



ROB BONTA  
ATTORNEY GENERAL

THE STATE OF CALIFORNIA  
OFFICE OF THE ATTORNEY GENERAL



DAVID W. SUNDAY, JR.  
ATTORNEY GENERAL

THE COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE ATTORNEY GENERAL



LETITIA JAMES  
ATTORNEY GENERAL

THE STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL



STEVEN BANKS  
CORPORATION COUNSEL

THE CITY OF NEW YORK  
LAW DEPARTMENT

April 28, 2026

**Via U.S. Mail and Email**

Chrysty Esperanza  
Chief Legal Officer & Corporate Secretary  
Block, Inc.  
1955 Broadway, Suite 600  
Oakland, CA 946121  
chrysty@block.xyz

Re: Working to Stop Illegal E-cigarette Sales Transactions

Dear Ms. Esperanza:

We are writing on behalf of the States of **Arizona, California, Connecticut, Delaware, Hawaii, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Tennessee, Vermont, Washington, Wisconsin, the Commonwealth of Puerto Rico, and the City of New York** to express concerns about the widespread and ongoing illegal sales of electronic cigarettes and other vaping products (collectively, “e-cigarettes”) facilitated through the use of credit cards and payment processing services, including Block, Inc.’s (“Block”) services. Over twenty years ago, the states similarly reached out to credit card companies to work collaboratively on solutions to reduce youth access to conventional cigarettes sold online.<sup>1</sup> We are reaching out again, but now concerning illegal sales of e-cigarettes and

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<sup>1</sup> See B. Tedeschi, Trouble for Online Vendors of Cigarettes, N.Y. Times (Apr. 4, 2005), available at <http://nytimes.com/2005/04/04/technology/trouble-for-online-vendors-of-cigarettes.html>;

requesting your assistance in addressing these illicit transactions online and at brick-and-mortar stores. Our outreach is grounded in the recognition that combating illegal e-cigarette sales requires proactive efforts between government entities and credit card and payment processing companies to stop these unlawful transactions.

By way of additional background, illegal sales of conventional cigarettes, particularly sales to youth, were prevalent in the early 2000s. Addressing this serious issue required not only robust government actions but also cooperation from the companies that enabled illegal transactions through their services such as credit card and payment processing. While important progress has been made since then to halt unlawful sales of tobacco products, particularly sales of conventional cigarettes to youth, significant work remains, largely caused by the popularity among youth of e-cigarettes that emerged in the United States market in the last fifteen years. E-cigarettes are highly addictive and pose significant health risks, particularly to youth.

Federal, state, and local governments across the nation have been working on accelerating policies and programs to reduce e-cigarette use among youth. On the federal regulatory level, every new tobacco product must receive an order from the federal Food and Drug Administration (“FDA”) authorizing its marketing and sale in the United States. *See* 21 U.S.C. § 387j(a)(2)(A). To date, the FDA has authorized only 41 e-cigarette products, none in any flavor other than tobacco and menthol.<sup>2</sup> E-cigarettes that have not received authorization from the FDA, which constitute nearly all e-cigarettes offered by online sellers, are deemed “adulterated.” 21 U.S.C. § 387b(6)(A). Federal law prohibits the receipt or delivery in interstate commerce of any adulterated tobacco product, 21 U.S.C. § 331(c), and delivery or proffered delivery of adulterated tobacco products is accordingly unlawful under United States law. Of equal weight, the federal Prevent All Cigarette Trafficking Act of 2009 (“PACT Act”), 15 U.S.C. §§ 375–378 and 18 U.S.C. § 1716E, regulates online e-cigarette sales, imposing stringent requirements on online sellers that include use of age verification practices, labeling and weight requirements, and compliance with “*all* State, local, tribal, and other laws generally applicable to sales [of e-cigarettes]”. 15 U.S.C. §§ 376a, (a), (a)(3) (emphasis added). E-cigarette sellers are also subject to compliance with laws imposed by state and local governments such as, for example, age verification, licensing, and tax payment requirements. In addition, “flavor bans” have been enacted in jurisdictions such as California, the District of Columbia, Massachusetts, New York, and New York City deeming the sale of a flavored e-cigarette in their jurisdictions a violation of state or local laws, and hence a violation of the PACT Act as well. Some states such as Connecticut, Oregon, Ohio, Maine, and Vermont completely ban online e-cigarette sales to consumers.

