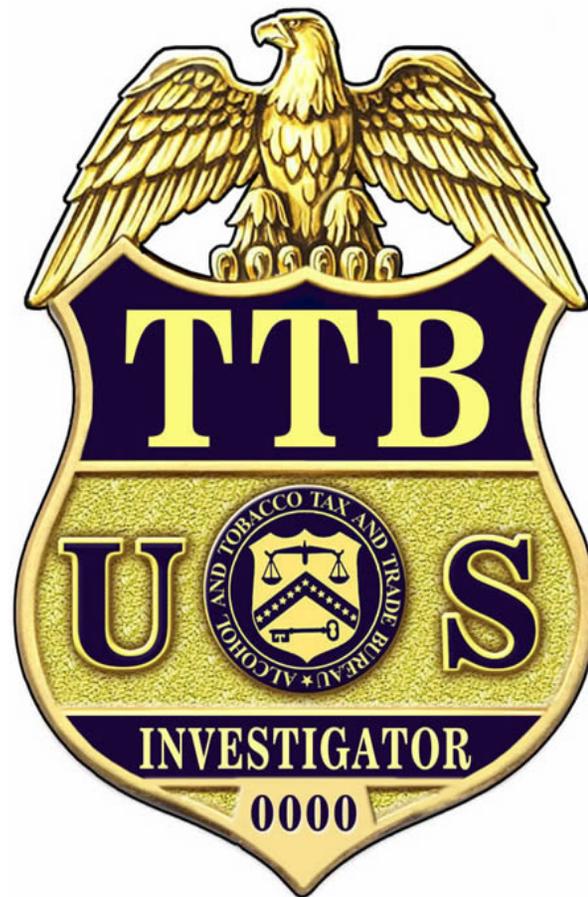
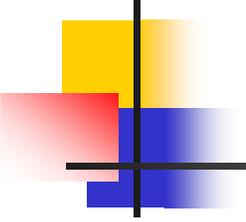


# Field Operations Trade Investigations Division (TID)

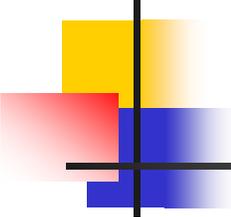




# TTB Mission Statement

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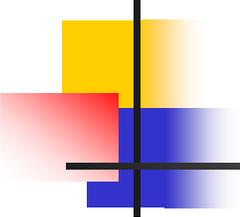
- Collect alcohol, tobacco, firearms and ammunition excise taxes;
- Ensure that alcohol beverages are labeled, advertised and marketed in accordance with the law; and



