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Tobacco the new currency of crime

At least 15 stores robbed in past 2 weeks

Easily stolen and sold, cigarettes magnet for thieves

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It was closing time when a stranger stepped inside Kenny Kim's downtown convenience store and stabbed him to death.

The 63 year old didn't have much cash in the till that June 18 evening. But he had a rack full of cigarettes.

On July 28, a 57-year-old Mac's Milk clerk in the Davisville area was stabbed several times in the chest — for cash and cigarettes. On Tuesday, at another Mac's Milk in Don Mills, a clerk was pistol-whipped and locked in a freezer, again for cash and cigarettes.

Last Wednesday, thieves hauled hundreds of cigarette cartons from a Mac's Milk on Dean Park Rd., north of Vaughan. They brought their own garbage bags to do the job.

While cigarette crimes are nothing new, police say they are soaring, along with the price.

"The price of cigarettes has gone up so much, it's a hot commodity right now," says Detective Jeff Zammit of Crime Stoppers. He estimates at least 15 stores have been robbed in the past two weeks, about one a day.

At about \$66 per carton, cigarettes are fast becoming currency — untraceable, easy to unload on the streets and, unlike the contents of cash registers, easy to snatch.

In early July, investigators from Durham and Toronto cracked what they say was a \$1 million cigarette ring that targeted convenience stores across Greater Toronto. They arrested 10 people and laid 950 criminal charges involving 144 thefts from Halton to Peterborough.

Unlike stolen cars or jewelry, the evidence disappears, literally, in a puff of smoke.

"There's not a lot of identifying features," says Sergeant Paul Malik of the Durham Region police. "Everybody has a package of cigarettes.

"It's been going on for a number of years," he added. "It's an up-and-down business."

The ups, according to experts, coincide with prices.

"As taxes go up, crime levels will follow that increase," says Dave Bryans, executive director of the Ontario Convenience Stores Association.

"Tobacco taxes today are higher than they were in the '90s, when we had the all-time high movement of cigarettes in the black market. And now we're seeing the same return of the criminal element."

The last time tobacco taxes were this high, in the early 1990s, smuggled and stolen cigarettes flourished on the black market. Smokers knew the drill: Just look for dusty cigarette packs behind the store counter and ask for the cheap stuff. Or look for the guy with the duffel bag at school, the mall or even in the office. The practice was so rampant, even the most outlandish rumours rang true.

Bryans estimates that by the end of 1993, 40 per cent of all cigarettes consumed in Canada were smuggled over the U.S. border for the black market. In communities along the St. Lawrence River, a primary smuggling conduit, "all the cigarettes were black-market cigarettes," according to John C. Thompson, director of the Mackenzie Institute, a Toronto think-tank that published a groundbreaking study on the problem.

Governments responded in 1994 by cutting the so-called "sin" tax on cigarettes, with an instant impact on the black market.

"It vanished," Thompson says. "Through 1995, '96 and '97 you could sell cigarettes without worrying about it too much."

Today, even as taxes take cigarette prices to all-time highs — with plans to raise them even higher — Thompson doesn't expect smuggling to be a factor this time around.

For one thing, the prices of American and Canadian cigarettes have become nearly equal, neutralizing at least one widespread scam of the '90s; one



A surveillance camera captures the progress of an Aug. 4 cigarette robbery at a Mac's Milk on Dean Park Rd. Late at night, cigarettes often present a more lucrative opportunity than the cash drawer.

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manufacturer, RJ Reynolds International affiliate Northern Brands International, pleaded guilty in 1998 to exporting cigarettes to the U.S. duty-free and having them smuggled back into Canada for the black market.

The federal government has also curbed tobacco allowances for native reserves, traditional hot spots for smuggled cigarettes. In the early 1990s, aboriginal people were allowed to buy large quantities of cigarettes for their own use, which found their way into the black market. That allowance has been tightened.

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Detective Jeff Zammit, Crime Stoppers

With smuggling out of the picture, one avenue for cheap cigarettes remains: the direct route.

Corner shops, with flimsy security and a hoard of cigarettes, light up the urban landscape like glittering prizes.

"It's easy pickings for these bad guys, going in at night and preying on these poor people that are working their butts off just to make a few bucks," says Zammit.

"At Costco or Price Club, they put their cigarettes at the very back of the store as a deterrent so you don't come in and rob them," Zammit says.

"Unfortunately, with these mom and pop shops, cigarettes are front and centre, because that's what people want."

Of the 880 retailers recently surveyed by the Ontario Convenience Stores Association, 112 had experienced break-ins involving cigarettes. In some cases, the same store had been targeted as many as four times.

If the store keeps late hours, break-ins become armed robberies. A manager at a 7-Eleven in Toronto, who didn't wish to be identified, says bigger companies have better training, security cameras and inventory management, minimizing the risk of robbery.

"It's mostly in gas stations and small convenience stores; people are scared to work."

The chill could affect the entire 7,000-store industry.

"You've actually chased away anybody that could develop the future in convenience retailing because of the fear of getting hurt," Bryans says. "People would rather go to McDonald's and sell hamburgers than work at a convenience store, which is actually a nice place to work."

If there's a solution, it may be more complicated than adjusting the sin tax.

On the surface, pricing cigarettes right out of the market seems a win-win situation: fewer people can afford to light up; those who can, line the government's coffers.

But who's standing guard over the ever more valuable cigarette rack? An aging shopkeeper forced to work nights to stay in business, a teenager trying to keep his first job?

With the price of cigarettes far outstripping the shop owner's ability to protect them, Dave Bryans wants to see some tobacco revenue returning to the industry in the form of training procedures, lock boxes and other security devices.

Otherwise, the government only downloads "the costs on all these new Canadians that come to Canada to try and make a living."

Thompson has another idea.

Instead of forcing smokers to pay a higher price at the shop counter, the government should look at other ways to make the habit too expensive for most people.

"Look at all the grief you get if you try to get insurance and they find out you're a smoker," Thompson says.

"There are other pressures. Look at OHIP premiums again. Catch them that way. If you're a smoker, your health insurance premiums would be higher."

It may not work. People will cheat. But the idea, he adds, has at least one saving grace.

"You're not putting the burden on 19-year-old store clerks."

Anyone with information on stolen cigarettes is urged to call Crime Stoppers: 1-800-222-TIPS.

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