



COMBATING THE ILLICIT VAPE CRISIS

A Law Enforcement Briefing



TOBACCO
LAW ENFORCEMENT
NETWORK



CRIMINAL TRAFFICKING, 2025 ENFORCEMENT PROGRESS, AND THE PATH FORWARD

Over the past few years, the United States has been combating a national security and public health threat driven by Chinese state-linked manufacturers and distributors flooding our markets with illicit nicotine vapes. Although these products are not authorized for sale, they have grown to capture 86% of the current market. They are distributed through master distributor partners throughout the United States, trafficked by Mexican cartel networks, and sold by criminal retail operations that also traffic in drugs, guns, and cash. Historically, weak enforcement and failed bureaucracy had empowered and enabled this plague. In 2025, coordinated federal and state enforcement achieved historic results, but sustained action across all levels of government is essential to protect our children and communities.

\$2.4B

annual criminal revenue
flowing to CCP-linked
manufacturers and cartels

86%

of U.S. market
is illicit

216M

illicit units exported
from China to U.S. in
2024 alone

2025 ENFORCEMENT HIGHLIGHTS

OPERATION VAPE TRAIL:

- **2.3M vapes**
- **106 arrests**
- **115 guns seized**

\$86.5M

seized in Chicago—
largest operation ever

6M+

units stopped at
ports year-to-date

Multi-state operations in NY, LA,
NC shutting down criminal retailers

Local operations targeting smoke shops seizing
illicit vapes, drugs, 7-OH, kratom, guns.

THE CRISIS IN NUMBERS

The Market Takeover

Since 2016, it has been illegal to bring any new tobacco product to market without FDA authorization. Yet the regulatory system has been overwhelmed. **Out of 26 million product applications, only 39 e-cigarette products have received FDA approval.**

Products can remain on the market if they are still under review by the FDA, yet thousands of illicit brands flood independent convenience stores and smoke shops nationwide. Many of these products received FDA denial or did not even attempt authorization by the FDA.

This vacuum has been filled by a flood of illicit Chinese imports. **An estimated 86% of e-cigarettes sold in American markets lack FDA authorization and are therefore illegal.** These unauthorized products generate approximately **\$2.4 billion annually** in retail sales, with the vast majority of revenue flowing back to manufacturers in China.

Targeting Our Youth

While traditional cigarette and e-cigarette use among youth has dropped to historic lows, illicit e-cigarette use has historically been an area of concern. **Seven of the top ten e-cigarette brands used by American minors are illicit Chinese products** that have never been authorized for sale in the United States.

These products are deliberately designed to appeal to children:

- Packaging that mimics candy, toys, smartphones, and cartoon characters
- Flavors like “Gummy Bear,” “Cotton Candy,” and “Rainbow Ice”
- Devices shaped like video games, highlighters, USB drives, and gaming controllers to evade detection

Popular youth brands: Geek Bar, Mr. Fog, Flum, Lost Mary, Elf Bar/EB Design—all unauthorized Chinese imports deliberately marketed to children.



**The e-cig brands
American kids are
hooked on?**

**7 of 10
are illegal products
from China.**



The China Connection: Funding the CCP

>90%

of the world's vaping devices are produced in Shenzhen, China—"Vape Valley"

216M

illicit units exported from China to U.S. in 2024 alone

+\$200B

generated annually by China's state tobacco monopoly—equivalent to PLA military budget

CRITICAL FACT

Chinese e-cigarette manufacturers are regulated by the State Tobacco Monopoly Administration (STMA), which reports directly to the Chinese Communist Party. State-owned enterprises hold equity stakes in major manufacturers. **China bans flavored vapes for domestic sale but exports them globally**, deliberately targeting American youth while protecting their own.

THE CRIMINAL SUPPLY CHAIN

1. FOREIGN MANUFACTURERS: The Source

Nearly all illicit vapes originate in Shenzhen, China, where manufacturers exploit weak U.S. enforcement through sophisticated evasion tactics:

- **Constant rebranding:** Elf Bar becomes EB Design, then Off-Stamp; Geek Bar becomes DigiFlavor; RAZ becomes RYL—all to evade detection

• **Mislabeling shipments:**

Products declared as "battery chargers," "flashlights," or "electronic accessories" to avoid scrutiny and tariffs

- **Port shopping:** If refused at one port, try another until successful

- **De minimis exploitation:** Breaking large shipments into small packages to avoid inspection

The top 10 manufacturers account for 40% of all illicit shipments—targeting these actors would have immediate deterrent effect.