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<https://ag.ny.gov/press-release/2005/state-ag-and-atf-announce-initiative-credit-card-companies-prevent-illegal>.

<sup>2</sup> *See* U.S. Food & Drug Administration, “E-Cigarettes, ‘Vapes’ and Other Electronic Nicotine Delivery Systems (ENDS) Authorized by the FDA,” (Apr. 1, 2026, at 11:50 ET), <https://www.fda.gov/tobacco-products/market-and-distribute-tobacco-product/e-cigarettes-vapes-and-other-electronic-nicotine-delivery-systems-ends-authorized-fda>.

The pervasiveness of illegal e-cigarette sales and its consequent harm to public health necessitates a more comprehensive solution. The states and New York City have been working diligently to identify noncompliant sellers and have found that the vast majority of online merchants violate the PACT Act in virtually every regard. Independent studies of online merchants of vaping products report the same widespread noncompliance with the PACT Act requirements.<sup>3</sup> The states have been taking actions against illegal online sellers, including litigation and referrals of these sellers to the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives (“ATF”) for inclusion on the Noncompliance List (“NCL”) established under the PACT Act, *see* 15 U.S.C. § 376a(e)(1). Recently, as part of our efforts to engage e-commerce platforms about the illegal activity enabled through their services, the states and New York City sent a letter to Shopify Inc. on November 24, 2025, highlighting the pervasive unlawful conduct by merchants selling e-cigarettes on its platform.<sup>4</sup> Likewise, our aim in this letter is to discuss the current scope of illegal e-cigarette trafficking and to work with you to halt the use of your services for unlawful transactions.

We request a meeting with Block to discuss a comprehensive solution to address unlawful sales of vaping products regulated under federal, state, and local laws, with the goal of Block prohibiting e-commerce service providers and merchants from using its services for unlawful purposes. Please provide a response outlining your availability within **15 days** of this letter. Block’s response should be directed to Lesya Kinnamon at [Lesya.Kinnamon@doj.ca.gov](mailto:Lesya.Kinnamon@doj.ca.gov), Edmund “Tad” Berger at [eberger@attorneygeneral.gov](mailto:eberger@attorneygeneral.gov), Leslieann Cachola at [leslieann.cachola@ag.ny.gov](mailto:leslieann.cachola@ag.ny.gov), and Eric Proshansky at [eproshan@law.nyc.gov](mailto:eproshan@law.nyc.gov).

Sincerely,

**/s/ Lesya N. Kinnamon**

Lesya N. Kinnamon  
Deputy Attorney General  
California Office of the Attorney General  
1300 I Street, Suite 125  
Sacramento, CA 95814

**/s/ Edmund “Tad” Berger**

Edmund “Tad” Berger  
Chief Deputy Attorney General  
Tobacco Enforcement Section  
Office of Attorney General of Pennsylvania  
15th Floor, Strawberry Square  
Harrisburg, PA 17120

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<sup>3</sup> *See* Harati RM, Ellis SE, Satybaldiyeva N, Mejrado T, Benitez G, Henriksen L, Leas EC. *Online Retailer Nonadherence to Age Verification, Shipping, and Flavor Restrictions on E-Cigarettes*. JAMA. 2024 Dec 24;332(24):2113-2114. doi: 10.1001/jama.2024.21597. PMID: 39527068; PMCID: PMC11555574.

<sup>4</sup> *See* Letter from various states to Shopify Inc. (Nov. 24, 2025), available at [https://oag.ca.gov/system/files/attachments/press-docs/CA\\_NYC%20Letter%20to%20Shopify\\_FINAL.pdf](https://oag.ca.gov/system/files/attachments/press-docs/CA_NYC%20Letter%20to%20Shopify_FINAL.pdf).

**/s/ Leslieann E. Cachola**

Leslieann E. Cachola  
Deputy Bureau Chief  
New York State Office of the Attorney General  
28 Liberty Street  
New York, NY 10005

**/s/ Douglas Lau**

Douglas Lau  
Unit Chief – Tobacco Enforcement Unit  
Office of the Arizona Attorney General  
2005 N. Central Avenue  
Phoenix, AZ 85004

**/s/ Vanessa L. Kassab**

Ian R. Liston  
Director of Impact Litigation  
Vanessa L. Kassab  
Deputy Attorney General  
Delaware Department of Justice  
820 N. French Street  
Wilmington, DE 19801