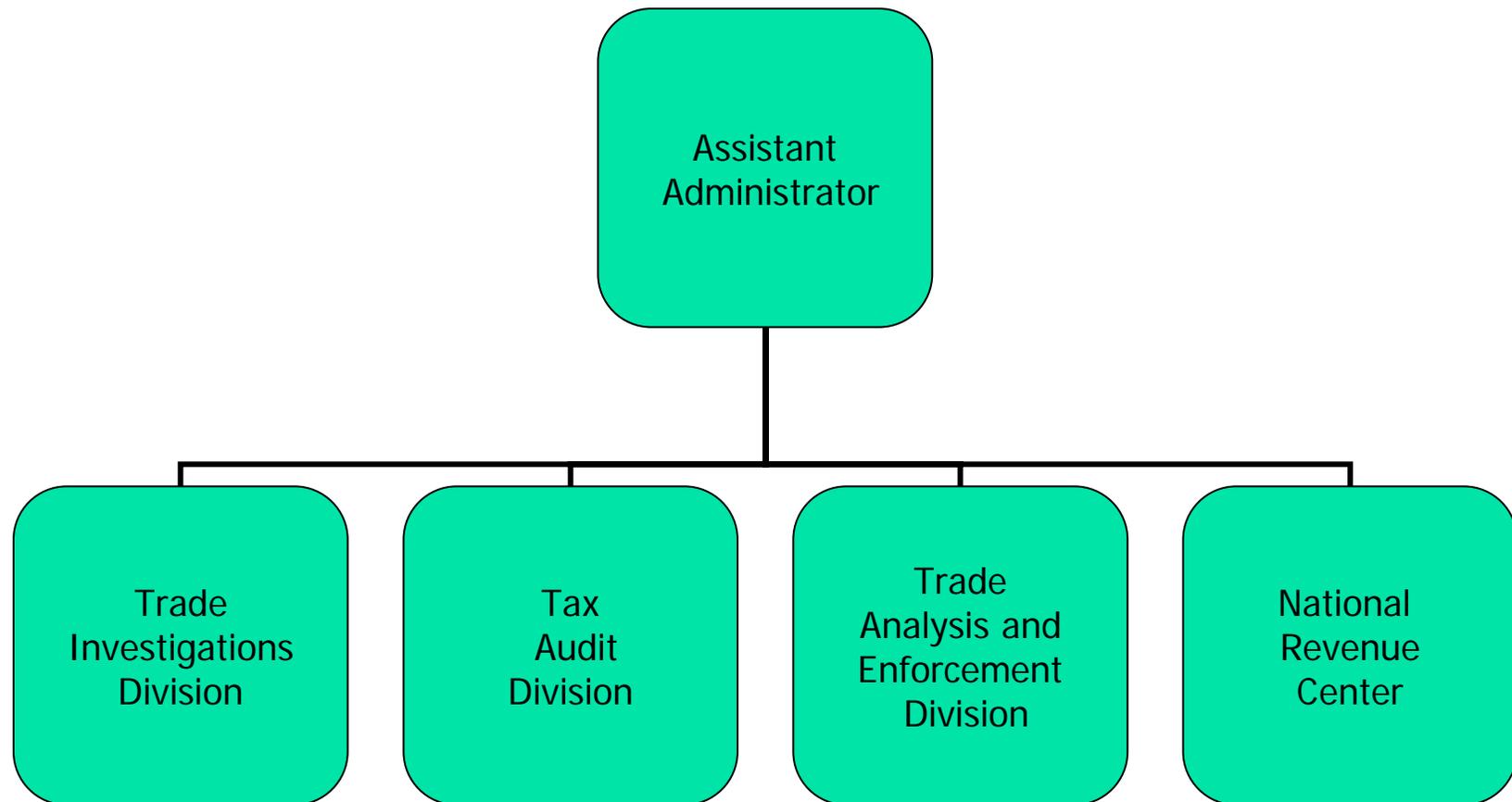
# TTB Mission Statement

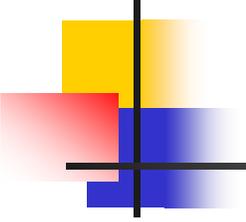
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- Administer laws and regulations in a manner that protects the revenue, protects the consumer, and promotes voluntary compliance.



