

**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) Marine Industrial Specialties Inc. 323 West Brazos Street Freeport, Texas 77541-5717	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID	3. AMOUNT OF OFFER \$114,412.45
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable)	5. SYSTEM CONTROL NUMBER(S)
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 555,599.04	
	7. TAXPAYER IDENTIFICATION NUMBER	

8. CHARGE
VIOLATIONS: The proponent allegedly removed cigarettes from their export warehouse, without payment of tax, for alleged delivery to vessels as supplies. These cigarettes were allegedly not exported and were allegedly diverted for consumption within the jurisdiction of the internal revenue laws of the United States in violation of Title 26 U.S.C § 5751(a)(1), and Title 27 C.F.R § 44.62. The proponent is liable for excise tax on the cigarettes used in accordance with Title 26 U.S.C §§ 5722, 5703, and 5751, and Title 27 C.F.R § 44.67(a). The proponent also allegedly removed cigarettes under bond from their export warehouse, but failed to accurately prepare a notice of removal on Form 5200.14, in violation of Title 26 U.S.C § 5704 and Title 27 C.F.R § 44.198.

BUSINESS IN WHICH ENGAGED:
 The proponent is a duly qualified Export Warehouse.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
 The alleged violations took place on or about Jan. 1, 2013 to Feb. 13, 2013, at the proponent's premises located at 323 West Brazos Street, Freeport, TX 77541-5717.

AMOUNT AND TERMS OF OFFER:
 The proponent has submitted an offer of \$114,412.45 in compromise of the above violations incurred under the Internal Revenue Code. A check in the amount of \$14,412.45 was received with the original offer and was deposited into the proponent's account and a check in the amount of \$100,000 was received from the Surety Company, SureTec Insurance Co. for the full amount of the bond, and was also deposited into the proponents account. Marine Industrial Supply has surrendered its EW permit and has gone OOB.

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.

Deputy Asst. Administrator Field Operations

11. DATE
 February 29, 2016