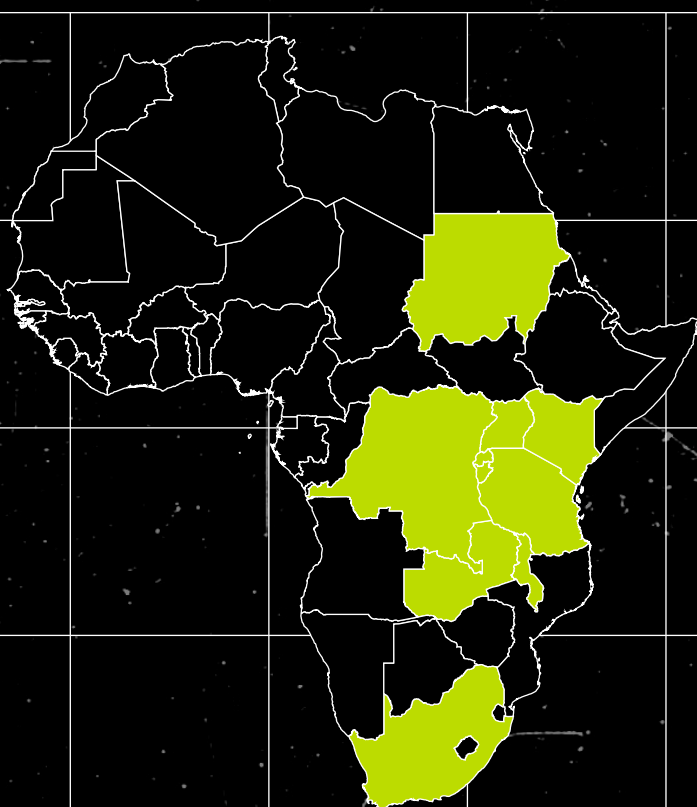
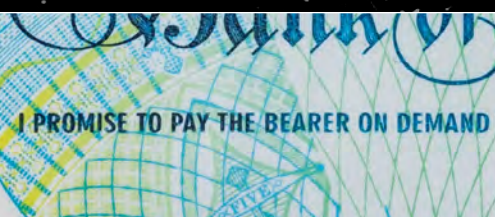




# Sabotage, Deceit and Duplicity:

**British American Tobacco Uncovered**

**Investigative Overview**



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## Investigative Overview

Africa is on the brink of a tobacco epidemic. The World Health Organization has predicted that conditions are right for a “perfect storm”; the continent is home to a relatively young, under-tapped demographic.<sup>1</sup> And tobacco company British American Tobacco (BAT) and its subsidiaries are chasing the storm. Cigarette consumption grew 52% in the WHO African region between 1980 and 2016, and BAT stands ready to profit from these increases.<sup>2</sup>

The U.K.-based tobacco giant, like many colonial enterprises that preceded it, sees an opportunity for vast riches in Africa. It has moved aggressively, allegedly crossing ethical and legal lines, to capture as much of the market—and addict as many people—as possible.

Two new STOP reports, **British American Tobacco in South Africa: Any Means Necessary** and **Buying Influence and Advantage in Africa: An Analysis of British American Tobacco’s Questionable Payments** provide in-depth analyses of BAT’s business practices across the continent and in specific countries.

While the two reports cover different, meticulously analyzed data sets, several common threads emerged.

- **BAT operated as if it were above the law.** BAT claims it “acts with integrity.”<sup>3</sup> Yet evidence in these reports suggests the internationally recognized company engaged in nefarious and sometimes illegal practices to get what it wanted—using questionable payments to influence health policy, coopting state agencies to help it track competitors and more.
- **Much of this deceitful or potentially illegal activity may have been overseen by its London headquarters.** In colonial fashion, the company has used its money and power to exploit several African countries. While BAT siphons massive profits to its home base in the U.K., Africans are left to suffer the consequences, including increased smoking rates and the devastating health and economic harms that follow.
- **This behavior appeared to be systematized—not the work of a subsidiary or employee gone rogue.** Both reports show the many ways in which core operating infrastructure, including corporate technology and accounting systems, were used to carry out the activities described. Many operations also appeared to have oversight and approval from senior staff at BAT headquarters.