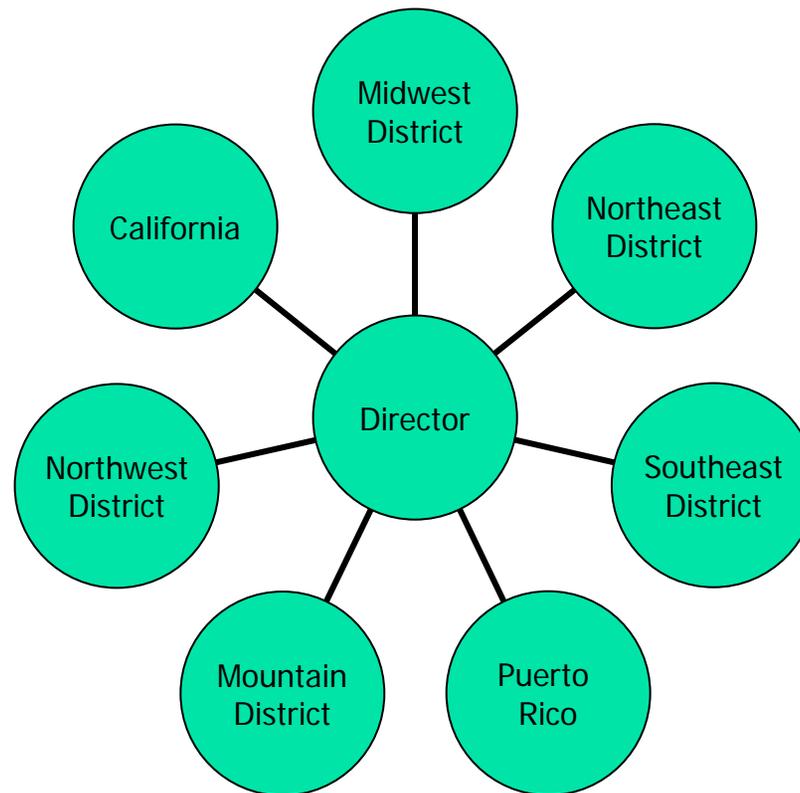
# Field Operations

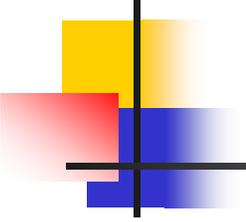




# Trade Investigations Division

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# Current Staffing

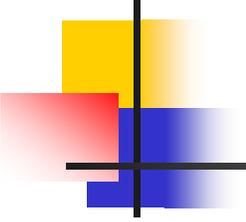
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- **U.S. Mainland**

- 2 HQ Supervisors
- 2 Program Managers
- 6 Field Supervisors
- 6 Support Staff
- 56 Investigators

- **Puerto Rico**

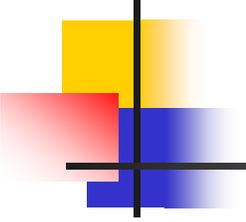
- 1 Field Supervisor
- 1 Support Staff
- 5 Investigators
- 2 Specialists



# Trade Investigations Division (TID)

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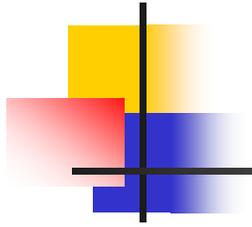
- Responsible for ensuring that only qualified applicants are granted permits to engage in the production and distribution of alcohol and tobacco products;
- Prevent misleading labeling and advertising;



# Trade Investigations Division (TID)

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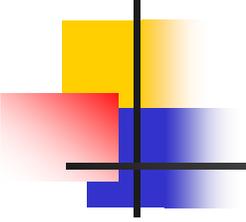
- Respond to credible information suggesting a health related contamination of an alcohol product; and
- Promote voluntary compliance with trade practice regulations.



# Types of TID Investigations

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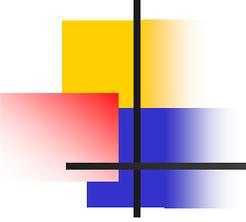
- Application Investigations
- Product Integrity Investigations
- Trade Practice Investigations
- Consumer Complaint Investigations
- Revenue Investigations



# FY 2006 Investigations

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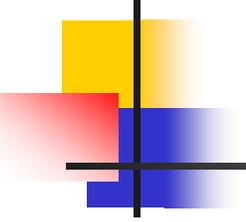
- A total of 1,031 investigations were completed.
  - 473 application investigations
  - 346 product integrity investigations
  - 147 revenue investigations
  - 52 seminars/outreach programs
  - 13 trade practice (mainly market surveys)



# Application Investigations

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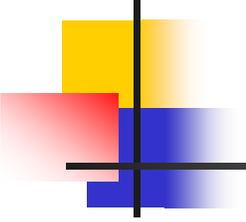
- Determine accuracy of the application.
- Determine if there are any prohibited persons associated with the business.
- Verify the source of invested funds.
- Verify bond payment.
- Explain recordkeeping and tax requirements.



# Product Integrity Investigations

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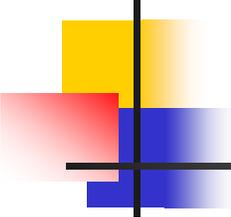
- Verify labels on products to approved Certificates of Label Approvals (COLAs).
- Determine if advertising material is misleading.
- Verify that formulations have been filed and approved for specialty alcohol beverages.



