

**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) Iowa Beverage Systems, Inc. 2115 NE 58th Avenue Des Moines, Iowa 50313	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID	3. AMOUNT OF OFFER \$325,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) ██████████	
	5. CASE NUMBER	
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ N/A	
	7. TAXPAYER IDENTIFICATION NUMBER ██████████	

8. CHARGE

VIOLATIONS:

1) The Proponent allegedly violated (1) the conditions of Proponent's federal basic permit, (2) provisions of 27 U.S.C. 205(a) and (b), and (3) the regulations promulgated thereunder.

2) In support of such violations, TTB alleges that the Proponent unlawfully:

- Entered into a sponsorship agreement, which in part controlled the distribution of malt beverages at the Iowa State Fair Grandstand during the Iowa State Fair. The investigation revealed that sometime in or around early 2019, IBEV negotiated its sponsorship of the Iowa State Fair Grandstand during the 2019 Iowa State Fair. One feature of the sponsorship agreement was that in exchange for \$100,000, IBEV was guaranteed a certain number of malt beverage "tap handles" at the Iowa State Fair Grandstand. It is TTB's position that IBEV's participation in the agreement to sponsor the Iowa State Fair Grandstand violated the Federal Alcohol Administration (FAA) Act's tied house and exclusive outlet prohibitions in 27 U.S.C. §§ 205(a), (b) and 27 CFR §§ 6.21, 8.21.
- Made payments to another retailer who operated alcohol beverage retail locations on the Iowa State Fairgrounds. The investigation identified payments from IBEV to the retailer in 2017, 2018, and 2019. The payments were made, in part, to guarantee the retailer only purchased IBEV malt beverage products. It is TTB's position that IBEV's payments to the retailer violated the Federal Alcohol Administration (FAA) Act's tied house prohibitions in 27 U.S.C. § 205(b) and 27 CFR § 6.21.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:

The alleged violations occurred between 2017 and 2019.

BUSINESS IN WHICH ENGAGED:

The Proponent is a TTB-permitted wholesaler of alcohol beverages.

AMOUNT AND TERMS OF OFFER:

The Proponent has submitted an offer of \$325,000.00 in compromise of the above alleged violations.

RECOMMENDATIONS:

The Deputy Assistant Administrator for Permitting and Taxation, 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.

10. SIGNATURE AND TITLE Digitally signed by ██████████ Date: 2021.09.03 07:21:21 -0400 Deputy Asst. Administrator Field Operations	11. DATE September 3, 2021
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