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1. <https://www.who.int/teams/health-promotion/tobacco-control/implementing/capacity-building>

2. [https://files.tobaccoatlas.org/wp-content/uploads/2018/03/TobaccoAtlas\\_6thEdition\\_LoRes.pdf](https://files.tobaccoatlas.org/wp-content/uploads/2018/03/TobaccoAtlas_6thEdition_LoRes.pdf)

3. <https://tobaccotactics.org/wiki/british-american-tobacco-in-africa-a-past-and-present-of-double-standards/>

- **BAT's actions can hurt public health and national economies.** When BAT influences health policy, regulations meant to protect people and save lives are subverted. And when more people smoke, national and local economies bear the burdens of the resulting illness and death.

## Key Findings

### British American Tobacco in South Africa: Any Means Necessary

To protect its tobacco monopoly in South Africa, BAT and its service provider may have repeatedly crossed the line of legality to undermine competitors and disrupt operations, according to new analysis of leaked documents and court affidavits by researchers at the University of Bath's Tobacco Control Research Group (TCRG). Based on this analysis, allegations include the following:

- BAT oversaw two elaborate networks of paid informants that operated under the guise of anti-illicit trade monitoring. Analysis suggests the overarching strategy was not an anti-smuggling one, but rather anti-competitive. The goal appeared to be disruption of BAT South Africa (BATSA)'s competitors' illegal and legal operations.
- BAT tried to distance itself by contracting a third-party service provider to execute its disruption campaign.

- BAT and its service provider tried to cover their tracks by paying informants via shell companies and untraceable Travelex cash cards.
- BAT participated in state capture, effectively influencing parts of South African government agencies and programs to further its goal of selling as much tobacco as possible.
- While the company was ostensibly fighting illicit trade, BAT cigarettes produced in South Africa allegedly ended up being smuggled into West Africa, fueling conflict, organized crime and political instability.
- The informant operations were approved at the higher echelons of Globe House, BAT's London headquarters.

### Buying Influence and Advantage in Africa: An Analysis of British American Tobacco's Questionable Payments

Researchers from the TCRG carried out in-depth analysis of whistleblower documents from two former BAT employees in East Africa. The documents contained information about questionable payments BAT made between 2008 and 2013. Researchers categorized the payments by target, timing and purpose. They allege that:

## Executive Summary

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- BAT made potentially questionable payments impacting 10 countries in East and Central Africa: Burundi, Comoros, Democratic Republic of Congo (DRC), Kenya, Malawi, Rwanda, Sudan, Tanzania, Uganda and Zambia.
- A total of 236 payments made between 2008 and 2013 totaling US \$601,502 were identified as meeting inclusion criteria. BAT used these payments to influence policy in its favor and sabotage its competitors.
- Payments were broken down into two categories: The one researchers deemed to be potentially more serious was categorized as “raising questions under the United Kingdom Bribery Act (UKBA),” with the second, slightly less serious being “warranting further investigation under the UKBA.”
- The payments identified as “raising questions under the UKBA” targeted an estimated 56 politicians, two competitor staff members, 13 journalists, 10 civil servants, five individuals working with/supporting Parliamentary Committee, one magistrate and one other involved in a covert operation (Operation Snake).

questionable payments and informants extends beyond Africa. Thus, governments worldwide should investigate BAT’s operations for evidence of anti-competitive practices and interference in health policy. Further, international agencies and regulators worldwide should reject any kind of working partnership with BAT. Read both reports to learn more.

## **BAT must be investigated and held accountable**

BAT does business in more than 170 countries across six continents. There is evidence suggesting BAT’s use of potentially



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