STAGE 1: CHINESE MANUFACTURERS

90%
of global production

📍 SHENZHEN, CHINA - "VAPE VALLEY"

State Control:

- Regulated by State Tobacco Monopoly Administration (STMA)
- State-owned enterprises hold equity stakes
- Reports directly to Chinese Communist Party

Evasion Tactics:

- Constant rebranding (Elf Bar → EB Design)
- Mislabeling as "flashlights" or "chargers"
- Port shopping until successful
- Breaking shipments into small packages

▲ TOP 10 MANUFACTURERS = 40% OF ALL ILLICIT SHIPMENTS

2. CARTEL DISTRIBUTION NETWORKS: The Pipeline

Mexican transnational criminal organizations—particularly the **Sinaloa Cartel** and **Jalisco New Generation Cartel (CJNG)**—have developed sophisticated tobacco smuggling operations and have integrated illicit vapes into their existing trafficking infrastructure.



SINALOA CARTEL:

- Controls major ports and border crossings
- 47-country trafficking network
- Partnerships with Chinese suppliers
- Uses same routes as fentanyl/meth

CJNG:

- Franchise model with local affiliates
- Controls domestic production networks
- Alliance with “Tobacco Cartel”
- Money laundering through legal businesses

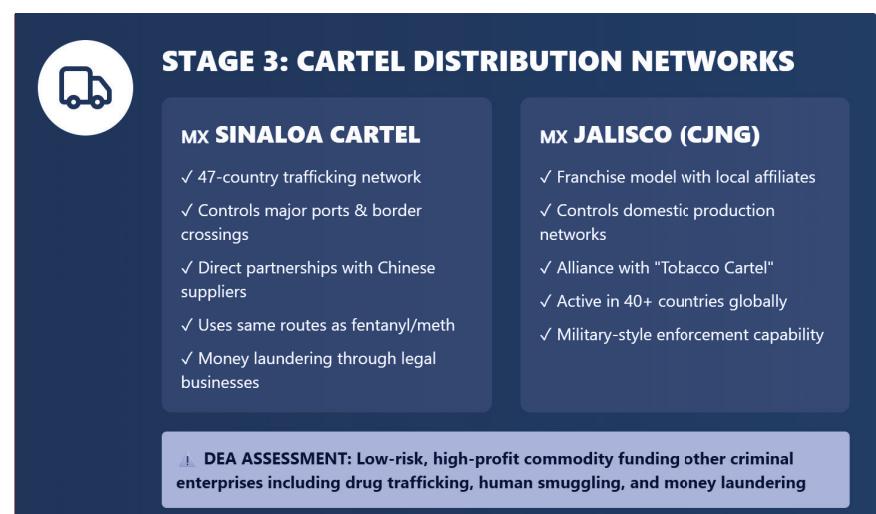
DEA Assessment: Cartels view illicit vapes as low-risk, high-profit commodities that generate cash flow for other criminal enterprises including drug trafficking, human smuggling, and money laundering. The same distribution networks move both vapes and narcotics.

3. CRIMINAL RETAIL: The Storefront

At the street level, illicit vapes are sold through a network of criminal retail operations—primarily “smoke shops”—that serve as fronts for broader illegal activity.

What enforcement operations consistently find:

- Illicit vapes displayed on front shelves
- Hard drugs (cocaine, meth, fentanyl) sold from back rooms
- Other unregulated substances: kratom, synthetic cannabinoids, psilocybin, nitrous oxide
- Firearms and bulk cash
- Evidence of money laundering and tax evasion
- Felon proprietors with previous convictions



Recent operations in Louisiana, North Carolina, Texas, and Florida have shut down dozens of these criminal storefronts, finding the same pattern: illicit Chinese vapes alongside drugs, weapons, and cash. **These are not legitimate retailers struggling with compliance—they are criminal opportunists exploiting regulatory gaps to profit from illegal commerce.**

TWO RETAIL REALITIES

LEGITIMATE RETAILERS:

- Responsible vape shops serving adult consumers
- Struggling with unclear regulations
- Want guidance on authorized products
- Invested in community relationships
- Seeking to remain compliant
- Checking IDs of customers
- Need support, not punishment

CRIMINAL OPERATORS:

- Smoke shops as fronts for crime
- Felon proprietors with criminal records
- Drug trafficking operations
- Money laundering and tax evasion
- Immigration violations
- Undercutting legitimate businesses
- Inconsistent ID checks
- Require aggressive enforcement

Effective policy must distinguish between these two groups—supporting compliance while eliminating criminal operations.

2025: THE TURNING POINT

After years of weak enforcement, 2025 has seen unprecedented coordination between federal agencies and state partners, delivering historic results that demonstrate what aggressive enforcement can achieve.

FEDERAL ENFORCEMENT BREAKTHROUGH

SEPTEMBER 2025: CHICAGO OPERATION—LARGEST SEIZURE IN HISTORY

4.7M
units seized

\$86.5M
retail value

37
importers warned

Almost all illegal shipments originated in China, with vague and misleading descriptions attempting to evade duties and review.

