

United States of America)	
In the Matter of the Order to)	Docket No. AF-97,221-AAREV
Show Cause Why Authority to)	
Operate under Manufacturer)	
Of Tobacco Products Permit)	
TP-CA-██████, Issued to Azuma)	
Corporation, 901 F County)	
Road 56, Alturas, California 96101)	
should not be Revoked.)	
Respondent:)	United States Department of the Treasury
)	Alcohol and Tobacco Tax and Trade Bureau
)	
Azuma Corporation)	
901 F County Road 56)	
Alturas, California 96101)	

AMENDED INITIAL DECISION

On or about December 13, 2017, the Deputy Assistant Administrator, Field Operations (DAAFO), of the Alcohol and Tobacco Tax and Trade Bureau (TTB) issued an Order to Show Cause (OTSC) as to why Azuma Corporation’s (Azuma) Manufacturer of Tobacco Products (MTP) permit (TP-CA-██████) should not be revoked.

The Government is represented by Caroline May and Daniel Peralta, Attorneys, Office of Chief Counsel, Alcohol and Tobacco Tax and Trade Bureau.

Pursuant to 26 U.S.C. § 5713 (b)(1)(B) and 27 C.F.R. § 40.332, the DAAFO alleged in the OTSC that Azuma violated the conditions of its MTP permit, issued under Section 5713 of the Internal Revenue Code (IRC) of 1986, as amended, Title 26, United States Code, and its implementing regulations, Title 27, Code of Federal Regulations, Part 40; manufacturer of tobacco products permits being conditioned on the permittee’s compliance with the applicable provisions of 26 U.S.C. Chapter 52, the Federal Water Pollution Control Act, and all applicable regulations made pursuant to law.

Azuma, through counsel, timely filed a request for a formal on the record hearing on December 28, 2017.

A formal, on the record, hearing proceeding was pending before administrative law judge Christine Donelian Coughlin of the Environmental Protection Agency

Azuma and TTB have agreed to a stipulated suspension, in lieu of revocation, pursuant to the terms outlined herein. Therefore, the Secretary of the Treasury makes the following Findings and Decision.

EVIDENCE PRESENTED BY THE GOVERNMENT

1. The following grounds for revocation, specified in pages 2-4 of the Order to Show Cause, dated December 13, 2017 and served on December 14, 2017:
 - I. Azuma failed to seek authorization from TTB to conduct business activities, other than those related to the manufacture of tobacco products, within the factory in violation of 27 C.F.R. § 40.47.
 - II. Azuma failed to utilize its factory premises exclusively for uses authorized under the regulations, in violation of 27 C.F.R. § 40.72.
 - III. Azuma failed to furnish power of attorney for a person signing reports and returns in violation of 27 C.F.R. § 40.68.
 - IV. Azuma failed to comply with minimum manufacturing activity requirements in violation of 27 C.F.R. § 40.256.
2. United States Postal Service Registered Mail No. RR [REDACTED] receipt.
3. An agreement, and addendum thereto, entered into by TTB and Azuma, executed by Darren Rose, admitting that TTB has evidence supporting one or more of the allegations contained in the Order to Show Cause, and agreeing to the imposition of a thirty (30) day suspension.

4. United States Postal Service Registered Mail No. RR [REDACTED] receipt.

FINDINGS OF FACT AND CONCLUSIONS

1. The Respondent was afforded due notice and opportunity for a hearing.
2. The Respondent requested a hearing but subsequently opted to enter into a stipulated suspension agreement with TTB.
3. The Respondent has agreed to withdraw its request for a hearing.
4. The Respondent has admitted that TTB has evidence supporting one or more of the allegations contained in the Order to Show Cause.
5. The Respondent's authority to operate as manufacturer of tobacco products may and should be suspended for a period of thirty (30) days.

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DECISION AND ORDER

Azuma has admitted that TTB has evidence supporting one or more of the allegations contained in the Order to Show Cause. Azuma and the Government have agreed that Azuma's authority to operate as a manufacturer of tobacco products is to be suspended for a period of thirty (30) days. Based on Azuma's withdrawal of its request for hearing, and pursuant to Azuma's agreement with TTB, the DAAFO has authority to enter this decision and order. It is, therefore, decided that the period of suspension will and shall be from April 11, 2020 through May 10, 2020.

**Alcohol, Tobacco Tax and Trade Bureau
United States Department of the Treasury**

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Ronald Hancock
Deputy Assistant Administrator
Field Operations

Dated this 9 day of April, 2020.