

**DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
ABSTRACT AND STATEMENT**

NOT IN SUIT

For briefing offers in compromise of liabilities and/or violations incurred under Chapters 32,51,52,53,68, and/or 78 of the Internal Revenue Code, and/or liabilities and/or violations incurred under the Federal Alcohol Administration Act.

1. OFFER SUBMITTED BY (Name and address) Firefly Distillery LLC 6775 Bears Bluff Road Wadmalaw Island, South Carolina 29487	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID/TAD	3. AMOUNT OF OFFER \$250,000
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	5. SYSTEM CONTROL NUMBER(S)
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE
VIOLATIONS: The proponent allegedly (1) failed to obtain approval of formulas prior to blending, mixing, purifying, refining, compounding or treating spirits. The proprietor has approved formulas but is not producing product according to these formulas. This in violation of 27 C.F.R. § 19.348 and 26 U.S.C. §§ 5201, 5555, (2) failed to obtain a Certificate of Label Approval for use on bottles for domestic use. The proprietor's Sea Island Gold Rum and Sea Island Java Rum have back labels which are different from the Certificate of Label Approvals on file. This in repeated violation of 27 C.F.R. § 19.516 and 26 U.S.C. § 5201, (3) inaccurately labeled the producer of a product. The proprietor labels Sweet Tea Bourbon as 'produced and bottled by Firefly Distillery, Wadmalaw Island, SC'. However the proprietor's batch records indicate that Firefly received Sweet Tea Bourbon in 1.75L Bottles. They emptied the 1.75L bottles into a bottling tank and used that to fill the 750ml bottles but performed no actions on the product other than re-bottling. The actual producer of the product is Firefly Distillery in Frankfurt, KY. This is in repeated violation of 27 C.F.R. § 19.518(c) and 26 U.S.C. § 5201, (4) labeled products under the stated proof in several instances. TTB's Compliance Monitoring Lab found that the Firefly Mint Tea Vodka labeled as 35% was 34.79% alcohol by volume, both exceeded the tolerance of 0.15%. This is in violation of 27 C.F.R. § 19.356(c)(3) and 26 U.S.C. §§ 5201, 5301.
 (Violations are continued on a separate piece of paper)


BUSINESS IN WHICH ENGAGED:
 The proponent is a duly qualified Distilled Spirits Plant

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
 The alleged violations took place on or about March. 1, 2010 to June 30, 2012, at the proponent's premises located at 6775 Bears Bluff Road, Wadmalaw Island, SC 29487

AMOUNT AND TERMS OF OFFER:
 The proponent has submitted an offer of \$250,000 in compromise of the above violations incurred under the Federal Alcohol Administration Act. A check in the amount of \$100,000 was received with the original offer and was deposited into the proponent's account and three \$50,000 payments will be made once the offer is accepted.

RECOMMENDATION:
 The Director, National Revenue Center recommends acceptance of the offer. In view of potential litigation hazards, acceptance of this Offer in Compromise, as submitted, is warranted.

9. I have considered the proposition to compromise the liability as charged herein, and, for the reasons embodied in the above abstract and statement, am of the opinion that it will be for the best interest of the United States to ACCEPT REJECT the terms proposed.

	11. DATE 2/12/15
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