OPERATION VAPE TRAIL—DEA MULTI-DIVISION OPERATION

Four-day coordinated enforcement action across 23 DEA field divisions nationwide

2.3M

vapes seized

106

arrests made

115

firearms confiscated

\$3.5M

cash seized

Laredo, TX bust uncovered 25-foot underground tunnel connecting to storage facility filled with cocaine and marijuana alongside illicit vapes.

2025 YEAR-TO-DATE FEDERAL RESULTS:

\$120M+

in contraband value interdicted

OVER 6M UNITS

stopped at U.S. ports of entry

Regional fusion centers
launched in multiple states

Enhanced CBP authority for independent
seizure of youth-targeted products

STATE-LEVEL ENFORCEMENT SURGE



NEW YORK—Operation Vapers' Dozen: Statewide enforcement targeting criminal smoke shop networks. Multiple arrests, tens of thousands of illicit products seized.



LOUISIANA—Operation Vape Out: Lafayette area operation shutting down smoke shops. Illicit vapes seized alongside nitrous oxide, psilocybin, synthetic opioids.



NORTH CAROLINA—Operation Smoke & Mirrors: 13 businesses shut down for trafficking illicit vapes, THC products, and synthetic opioids. Criminal charges filed.

WHY 2025 IS WORKING

Decisive Action Against Major Actors: Shift from warning letters to criminal prosecutions, civil litigation, and financial forfeitures against kingpins.

Multi-Agency Coordination: Federal Multi-Agency Task Force bringing together FDA, CBP, DEA, DOJ, and state partners for the first time.

Centralized Leadership: U.S. Attorneys leading coordination between federal, state, and local enforcement in each region.

These results prove that coordinated, aggressive enforcement works. The challenge now is sustaining and expanding this momentum.

THE PATH FORWARD: CLEAR ACTIONS

The 2025 enforcement surge demonstrates what coordinated action can achieve, but this fight requires sustained commitment at every level of government. The following actions will build on current momentum to dismantle criminal networks, protect children, and support legitimate commerce.

FEDERAL LEVEL ACTIONS

1. Prosecute the Kingpins

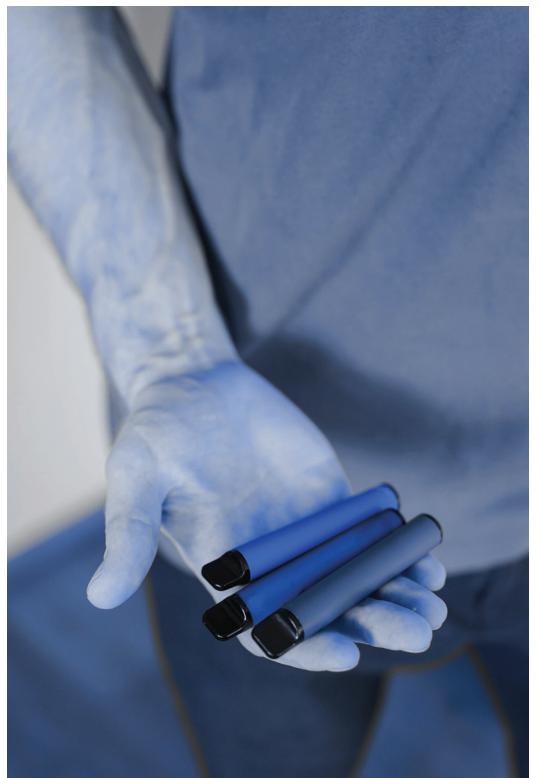
Initiate criminal prosecutions and civil injunctions against the largest Chinese manufacturers, domestic importers, distributors, and online retailers. The top 10 manufacturers control 40% of the market—targeting them will deter others and disrupt supply chains. Use the full spectrum of enforcement: FDCA violations, PACT Act violations, customs fraud, money laundering.

2. Secure the Border:

Implement comprehensive importation prevention: categorical import alerts for all unauthorized products; consistent refusal of illicit vapor shipments; investigations of brokers and importers engaged in misconduct; expanded random inspections at high-volume ports; elimination of “port shopping” by sharing refusal data; stronger enforcement against tariff evasion and mislabeled shipments.



The top ten manufacturers control over
40%
of the market





3. Publish Product Directory

Create and maintain a publicly accessible, real-time directory of all FDA-authorized products, including those pending review and those denied authorization. Include country of origin. This clarity will empower retailers, consumers, and local enforcement to identify illegal products and choke off illicit sales.

4. Expand Regional Fusion Centers

Establish U.S. Attorney-led enforcement fusion centers in all states where federal, state, and local agencies collaborate to identify, investigate, and prosecute tobacco violations. Develop state-by-state action plans with benchmarking metrics to reduce illicit prevalence below 5% in each jurisdiction.

