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Global



10 Takeaways from The Foundation for a Smoke-Free World's 2019 Tax Return

The Foundation for a Smoke-Free World (FSFW) (“the Foundation”) was set up in September 2017. It claims to be an “independent” organization aiming to “accelerate an end to smoking.” Yet its sole source of funding is a pledged amount of nearly \$1 billion from global tobacco corporation Philip Morris International (PMI).

The Foundation filed its latest tax return (for the 2019 calendar year) on May 15, 2020. Here are the top 10 takeaways, based on an initial analysis of the return by the University of Bath’s Tobacco Control Research Group:

- 01** The Foundation remains fully funded by PMI. Although the Foundation claims to be independent, it has no other funder than PMI, the world's largest transnational tobacco company, which gave it another \$80 million in 2019. The fact that PMI remains its sole funder suggests the Foundation has failed to deliver on the claim made at its inception that it would be "[seeking and expects to receive funding from other sources.](#)"
- 02** Despite the Foundation [claiming it is a scientific organization supporting "medical, agricultural and scientific research,"](#) almost one-third (31%, \$24.52 million) of its \$80 million budget went on salaries, PR, legal and other fees. Only around half of its budget (\$41.09 million) was paid out as "grants and contributions."
- 03** As highlighted in [our analysis](#) of the Foundation's previous (2018) tax return, the Foundation still works extensively with PR, legal and media organizations with historical and/or current links to the tobacco industry. These include PR agencies [Ogilvy](#) and [Ruder Finn](#) (who have worked with PMI for decades to help create doubt about tobacco harms); law firm Baker & Hostetler (who [represented PMI](#) in arbitration around the Tobacco Master Settlement Agreement); and *Filter* magazine (an online harm reduction media outlet which, in 2019, [was funded by](#) both PMI and [Altria Client Services](#)).
- 04** The Foundation has been spending huge sums on attempts to find new staff. It spent over \$852,000 on recruitment consultants in 2019, over 11 times more than [its 2018 recruitment spend](#).
- 05** Despite this high fee, the Foundation has suffered vital staff losses and appears to be struggling to retain board members and other key staff. Of the staff it listed in 2019, it has since lost its Chief Operating Officer, two of its board members and two of its highest-paid employees (its VP of Global Operations and VP of Marketing and Communications). This makes a total loss of 10 key staff members since the Foundation was launched.
- 06** The Foundation may be struggling to recruit researchers without previous ties to the tobacco industry. Two of its largest grantees have long histories of working with Philip Morris. CoEHAR, the Foundation's "Center of Excellence for the Acceleration of Harm Reduction," based at the University of Catania in Italy, was founded by [Riccardo Polosa](#) (a researcher awarded a grant by PMI of almost €1 million in 2018 to conduct science on its heated tobacco products). In 2019, the Foundation pledged over \$30 million to CoEHAR (\$8 million as a grant + \$22.9 million "approved for future payment"). Another is the Rose Research Center, founded by [Jed Rose](#) (inventor of the nicotine patch and director of the Center for Nicotine and Smoking Cessation Research at Duke University, which, as of 2012, had received at least \$37 million from Philip Morris). In 2019, the Foundation pledged over \$25 million to the Rose Research Center (\$4.8 million as a grant + \$20.6 million "approved for future payment").

- 07** The Foundation appears to be struggling to recruit researchers from academic institutions. Only one in six of the grantees listed in this tax return (seven out of a total of 45) appear to be based within academic institutions.
- 08** Much of what the Foundation funds under “grants and contributions” is not scientific research, but PR or advocacy. Examples include: funding VIDA News to “increase public awareness of the drivers of smoking harm and the availability of alternatives”; the [International Network of Nicotine Consumer Organisations \(INNCO\)](#) to “promote tobacco harm reduction on the global stage”; and the Conrad Foundation to hold children’s science competitions.
- 09** The Foundation remains less than transparent about its scientific activities. Of the 45 grantees listed in this tax return, 11 are not included on the Foundation’s [own grantee list](#) on its website, although five are listed elsewhere on the website. Some new grantees, working in Malawi and Bangladesh for example, are entirely excluded from mention on the Foundation’s website (only revealed through an analysis of its latest tax return). Equally, several of the grantees fail to disclose their funding from the Foundation.
- 10** Questions should also be asked about the Foundation’s auditors, Ernst & Young. A Swiss subsidiary of the accountancy firm is in line for a grant of \$1.1 million from the Foundation for research on smokers, while the US arm signed off the Foundation’s accounts. Although the US government is [currently](#) modifying certain auditing rules, long standing [guidance](#) from US regulators outlines that “the auditor generally must be *independent for the entire engagement period and the period covered by the financial statements being audited,*” (emphasis added).

For more on FSFW:

[Tobacco Tactics pages on the Foundation for a Smoke-Free World](#)

[“Addiction at Any Cost: Philip Morris International Uncovered”](#)

Analysis of the Foundation’s previous (2018) tax return: [The Philip Morris-funded Foundation for a Smoke-Free World: tax return sheds light on funding activities](#)

[Stopping Tobacco Organizations and Products \(STOP\) industry activity brief: Latest Tax Return Sheds Light on the Philip Morris-funded Foundation for a Smoke-Free World](#)