

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 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) Boston Beer Company One Design Center Place, Suite 850 Boston, MA 02210	OFFER IN COMPROMISE	
2. ORIGINATING OFFICE TID/TAD	3. AMOUNT OF OFFER \$931,680.00	
4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	5. SYSTEM CONTROL NUMBER(S)	
6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 2,284,225.57		
7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]		

8. CHARGE

VIOLATIONS:

It is the position of TTB that the proponent allegedly manufactured products in violation of 27 C.F.R Section 25.15(b) that exceeded the authorized percentage of alcohol by volume derived from flavoring and other ingredients for malt beverages. As a consequence, the resulting products were classified as distilled spirits products upon which the proponent failed to properly pay the correct amount of excise tax in violation of 26 U.S.C. Sections 5001(a)(1), 5005(a), 5006(c)(2), and 27 C.F.R. Sections 19.21 and 19.24. In addition, TTB alleges that the proponent (1) manufactured products that were not in compliance with approved formulas due to material variances, violations of 27 CFR Sections 25.291 and 25.297; (2) lacked acceptable proof of exportation on several removals of malt beverage products from bonded premises for exportation, violations of 27 CFR Sections 28.43(a)(3), 28.250, 28.251, and 28.252; (3) failed to accurately report keg and case destructions on the Monthly Brewer's Report of Operations (TTB Form 5130.9), a violation of 27 CFR 25.292(a)(14); (4) failed to include all the correct information required on the documents used as the official transfer records, a violation of 27 CFR 25.186; (5) failed to properly retain and store all cellar inventory records, a violation of 27 CFR 25.294(c); (6) failed to sign physical inventory records for the cellar under the penalties of perjury statement, a violation of 27 CFR 25.294(b)(4); (7) failed to accurately report bulk bottling destructions on the Monthly Brewer's Report of Operations, a violation of 27 CFR 25.292(a)(14); (8) failed to fully and properly complete Forms 5130.12, Beer for Exportation, a violation of 27 CFR 28.2, and (9) failed to routinely test the brewery's measuring devices on a periodic basis, a violation of 27 CFR 25.42.

BUSINESS IN WHICH ENGAGED:

The proponent is a duly qualified brewery.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:

On or about January 1, 2006 through September 30, 2007 at 44 St. Paul Street, Rochester, New York 14605.

AMOUNT AND TERMS OF OFFER:

The proponent has submitted an offer of \$931,680.00 in compromise of the above violations incurred under the Internal Revenue Code.

RECOMMENDATION:

The Director, National Revenue Center 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

[REDACTED] ASSISTANT ADMINISTRATOR FIELD OPERATIONS

11. DATE

2/2/09