

**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 sections 4181 and 4182 and Chapters 51 and 52 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) Inter-Continental Trading USA, Inc. 1601 West Algonquin Road Mount Prospect, Illinois 60056	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID	3. AMOUNT OF OFFER \$1,500,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	
	5. CASE NUMBER [REDACTED]	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 2,271,620.58	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE
VIOLATIONS: The Proponent allegedly: (1) failed to maintain accurate records, file accurate reports and pay federal excise tax for an unexplained shortage of 582,191 pounds of pipe tobacco inventory. This is in violation of 27 C.F.R. §§ 40.41, 40.161, 40.181, 40.202, 40.255 and 26 U.S.C. §§ 5701, and 5703, (2) failed to maintain accurate records, file accurate reports and pay federal excise tax of an unexplained shortage of 14,820,830 sticks of large cigars in inventory in violation of 27 C.F.R §§ 40.41, 40.161, 40.181, 40.202, 40.255 and 26 U.S.C. §§ 5701, and 5703, (3) failed to report production of 34,797.76 pounds of pipe tobacco which was removed in violation of 27 C.F.R §§ 40.26, 40.161 and 26 U.S.C. §§ 5701 and 5703, (4) failed to report production of 6,674,740 sticks of large cigars which were removed in violation of 27 C.F.R §§ 40.26, 40.161 and 26 U.S.C. §§ 5701, and 5703, (5) failed to include all sales of large cigars in record of removals, resulting in underpayment of federal excise tax in violation of 27 C.F.R § 40.184 and 26 U.S.C. §§ 5701, and 5703, (6) failed to pay federal excise tax on pipe tobacco and tubes removed for samples in violation of 27 C.F.R §§ 40.26, 40.161 and 26 U.S.C. § 5701, (7) failed to correctly calculate excise tax on imported cigars by using the purchase price rather than the proper sales price in violation of 27 C.F.R §§ 41.31, 41.39, 41.40 and 40.41 and 26 U.S.C. § 5701.

BUSINESS IN WHICH ENGAGED: Manufacturer of Tobacco Products and Manufacturer of Cigarette Papers and Tubes

DATE OR PERIOD AND LOCATION OF VIOLATIONS: from March 10, 2012 to March 9, 2015 at the proponents premises at 1601 West Algonquin Road, Mount Prospect, Illinois 60056

AMOUNT AND TERMS OF OFFER: The total sum of the Offer is \$1,500,000.00. Of this amount, \$500,000.00 was submitted with the offer and has been deposited into the Proponent's account. The remaining \$1,000,000.00 will be submitted to TTB upon formal acceptance of this offer.

RECOMMENDATION:
 The Director, National Revenue Center recommends acceptance of the offer. Acceptance of this offer is appropriate due to Doubt as to Liability, in light of potential litigation hazards.

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.

10. SIGNATURE AND TITLE [REDACTED] Deputy Asst. Administrator Field Operations	11. DATE Augusta 26, 2016
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