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Murdock: Tobacco taxes finance terrorism

Submitted by SHNS on Thu, 06/03/2010 - 13:13

By DEROY MURDOCK, Scripps Howard News Service | editorials and opinion

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The next terror attack on America could be a self-inflicted wound -- specifically a cigarette burn.

Politicians expand tobacco taxes to discourage smoking and feed their own nicotine-like addiction to public spending. Like so many others, this government action smolders with unintended consequences. Tobacco taxes create a perfect arbitrage opportunity that radical Muslims exploit to collect money for terrorist groups that murder Americans and our allies. Tobacco taxes should be cut, or at least frozen, before they fuel further Islamic -- extremist violence.

Consider the first attack on the Twin Towers, which killed six and injured 1,040. As Patrick Fleenor recalled in a Cato Institute study, "counterfeit cigarette tax stamps were found in an apartment used by members of the Egyptian Islamic Jihad cell that carried out the 1993 bombing of the World Trade Center."

Smugglers buy cigarettes in low-tax states, disguise them with bogus tax stamps, sell them in corresponding high-tax locales, and pocket the difference. A \$2.70 spread separates Virginia's 30-cent-per-pack cigarette tax and Connecticut's at \$3.00. Driving 1,500 cigarette cartons (10 packs per carton) from Arlington to Hartford yields \$40,500 per trip.

This incentive grows, as tax-hungry politicians raise tobacco levies to finance government spending. President Obama signed a 62-cent-per-pack federal cigarette-tax increase -- from 39 cents to \$1.01. This violated Obama's solemn pledge that families earning less than \$250,000 "will not see any of your taxes increase one single dime."

New York governor David Paterson, a democrat, wants to boost per-pack taxes from \$2.75 to \$3.75. If Paterson prevails, add Gotham's \$1.50-per-pack tax and Uncle Sam's take. Manhattan smokers could pay \$6.26 per pack in taxes alone!

Terrorists move cigarettes because they are light, portable, otherwise legal, and produce cash. "Law enforcement officials in New York State estimate that well-organized cigarette smuggling networks generate between \$200,000 and \$300,000 per week," a 2008 House Homeland Security Committee staff report concluded. "A large percentage of the money is believed to be sent back to the Middle East, where it directly or indirectly finances groups such as Hezbollah, Hamas, and al-Qaeda."

-- The notorious "Lackawanna Six" Islamic-terror cell reportedly traveled in 2001 from Buffalo to al-Qaeda's al Farooq training camp in Afghanistan. They scored \$14,000 in travel money from Aref Ahmed, a former gas-station operator who was among five defendants convicted in 2004 for cigarette trafficking and money laundering.

-- Mohamad Hammoud was convicted in June 2002 on federal charges of materially supporting terrorism. His brother, Chawki, was convicted on related charges, and eight others pled guilty in this case. These conspirators bought cigarettes in North Carolina, which then had a 5-cent-per-pack tax, affixed phony tax stamps, and then sold them in 75-cent Michigan. Over four years, this 70-cent tax spread yielded a \$1.5 million profit, part of which this gang



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Murdock: Tobacco taxes finance terror...

-- Hazam Ali Ahmed pled guilty on May 20 to 16 federal firearms, conspiracy, cigarette smuggling, and money-laundering charges. In one scam, Ahmed hustled some 20,000-cigarette cartons and harnessed the \$1.38 margin between Tennessee's 62-cent-per-pack tax and Michigan's current \$2.00 tax. His Knoxville-to-Detroit operation reportedly cost Tennessee and Michigan some \$500,000 in tax revenue. An FBI Joint Terrorism Task Force wiretap caught Ahmed recruiting for al-Qaeda and discussing blowing up a shopping center.

As an asthmatic that hates the piercing stench of tobacco smoke, I find myself in rare agreement with those whose product makes me sick. Nonetheless, the tobacco industry's convincing case for cutting or freezing cigarette taxes is a matter of life and death. Tobacco-tax-hiking politicians unwittingly have created a potentially lethal situation in which lighting a cigarette is like igniting the fuse on a bomb.

(Deroy Murdock is a columnist with Scripps Howard News Service and a media fellow with the Hoover Institution on War, Revolution and Peace at Stanford University. E-mail him at deroy.Murdock(at)gmail.com)

COLUMN

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Probably would be a good idea

Submitted by Anonymous46 (not verified) on Thu, 06/03/2010 - 19:04.

Probably would be a good idea to raise the tobacco tax in all states to the level of the highest. Then this sort of thing couldn't go on. But I don't think that's what you had in mind is it?

> reply

THOSE THAT WALK

Submitted by NANA (not verified) on Fri, 06/04/2010 - 08:16.

Good article, but no one ever touches on the large number of Middle Easterners that do the same thing, get caught, cut a deal with the fed's, and keep walking and committing their criminal acts.

As in the Charlotte case, the man convicted was reported by Bob Fromme, off duty Sheriff's deputy working at JR's Tobacco, yet Haissam Nashar who was the original leader of the pack was caught at the airport in St. Louis, Missouri with counterfeit cigarette stamps in his brief case, cut his deal giving up Mohammed and his crew to walk. Sam's ex roommate, Georges Naseeb El Asmar, was caught in Michigan smuggling his catch from NC, he knew what Sam had done, yet faked a heart attack, was taken to the hospital, where he cut his deal giving the same names Sam had given, and walked. Georges deal included his brother Fawzi N. Asmar, aka Faouzi N. El Asmar, etc., who had been doing the same thing with his brother, with Sam providing the smokes and truck/vans used to transport. I have Fawzi's own hand written ledger showing over \$375,000. in profits in 26 months. When it was discovered Fawzi was here illegally, the fed's stated "if they did anything serious, they'd take action". If cig smuggling, money laundering, fraudulent marriage and funneling \$ to Hezbollah, as well as being here illegally weren't serious, I wonder what would be? Had him charged w/bigamy, yet the DA never took the evidence to a grand jury for an indictment. Instead of being deported, he was given his 2nd Vol. Departure, when only one is allowed under fed law. This story goes on and on. Makes me question how many times this has happened in the past. Every wonder why so many own convenience stores, where they can buy ciggy butts wholesale?

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