# Product Integrity Investigations

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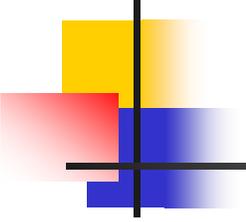
- Determine if the Government Warning Statement is present on all alcohol containers.
- Obtain samples for testing by the TTB Lab. Proof, fill and products produced under a formulation will be verified.



# Trade Practice Investigations

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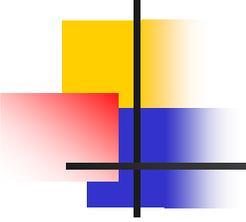
- Exclusive Outlet –requiring a retailer to purchase from a wholesaler/producer.
- Tied House – inducing a retailer to purchase through acquiring interest in the retailer, giving loans or items of value, extending credit for an excessive period of time, etc....



# Trade Practice Investigations

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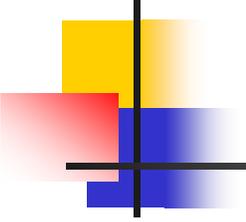
- Commercial Bribery – inducing a trade buyer by bribery or by compensating an employee of the trade buyer.
- Consignment Sales – offering product for sale on consignment with the privilege of return.



# Consumer Complaint Investigations

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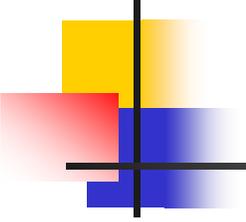
- Conduct interviews with individuals reporting a health complaint.
- Obtain the product in question (if still available) for testing by the TTB Lab.
- Obtain additional samples of the product in question from the store the product was purchased from.



# Consumer Complaint Investigations

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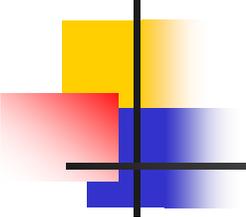
- Conduct a follow-up investigation with the suppliers if warranted.



# Revenue Investigations

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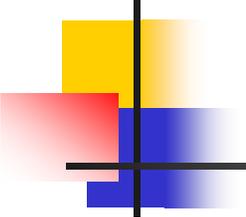
- Usually limited to instances where:
  - Taxes are not timely paid.
  - Monthly reports are not filed.
  - Bond has expired or was cancelled.



# Types of Seminars Conducted by TID

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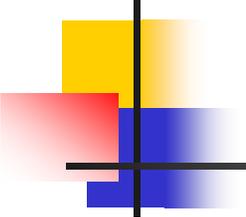
- Industry specific, put on by TTB
  - Wine Seminars
  - Brewery & DSP
  - Wholesaler/Importer
  - Trade Practice
- Joint industry/State ABC
- Training for State ABC officials



# What Other Parts of TTB Does TID Interact With?

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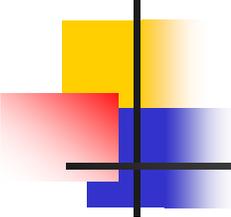
- NRC – Assists TID with applications and permittee history.
- TAD – TID Coordinates product integrity investigations with their audits.
- Regulations – Provides clarification and rulings on TTB regulations.
- ALFD – Assists TID with labeling and advertising investigations.
- Lab – Analyzes alcohol & tobacco products submitted by TID investigators.
- Legal Counsel – Legal guidance to TID investigator inquiries.



# What Other Parts of TTB Does TID Interact With?

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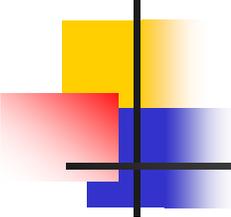
- TAED – Forward field Intel to a centralized unit, follow-up on leads generated from TAED, coordinate asset sharing requests and referrals to U.S. Attorney's Office.



# Working with State Officials

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- Joint investigations on tax, application and labeling issues.
  - 6103 Disclosure Issues
  - MOU/MOA
- Trade practice investigations.
  - Investigator/Time Issues
  - Elements of Proof



# Working with State Officials

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- Webb-Kenyon Act
  - Industry Circular 96-3
  - ATF Ruling 2000-1