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CITY OF CHICAGO REACHES \$23.8M SETTLEMENT AGREEMENT WITH E-CIGARETTE MAKER JUUL LABS FOR MARKETING AND SELLING PRODUCTS TO UNDERAGED YOUTH

Under the agreement, funds will be used to bolster public health initiatives for youth and those impacted by smoking.

CHICAGO — The City of Chicago announced today that a \$23.8M settlement has been reached with JUUL Labs, a leading e-cigarette maker, over claims that the company was engaged in harmful and deceptive business practices by marketing and selling vaping products to underage users.

Dr. Allison Arwady, Commissioner of the Chicago Department of Public Health (CDPH), applauded the announcement of the settlement.

“E-cigarette businesses cannot be allowed to come in our city and boost their profits at the expense of minors. The use of any tobacco products, including e-cigarettes, among youth is a serious public health concern — to CDPH and parents across Chicago,” she said. “We’ve made remarkable progress over the last twenty years in reducing smoking, and now with these resources we’re ready to continue the fight against vaping.”

JUUL Labs introduced their popular electronic inhalation products, also known as e-cigarettes or vapes, in 2015 and quickly grew to become the major supplier of e-cigarettes in the United States.

Over 2.5 million middle and high school students nationwide used e-cigarettes in 2022. Today, Chicago high school students are 10 times more likely to use e-cigarettes than traditional combustible cigarettes. The harms of vaping for youth and young adults include addiction to nicotine, inhalation of toxic chemicals, exposure to illicit drugs, an increased risk of asthma attacks, and mental health concerns like depression and anxiety. With the settlement funds, CDPH will take critical steps to prevent and reduce youth vaping through education, local policies, parent and teacher supports, cessation supports, improvements in data, and community engagement and outreach initiatives.



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“We congratulate the City of Chicago in protecting our city’s youth against the dangers of vaping,” said Joel Africk, President and CEO of Respiratory Health Association. “The most recent data show that in the past 5 years, vaping among Chicago’s school-aged children increased by 56%. This settlement will go a long way in the Chicago Department of Public Health’s fight against chronic disease.”

The settlement agreement resolves a lawsuit brought by the City in May 2020 that alleged JUUL violated City ordinances by engaging in a widespread marketing campaign that targeted minors and by selling JUUL products without implementing strict age verification requirements. JUUL appealed to youth with their colorful, playful media and social media marketing and used high nicotine contents to fuel ongoing use. Four years after JUUL’s release, over a quarter of US 10th and 12th graders were using JUUL nationally, and in Chicago, youth vaping had doubled. Nationally, JUUL has been named in thousands of lawsuits for their deceptive marketing practices and minimizing the risks of the products.

Over the last several years, the City has pursued actions against multiple sellers of e-cigarettes and e-juices (the liquid in e-cigarettes) for their unfair marketing tactics aimed at luring Chicago youth into a harmful addiction. Since 2018, the City has filed nine lawsuits against 45 online vaping retailers and has served notices of violation on many more. Settlements have been reached with 50 of these companies in exchange for agreements to change their business practices and pay almost \$27M in fines. In addition, the City has also obtained default judgments against seven online vaping businesses that require changed business practices and award about \$2M in fines. Several actions remain pending.

According to the settlement, JUUL has agreed to pay the City \$2.8M within 30 days of the execution of the agreement. The City would receive an additional \$21M payment later this year under the current schedule and may potentially receive up to \$750,000 additional, court-awarded payments.

The case was handled by the Affirmative Litigation Division of the City’s Law Department. A link to the complete Settlement Agreement can be found at https://www.chicago.gov/content/dam/city/depts/cdph/community-health/Final_Executed_JUUL_Settlement.pdf.

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