

MEMORANDUM

July 25, 2019

To: Democratic Members of the Subcommittee on Economic and Consumer Policy

Fr: Committee Staff

Re: Supplemental Memo for Hearing on “Examining JUUL’s Role in the Youth Nicotine Epidemic: Parts I & II”

The Subcommittee on Economic and Consumer Policy conducted a months-long investigation of JUUL and determined that the company deliberately targeted children in order to become the nation’s largest seller of e-cigarettes.

The Subcommittee found that: (1) JUUL deployed a sophisticated program to enter schools and convey its messaging directly to teenage children; (2) JUUL also targeted teenagers and children, as young as eight years old, in summer camps and public out-of-school programs; and (3) JUUL recruited thousands of online “influencers” to market to teens.

The Subcommittee’s findings are based on approximately 55,000 non-public documents that the company produced to the Subcommittee and the Massachusetts Attorney General.

I. JUUL Recruited Schools to Permit Direct Marketing to Kids

JUUL operated a division, referred to internally as “Youth Prevention and Education.” This group recruited schools into a program through which JUUL presented its programming to students. On Wednesday, July 24, 2019, Parents Against Vaping E-cigarettes testified to the content of one such presentation in school. No parents or teachers were in the room, and JUUL’s messaging was that the product was “totally safe.” The presenter even demonstrated to the kids how to use a JUUL.

The schools received payment for these services.¹ JUUL paid schools at least \$10,000 for access to students in three settings: (1) on school time, either in class or in administrative periods, (2) in summer school, “in the regular summer classroom setting,” and (3) in a “Saturday

¹ Memorandum on JUUL Prevention, Intervention, & Replacement Initiatives (Dec. 15, 2017) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00015397.pdf>).

School Program.”² The Saturday School Program was an alternative to “traditional discipline” for children caught using e-cigarettes in school. In addition to the “JUUL sponsored curriculum,” JUUL also provided the children snacks. JUUL established the right to collect student information from the sessions.

In adopting this in-school marketing program, JUUL’s “efforts seemed to duplicate” the “youth education” programs formerly used by traditional cigarette makers. In one document, on May 18, 2018, Chief Administrative Officer, Ashley Gould sent an email stating “[h]ere is the paper that ended the Think Don’t Smoke campaign undertaken by Philip Morris.”³ Youth Prevention and Education Director, Julie Henderson also met with former members of Philip Morris’ “youth education” team.⁴ JUUL’s “Youth Prevention” team even acknowledged the similarity between their programming and that of “Big Tobacco”⁵:

² Invoice from Agua Fria Union High School District No. 216 to JUUL Labs Inc., and Memorandum of Understanding between Agua Fria Union High School District No. 216, and JUUL Labs Inc. (June 26, 2018) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00002035.pdf>).

³ E-mail from Ashley Gould, Chief Administrative Officer, JUUL Labs, Inc., to Kristofer Maass and Markian Sawczuk (May 18, 2018) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00015307_Redacted.pdf).

⁴ E-mail from Julie Henderson, Youth Prevention and Education Director, JUUL Labs, Inc., to Julie Henderson, Youth Prevention and Education Director, JUUL Labs, Inc. (May 23, 2018) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00166874_Redacted.pdf).

⁵ E-mails between Julie Henderson, Youth Prevention and Education Director, JUUL Labs, Inc., Bruce Harter, and Wendell Greer (Apr. 16–17, 2018) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00153200_Redacted.pdf).

From: Julie Henderson <[REDACTED]@juul.com>
Sent: Tuesday, April 17, 2018 10:17 AM
To: Bruce Harter <[REDACTED]@hotmail.com>
Cc: Wendell Greer <[REDACTED]@aol.com>
Subject: Re: Chicago - Hinsdale

Thanks Bruce, for this candid and affirming response. And thanks, too, for verifying that Hinsdale Central invited us. I'll be sure to stress that point as I confirm our participation w/Ashley & Kevin.

