

Tobacco giant faces criminal inquiry

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British American Tobacco is under criminal investigation by regulators in the United States over suspected sanctions-busting.

The Department of Justice and the Office of Foreign Assets Control, a financial intelligence and enforcement agency that is part of the Treasury department, are investigating “suspicions of breach of sanctions”. It is not clear which country or countries the regulators are focusing on.

BAT is one of the world's biggest tobacco companies, operating in 180 markets where it generated £25.9 billion of revenue last year. Its brands include Dunhill and Lucky Strike. Based in London, it is a constituent of the FTSE 100 index of leading shares and is valued at more than £67 billion. The company has revealed that it is working on a potential plant-based vaccine for coronavirus.

In its annual report, it says that it is co-operating with the investigations, but is unable to assess the potential financial and other consequences, although they “may be material”.

The company lists international and national sanctions regimes among its group risk factors. “The group has operations in a number of countries that are subject to various sanctions, including Iran and Cuba. Operations in these countries expose the group to the risk of significant financial costs and disruption in operations that may be difficult or impossible to predict or avoid or the activities could become commercially and/or operationally unviable”.

In Britain, the Serious Fraud Office is looking into “suspicions of corruption in the conduct of business by group companies and associated persons”, an inquiry that the fraud office confirmed more than two and a half years ago.

BAT is being advised by Slaughter and May, the law firm, in the UK investigation. The firm hired Sir David Green, former director of the SFO, in 2018 as consultant but has said that he will not work on matters in which he was involved while at the fraud office. Slaughter and May is not advising BAT on the American inquiry.

All the parties involved in the investigations declined to comment.

The World Health Organisation has warned governments about engaging with the tobacco industry over the development of coronavirus vaccines. ...

April 13 2020, 12.01am BST

Alex Ralph

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April 10 2020, 12.01am BST

Jonathan Ames, Louisa Clarence-Smith

- The journalism in this article has been copying text from the annual report of BAT which document is public anyhow.

- 7 hours ago

Not a bit wiser having read the article. More investigative reporting would not harm

- If they sold cigarettes to Iran, maybe that isn't really so bad?
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