STATE & LOCAL LEVEL ACTIONS

1. Implement Retailer Licensing

Establish state-level retailer licensing requirements for tobacco and nicotine product sales. License requirements create accountability, enable tracking of violators, and provide clear enforcement mechanisms. Violations result in license suspension or revocation—hitting criminal operators where it hurts.

2. Create State Product Directories

Develop state-maintained lists of authorized products that can be legally sold, including those pending review and those denied authorization... This provides clarity for legitimate businesses, enables efficient enforcement by state and local officers, and closes loopholes that criminal operators exploit.

3. Join Regional Enforcement Networks

Participate in federal fusion centers and coordinate with neighboring states. Share intelligence on trafficking patterns, criminal operators, and distribution networks. Criminal networks operate across state lines—enforcement must too.

4. Launch Targeted Compliance Campaigns

Conduct retail inspection blitzes in high-violation areas. Issue warnings for first violations, followed by escalating fines and license revocation for repeat offenders. Focus resources on known criminal operations while providing compliance assistance to legitimate retailers.

5. Support Legitimate Retailers

Provide clear guidance, compliance resources, and education to family-owned stores and responsible vape shops. These businesses are victims of an unclear regulatory environment—not the enemy. Help them succeed while eliminating those who choose criminal enterprise.

CORE PRINCIPLES FOR ALL PARTNERS

1

Zero Tolerance for Criminal Retailers and Distributors

Smoke shops and those distributing to these smoke shops that are operating as drug trafficking fronts must be shut down and proprietors prosecuted. No warnings, no delays.

2

Protect Children First

Every enforcement action should prioritize stopping youth access. Products deliberately marketed to kids require immediate removal and prosecution of distributors.

3

Support Legitimate Commerce

Distinguish between criminal operators and struggling small businesses. Provide clarity, guidance, and pathways to compliance for those acting in good faith.

4

Coordinate Across Jurisdictions

Criminal networks don't respect borders. Federal, state, and local agencies must share intelligence and coordinate actions to dismantle entire supply chains.

5

Sustain Enforcement Pressure

2025's success came from sustained, coordinated action. Criminal networks will adapt and probe for weakness—enforcement must remain vigilant and aggressive.

6

Target the Source

Retail enforcement alone won't win this fight. We must target Chinese manufacturers, cartel distributors, and large-scale importers to disrupt the entire criminal enterprise.

THIS FIGHT IS WINNABLE

For years, Chinese state-linked manufacturers, Mexican cartels, and criminal retail networks have operated with impunity, flooding American communities with products deliberately designed to addict our children. The illicit vape crisis threatened to become permanent—another front in our communities where foreign adversaries and organized crime could profit from American vulnerability.

But 2025 has proven that coordinated, aggressive enforcement works. The largest seizures in history. Record arrests. Criminal networks disrupted. Children protected. Legitimate businesses supported with clarity they've desperately needed.

This momentum cannot be allowed to fade. Criminal networks are adaptive and persistent—they will probe for weakness, shift tactics, and attempt to reconstitute their operations.

Only sustained enforcement pressure at every level will prevent this crisis from resurging.

THE STAKES ARE CLEAR

OUR CHILDREN: Protected from predatory products deliberately marketed to addict them.

OUR COMMUNITIES: Freed from criminal operations that traffic in drugs, guns, and violence.

OUR BUSINESSES: Legitimate retailers competing on a level playing field without criminal undercut.

The Tobacco Law Enforcement Network stands ready to partner with federal, state, and local agencies to sustain this fight.

Together, we can dismantle these criminal networks, protect our communities, and ensure that American children are not targeted by foreign adversaries and organized crime.

The path forward is clear.

The tools are proven.

The time to act is now.



MORE INFORMATION:

- **DEA Threat Assessment**
<https://www.dea.gov/documents/2025/2025-05/2025-05-13/national-drug-threat-assessment>
- **Report: Behind The Vapor Veil: The CCP's Illicit Vape Trade**
<https://polaris-us.org/updates/behind-the-vapor-veil-the-ccps-illicit-vape-trade/>
- **US Attorney General: More Than Two Million Illicit Vaping Products Seized in Nationwide Sweep**
<https://www.justice.gov/opa/pr/more-two-million-illicit-vaping-products-seized-nationwide-sweep>
- **News Updates**
<https://www.enforcetobaccolaws.com/news>



DO YOU KNOW THE
DANGERS BEHIND
THE COUNTER?



SCAN TO EXPLORE



TOBACCO
LAW ENFORCEMENT
NETWORK

Protecting Communities.
Supporting Law Enforcement.
Defending Children.