Agreed - our bigger question revolves around how we distinguish JUUL from big tobacco & that's a longer discussion we can continue in Chicago.

Let me know if you want to touch base for a few min this Friday - If not, we'll just talk when we get to Chicago.

Thank you! Your and Wendell's support means a lot!

On Tue, Apr 17, 2018 at 7:45 AM, Bruce Harter <[REDACTED]@hotmail.com> wrote:

Julie

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While I don't disagree about the comparison to big tobacco, I'd be very concerned about withdrawing a week before the fair. Hinsdale Central invited us. We didn't find out about their health fair and then ask if we could participate. The schools staff believes we can support them in their effort to keep young people from using nicotine. If we don't go, we'll almost certainly lose the Hinsdale schools as part of our pilot. I also think we lose credibility by revoking a commitment. My recommendation would be go to Hinsdale.

The question I think you're raising with your research about the initiatives of big tobacco is how do we distinguish JUUL from big tobacco. JUUL created a product to save lives by putting combustible cigarettes out of business. The unintended consequence is that teenagers find JUULs irresistible. How can we have an impact on underage use if we limit our opportunities to interact with young people to only those that big tobacco didn't do? The people and groups that see JUUL as big tobacco are not going to change. It's in their interest to have a villain to keep their funding streams flowing. We have to build demonstration sites / programs that prove to be effective in reducing and eliminating underage use. Finding schools and other venues to do that has been challenging. That's why I'm reluctant to break a commitment to a school (and potentially two schools) where we have an opening.

Bruce

From: Julie Henderson <[REDACTED]@juul.com>
Sent: Monday, April 16, 2018 4:30 PM
To: Bruce Harter <[REDACTED]@hotmail.com>; Wendell Greer <[REDACTED]@aol.com>
Subject: Chicago - Hinsdale

Hi guys,

Just spoke w/Ashley & she shares my concern about the optics of us attending a student health fair given our new understanding of how much our efforts seem to duplicate those of big tobacco (Philip Morris attended fairs and carnivals where they distributed various branded items under the guise of 'youth prevention').

How strongly do you feel we need to be there? Can we not send the flyers to the principals and request they distribute them for us? Thoughts?

Thanks for your patience as we work through these bumps.

--

Julie Henderson

JuulLabs 560 20th Street, San Francisco, CA 94107

[photo juul labs sig2_zpsb4v2zjwE.jpg](#)

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II. JUUL Targeted Youth Outside of Schools

JUUL also targeted teenagers by buying access to them at public out-of-school programs. In one example, JUUL paid \$89,000 to the Richmond, California Police Activities League to allow it to install its programming for a diversion program targeting "youth, aged 12-17, who face suspension from school for using e-cigarettes...."⁶ In exchange for JUUL's investment, "[a]ll youth will participate in the JUUL labs developed program, Moving Beyond," some for as long as ten weeks.

⁶ *Proposal to JUUL Labs for Funding the Richmond Diversion Program*, Richmond Police Athletics League (May 4, 2018) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00002180.pdf>).

JUUL paid \$134,000 to set up a 5-week summer camp for 80 children through a charter school.⁷ Participants in the summer camp were “recruited from grades 3 through 12....” JUUL would provide the programming for a “holistic health education program,” helping “student-participants create a personal ‘healthy lifestyle plan’... engaging low-income youth at risk of making poor health decisions.” JUUL committed \$76,000 to hire the 18 people to run the program.

In deploying this out-of-school program, JUUL was aware that its programs were “eerily similar” to those used by large cigarette makers, and even internal executives raised concerns about their work in schools:⁸

From: Julie Henderson <████████@juul.com>
Sent: Tuesday, June 5, 2018 10:31 AM
To: Wendell Greer <████████@aol.com>; Bruce Harter <████████@hotmail.com>; ██████████
Subject: Materials for tomorrow's discussion

Good morning,

A few quick articles & internal docs (attached) to help inform our discussion tomorrow. Please forgive the lengthy email - we've got a lot to cover in 90 min. Thank you!