**/s/ Andrea Law**

Andrea Law  
Deputy Bureau Chief  
Office of the Illinois Attorney General  
115 South LaSalle Street  
Chicago, IL 60603

**/s/ Elizabeth Reardon**

Elizabeth Reardon  
Assistant Attorney General  
Office of the Maine Attorney General  
6 State House Station  
Augusta, ME 04333

**/s/ Eric Proshansky**

Eric Proshansky  
Assistant Corporation Counsel  
New York City Law Department  
100 Church Street, Room 3-211  
New York, NY 10007

**/s/ Amor Rosario**

Amor Rosario  
Assistant Attorney General  
Heather Wilson  
Deputy Section Chief for  
Tobacco Enforcement  
Connecticut Office of the Attorney General  
165 Capitol Avenue  
Hartford, CT 06106

**/s/ Chelsea N. Okamoto**

Chelsea N. Okamoto  
Deputy Attorney General  
Department of the Attorney General  
State of Hawaii  
425 Queen Street  
Honolulu, HI 96813

**/s/ Kara Burgess**

Kara Burgess  
Deputy Attorney General  
Office of Attorney General Todd Rokita  
IGCS 5th Floor  
302 W. Washington Street  
Indianapolis, IN 46204

**/s/ John M. Leovy**

John M. Leovy  
Division Chief  
Office of the Attorney General of Maryland  
200 Saint Paul Place  
Baltimore, MD 21202

**/s/ Alda Chan**

Alda Chan  
Assistant Attorney General  
Massachusetts Office of Attorney General  
One Ashburton Place  
Boston, MA 02108

**/s/ Lorin M. Taylor**

Lorin M. Taylor  
Senior Deputy Attorney General  
Office of the Nevada Attorney General  
1 State of Nevada Way, Ste. 100  
Las Vegas, NV 89119

**/s/ Jesse J. Sierant**

Jesse J. Sierant  
Deputy Attorney General/Section Chief  
State of New Jersey  
Office of the Attorney General  
124 Halsey Street  
P.O. Box 45029  
Newark, NJ 07101

**/s/ Charles White**

Charles White  
Assistant Attorney General  
North Carolina Department of Justice  
114 W. Edenton Street  
Raleigh, NC 27603

**/s/ Adam D. Roach**

Adam D. Roach  
Special Assistant Attorney General  
Rhode Island Office of the Attorney General  
150 South Main Street  
Providence, RI 02903

**/s/ Michael R Bell**

Michael R Bell  
Assistant Attorney General  
Michigan Department of Attorney General  
2nd Flr, G. Mennen Williams Bldg  
525 West Ottawa St.  
P.O. Box 30754  
Lansing, MI 48909

**/s/Warren G. Cormack**

Warren G. Cormack  
Assistant Attorney General  
Office of the Attorney General of  
New Hampshire  
1 Granite Place South  
Concord, NH 03301

**/s/Anthony R. Juzaitis**

Anthony R. Juzaitis  
Assistant Attorney General  
Deputy Division Director  
New Mexico Department of Justice  
408 Galisteo Street  
Santa Fe, NM 87501

**/s/ Jackson Garcia**

Jackson Garcia  
Assistant Attorney General  
Office of the Attorney General of Oregon  
1162 Court Street NE  
Salem, OR 97301

**/s/ John Sinclair**

John Sinclair  
Deputy Attorney General  
Tennessee Office of the Attorney General  
315 Deaderick Street  
Nashville, TN 37243  
P. O. Box 20207  
Nashville, TN 37202-0207

**/s/ Rosemary M. Kennedy**

Rosemary M. Kennedy  
Assistant Attorney General  
Vermont Office of the Attorney General  
109 State Street  
Montpelier, VT 05609

**/s/ Gregory A. Myszkowski**

Gregory A. Myszkowski  
Assistant Attorney General  
State of Wisconsin Department of Justice  
17 West Main Street  
P.O. Box 7857  
Madison, WI 53707-7857

**/s/ S. Todd Sipe**

S. Todd Sipe  
Assistant Attorney General  
Washington State Attorney General's Office  
800 Fifth Avenue, Suite 2000  
Seattle, WA 98104

**/s/ Zulma Carrasquillo Almena**

Zulma Carrasquillo Almena  
Senior Assistant Attorney  
Diana Jordán-González  
Assistant Attorney  
P.O. Box 7857  
Office of Monopolistic Affairs  
Department of Justice of Puerto Rico  
PO Box 9020192  
San Juan, PR 00902