



## Frequently Asked Questions Related to Inspections of Distributors and Retailers of Cigarettes and RYO Products

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### Q. Why are you inspecting my business?

A. We are conducting a routine inspection of your business to see if you are following state laws that control the sale of cigarettes and tobacco products in Oklahoma.

### Q. What are you looking for?

That you have a current license to sell cigarettes and tobacco products issued by the Oklahoma Tax Commission (“OTC”); That you bought your cigarettes and tobacco products from a OTC licensed cigarette and tobacco product distributor (sales between retailers are prohibited) and have supporting invoices for your inventory; That cigarettes in your inventory have valid Oklahoma stamps affixed to each pack and are listed in the Attorney Generals Tobacco Directory as legal to sell in Oklahoma; That excise taxes have been paid on other tobacco products; That Cigarette packs in you inventory comply with “low ignition propensity” fire safety requirements issued by the Oklahoma State Fire Marshall.

### Q. What happens during an inspection?

- Agents with the Attorney General’s Office are fully commissioned peace officers by the State of Oklahoma who carry badges and identification cards issued to them by the Oklahoma Attorney General. The agents will enter your business, identify themselves to you or your employees, and show their badges and identification cards. You can also call the Attorney General’s Tobacco Enforcement Unit at 405-521-3921 to verify the Agent’s identity.
- Show them your personal identification.
- Show them your entire cigarette and tobacco product inventory.
- Provide all your cigarette and tobacco product invoices for the last 12 months, which are required to be maintained at your business location (OTC allows retailers with multiple places of business, upon request, to keep invoices at a centralized location, but they must be transmitted to each place of business within 24 hours upon request) and let them know the location of other cigarette and tobacco product invoices which are required to be maintained for at least 3 years.
- The agents will examine the cigarettes and tobacco products at your business location, and in buildings or storage containers where you keep additional products. They may electronically scan the tax stamps to detect counterfeit stamps and check stamps to ascertain the wholesaler that affixed the stamp to a pack of cigarettes. They will review your sales receipts and purchase invoices to see if they reconcile with your inventory.

•The agents may seize any untaxed, counterfeit, or otherwise illegal cigarette or tobacco products they find. They will explain the reason for the seizure, give you a detailed receipt, listing the products seized and their contact information. Any cigarette or roll-you-on tobacco products that are not listed in the Attorney General's Tobacco Directory, are subject to seizure. Retailers and wholesalers should always check the Attorney General's Tobacco Directory before buying cigarettes and RYO product to verify those products are legal to sell in Oklahoma.

**Q. Can I get seized product back?**

A. You have a right to ask that seized product be returned. If an Agent seizes any products during an inspection, you will be provided with an inventory of the seized product which also describes your right to challenge the seizure. Under state law cigarettes or tobacco products can only be returned if they were seized by mistake or illegally seized.

**Q. Are there penalties that may be imposed in addition to seizure of non compliant cigarettes and tobacco products?**

A. Yes.

**Q. Why don't the Attorney General's Agents make appointments to make inspections?**

A. Immediate on-the-spot inspections are generally necessary to ascertain whether the business is operating in compliance with Oklahoma laws that regulate the sale and distribution of cigarettes and tobacco products within the State. In most cases, any delay can result in changed conditions that will adversely effect the integrity of the inspection. For that reason Agents cannot schedule appointments or return at a later time to accommodate the licensee as this would allow a non-compliant business to avoid detection.

**Q. Attorney General Agents arrive to inspect the business location where I work, but my boss isn't here. Do I need to call my boss to be present for the inspection?**

A. You may call your boss if you wish. If the business is open, however, the inspection should be permitted regardless of whether your boss is present. This is not an acceptable reason for delay.

**Q. Do I have to allow Attorney General Agents inspect my business at night or on weekends?**

A. Attorney General Agents inspect during hours of operation. If the business is being operated at night or on weekends an inspection must be allowed if requested by an Attorney General Agent.

**Q. Can I have my attorney present during an inspection? Can I make the Agent wait to start the inspection until my attorney is present?**

A. You may have your attorney present during an inspection; however, there is no constitutional right to have your attorney present. Therefore, you may not make the Agent wait until your attorney arrives.

**Q. Do I have to let an Attorney General Agent conduct an inspection if he does not have a search warrant?**

A. Title 68 O.S. §360.10 authorizes Attorney General Agents to inspect, without a warrant, the premises and records related to the sale of manufacture, production, storage, transportation sale or exchange of cigarettes and tobacco products by wholesalers, distributors, retailers and manufacturers located in the State of Oklahoma, located out of state and licensed by the Oklahoma Tax Commission, or are on the Attorney General's Directory of Tobacco Product Manufacturers.

**Q. What can a retailer do to prepare for an inspection?**

A. Invoices, which are required to be kept for three (3) years, should be accessible and organized chronologically. Records and Invoices that are placed in boxes without organization will greatly increase the amount of time necessary to complete an inspection.

If you have any additional questions or concerns about an inspection you may contact the Attorney General's Tobacco Enforcement Unit by mail or by phone.