I. Background articles for current internal discussions re: Educ/YP

(Please read abstract for the first article if you don't have time to read the whole thing, & note how the second article is eerily similar to our chart of YP programs vs. those from Big Tobacco; Articles 3 & 4 help explain current executive concerns & discussion re:discontinuing our work w/schools)

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1447480/>

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⁷ E-mail from Julie Henderson, Youth Prevention and Education Director, JUUL Labs Inc., to Julie Henderson, Youth Prevention and Education Director, JUUL Labs, Inc. (June 20, 2018) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00002789_Redacted.pdf); Invoice from the Freedom & Democracy Charter Schools Foundation, to JUUL Labs Inc. (June 21, 2018) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00003711.pdf>).

⁸ E-mails between Julie Henderson, Youth Prevention and Education Director, JUUL Labs, Inc., and Bruce Harter (June 5–6, 2018) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00155718_Redacted.pdf).

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1447482/>

<https://escholarship.org/uc/item/2cd8t2jd>

https://www.tobaccofreetkids.org/press-releases/id_0542

III. JUUL's Online Influencer Program

JUUL has used a sophisticated and high-cost “influencer” program to promote online marketing to youth.

According to documents obtained by the Subcommittee, on March 2, 2015, JUUL hired Grit Creative Group, to “curate and identify 280 influencers in LA/NY to seed JUUL product to over the course of 3 months.”⁹ A second contract with Grit, executed on July 27, 2015, paid Grit to secure “social media buzzmakers with a minimum of 30,000 followers,” to attend launch events and to develop “influencer engagement efforts to establish a network of creatives to leverage as loyalists for JUUL.”¹⁰

By May 6, 2015, JUUL’s influencer targets were higher¹¹:

Additionally - we are doing a target to build to 1,000 JUUL Influencers internally via an email campaign.

--
Kate Morgan | field marketing manager

ploom 690 Alabama St., Second Floor, San Francisco, CA 94110 m [REDACTED]

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JUUL analyzed the JUULvapor.com email subscriber list to identify additional influencers and found 28,751 influencers on its email list.¹²

⁹ Scope of Work Agreement between PAX Labs, Inc., and Grit Creative Group (Mar. 2, 2015) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00029615.pdf>).

¹⁰ Scope of Work Agreement between PAX Labs, Inc., and Grit Creative Group (July 27, 2015) (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00042050.pdf>).

¹¹ E-mail from Kate Morgan, Field Marketing Manager, JUUL Labs Inc., to Sarah Richardson, Communications Director, JUUL Labs Inc. (May 6, 2015) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00036609_Redacted.pdf).

¹² Insightpool Research: Identifying Social Media Influencers from Email Subscriber List (Oct. 4, 2018) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00169561_Redacted.pdf).

An August 4, 2015, JUUL Monthly Marketing Update states that “the Container Tour will get JUUL into the hands of over 12,500 influencers, subsequently introducing JUUL to over 1.5 million people.”¹³

Further evidence of the sophistication of the JUUL influencer program:

- A planning document entitled “JUUL Influencer Program”¹⁴;
- An email showing that JUUL employee, Jessica Edmondson, held the title “Influencer Manager”¹⁵; and
- An email with the subject line “Re: Influencer Dept. Roundup,” indicating a devoted Influencer Department within JUUL.¹⁶

Staff contact: Rich Trumka Jr. and Will Cunningham at (202) 225-5051.

¹³ E-mail regarding Team MKTG (Aug. 4, 2015) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00029324_Redacted.pdf).

¹⁴ Memorandum on JUUL Influencer Program (online at <https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00005562.pdf>).

¹⁵ E-mails between Jessica Edmondson, Influencer Manager, JUUL Labs Inc., and Influencer (Dec. 4–5, 2017) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00110039_Redacted.pdf).

¹⁶ E-mails between Jessica Edmondson, Influencer Manager, JUUL Labs Inc., and Staff (May 22–23, 29, 2018) (online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/JLI-HOR-00144802_Redacted.pdf).