

**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) William Duncan Thompson Free Spirit Social Club, Inc. 614 1/2 North Rowley Street, Suite B Mitchell, South Dakota 57301 | OFFER IN COMPROMISE | |
| | 2. ORIGINATING OFFICE TID | 3. AMOUNT OF OFFER \$20,000.00 |
| | 4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED] | |
| | 5. CASE NUMBER | |
| | 6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 198,803.79 | |
| | 7. TAXPAYER IDENTIFICATION NUMBER [REDACTED] | |

8. CHARGE

VIOLATIONS:
 The proponent allegedly: [1] conducted business as a manufacturer of tobacco products without a permit to engage in such business in violation of 26 U.S.C. § 5713(a) and 27 C.F.R. § 40.61; [2] failed to obtain a proper bond before manufacturing tobacco products in violation of 26 U.S.C. § 5711(a) and 27 C.F.R. § 40.66; [3] failed to pay excise tax on manufactured small cigarettes in violation of 26 U.S.C. §§ 5701(b)(1) and 5703(a)(1), and 27 C.F.R. §§ 40.23, 40.26 and 40.161; [4] failed to file excise tax returns (TTB F 5000.24) on manufactured tobacco productions removed in violation of 26 U.S.C. § 5703(b) and 27 C.F.R. § 40.162; and [5] failed to pay Special Occupational tax for the 2012, 2013, and 2014 tax years in violation 26 U.S.C. § 5731(a) and 27 C.F.R. §§ 40.31 and 40.32

BUSINESS IN WHICH ENGAGED:
 The proponent operated illegally as a Manufacturer of Tobacco Products

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
 The alleged violations occurred on or about July 6, 2012, through June 30, 2014, at the proponent's premises located at 614 1/2 North Rowley Street, Suite B, Mitchell, South Dakota 57301.

AMOUNT AND TERMS OF OFFER:
 The proponent has submitted an offer of \$20,000.00 in compromise of the above alleged violations incurred under the Internal Revenue Code.

RECOMMENDATION:
 The Director, National Revenue Center, recommends acceptance of the offer. In view of potential litigation hazards, as well as doubt as to liability, acceptance of this Offer in Compromise, 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] Deputy Asst. Administrator Field Operations | 11. DATE October 5, 2016 |
|--|-----------------------------|