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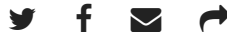
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POLITICS & GOVERNMENT

One year after \$40 million Juul settlement, how much has North Carolina spent?

BY NADIA BEY

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It's been one year since Juul Labs, Inc. [settled](#) with the state of North Carolina, and the state has yet to spend most of the money it's gotten.

Last year's settlement resolved a lawsuit by the state and [required](#) Juul to pay \$40 million between 2021 and 2026 as well as change its advertising and sales practices to make its products less enticing to youth. Juul was the [most popular](#) e-cigarette brand used by North Carolinians under the age of 21 in 2021.

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The state received money last year and is “expecting more soon,” Dan Way, communications manager for the state treasurer, said in an email.

WHEN DID STATE GOVERNMENT RECEIVE SETTLEMENT MONEY?

By now, Juul should have paid a little over half of the \$40 million. The settlement required Juul to pay \$13 million by July 28, 2021, and another \$8 million by last week. The money goes into the Youth Electronic Nicotine Dependence Abatement Fund, a fund within the N.C. Department of Health and Human Services to address underage vaping.

The first installment was included in last year's [state budget](#), with \$2 million being transferred to the Department of Justice for legal fees.

The other \$11 million stayed with the N.C. DHHS Division of Public Health. That money is dedicated toward media campaigns, education, data collection and research.

The money was released to the division in January. It used about \$10,000 on administrative services by last Tuesday, according to budget documents shared with The Charlotte Observer. The 2022-2023 [budget](#) approved by the NC General Assembly doesn't allocate any additional money to the fund.

PUBLIC HEALTH OFFICIALS WORKING ON TWO CONTRACTS

The Division of Public Health's tobacco prevention branch is working on two contracts to provide statewide services for youth and young adults "in the coming weeks," said DHHS spokesperson Kelly Haight Connor. She didn't specify who the contracts were between or what they would entail.

"NCDHHS is really excited about this opportunity to invest resources in evidence-based cessation programs to especially address the epidemic of e-cigarette use among youth and young adults," Connor said.

In 2019, a greater percentage of middle and high school students in North Carolina used e-cigarettes than cigarettes, according to the state [Youth Tobacco Survey](#). The same survey said the vast majority of youth that used tobacco products had tried to quit in the past year.

The Office of the Surgeon General [says](#) vaping can introduce harmful chemicals into the lungs and negatively affect brain development. The office also notes that non-smokers who vape may be more likely to start using other tobacco products. More than half of North Carolinians under 18 who use tobacco [already](#) use two or more products, and 70% of e-cigarette users showed signs of nicotine dependence.

NCDHHS is also planning to allow communities to apply for funds to implement services and engage youth at the local level, Connor said.

The department is still in the early planning stages and will have more information later in the year, Connor said.

Information on the programs' effectiveness is expected to be ready in 2023.

JUUL DOCUMENT DEPOSITORY

The settlement also decreed that a public university would hold all documents Juul shared with the state for its investigation. July 1 was the earliest the depository could become public.

The depository is not ready for public release, said Nazneen Ahmed, press secretary for the NC Department of Justice. Juul is allowed to redact certain information in the documents or request documents not be publicized, and the state must meet with company representatives to discuss those changes.

“We’re working through some technical issues and discussions with Juul to make sure the public has access to everything they’re entitled to,” Ahmed said.

The [News & Observer](#) previously reported Juul was accused of deleting evidence and providing irrelevant documents during the state’s lawsuit against them. The company denied the accusations.

HAVE PREVENTION EFFORTS WORKED?

Juul was required to implement automated sales controls as a result of the settlement. Those controls, which went into effect [March 1](#), included verifying customer ages and blocking certain transactions. Juul also had to implement compliance checks in addition to inspections the Food and Drug Administration already requires.

FDA [compliance data](#) through May 31 shows 23 North Carolina stores received sanctions for selling Juul products to minors after the sales controls were

implemented. In total, 79 stores were caught selling Juul to minors by FDA inspectors after the settlement went into effect.

In comparison, 91 stores were caught selling Juul to minors in 2019 and five were caught in 2020. The age to purchase tobacco was [raised](#) from 18 to 21 at the end of 2019, and Juul [discontinued](#) certain flavored products between 2018 and 2020, pointing to youth use as the reason.

A state [survey](#) found over half of minors that used e-cigarettes got them in retail settings.

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NADIA BEY



Nadia Bey is a Charlotte Observer intern reporting for McClatchy's North Carolina investigations team. She grew up in the Charlotte area and will graduate from Duke University in May 2023.

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