



**DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
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) Sebastiani Vineyards 4616 West Turner Road Woodbridge, California 95258	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE San Francisco	3. AMOUNT OF OFFER \$60,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable)	5. SYSTEM CONTROL NUMBER(S) N/A
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$89,347.80	
7. TAXPAYER IDENTIFICATION NUMBER 		
8. CHARGE		

STATEMENT OF FACTS AND VIOLATIONS:

The proponent violated 26 USC sections 5367 and 5369 and the following accompanying regulations: 27 CFR sections 24.270; 24.310; 24.272(c)(3); 24.266; 24.313; 24.308; and 24.300 in that it failed to accurately determine excise tax on the date of removal; failure to record wine removals on a daily basis; failed to maintain proof of an electronic fund transfer as proof of payment; failed to post results of physical inventories and failed to pay tax on unexplained shortages; failed to maintain accurate records of bottled wine; and, failed to record correct information on monthly wine operations reports.

BUSINESS IN WHICH ENGAGED:

Proponent is a bonded winery.

DATE OR PERIOD and LOCATION OF VIOLATIONS:

From approximately January 1, 1999, through June 30, 2000, at proponent's premises located at 4614 West Turner Road, Woodbridge, California.

AMOUNT AND TERMS OF OFFER:

The proponent has submitted an offer of \$60,000 compromise the violations alleged above.

RECOMMENDATION BY CHIEF, NATIONAL REVENUE CENTER:

The Chief, National Revenue Center recommends acceptance of \$60,000.00, as this amount is both commensurate with the nature of the violations, and sufficient to deter recurrence. The proponent has also been cooperative, and has taken action to correct the situation. Sweeping changes were made to internal controls so as to deter future reoccurrence of the violations, including implementing a new computer system. As the proponent winery has been sold and the winery is operated by a new company. Therefore, future compliance is assured.

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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  11. DATE **May 14, 2003**

Vicky McDowell, Deputy Assistant Administrator, Field Operations