, Wisconsin, and Wyoming have signed on to the settlement.

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