

**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) Aala Produce Inc. 869 N. Nimitz Hwy Hon, HI 96817	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE TID	3. AMOUNT OF OFFER \$322,374.99
	4. PERMIT, LICENSE, OR REGISTRY NO. (if applicable) [REDACTED]	5. SYSTEM CONTROL NUMBER(S)
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (if applicable) \$ 1,027,938.50	
	7. TAXPAYER IDENTIFICATION NUMBER [REDACTED]	

8. CHARGE

VIOLATIONS:
The proponent allegedly sold tobacco products that were not for direct exportation or for subsequent exportation without payment of tax in violation of 27 CFR 44.61(a), 44.64 and 44.210; proponent allegedly removed tobacco products from the EW without the proper markings in violation of 27 CFR 44.61 and 26 USC 5704(b); proponent allegedly removed tobacco products from the EW other than for delivery to vessels and aircraft, as supplies, for consumption beyond the jurisdiction of the internal revenue laws of the United States in violation of 27 CFR 44.62 and 26 USC 5704; proponent allegedly improperly delivered tax exempt tobacco from the FTZ to the EW and did not provide proper evidence of exportation in violation of 27 CFR 44.66 and 26 USC 5703; proponent allegedly did not report a change in officers or directors to TTB timely in violation of 27 CFR 44.106 and 26 USC 5712; proponent allegedly did not notify TTB of when stock transfer occurred in violation of 27 CFR 44.107 and 26 USC 5712; proponent allegedly did not notify TTB that they moved the EW to a different room than what was shown in diagram on file with TTB in violation of 27 CFR 44.111 and 26 USC 5712; proponent allegedly did not have a sign posted on the EW cage displaying the operating name and permit number and the cage contained items other than tobacco products in violation of 27 CFR 44.141; proponent allegedly re-packaged cases that did not contain a distinguishing number in violation of 27 CFR 44.187 and 26 USC 5704; proponent allegedly improperly marked export only product and falsified form TTB F 5220.4 showing an inventory count that was not accurate in violation of 27 CFR 44.147 and 26 USC 5722; proponent allegedly shipped export only tobacco products into a FTZ and then returned the export only tobacco products to the EW without making an application to the appropriate TTB officer for permission in violation of 27 CFR 44.210 and 26 USC 5704.

BUSINESS IN WHICH ENGAGED:
The proponent operated as an export warehouse proprietor without the required permit.

DATE OR PERIOD AND LOCATION OF VIOLATIONS:
The alleged violations occurred at the proponent's premises located at N. Nimitz Highway Hon, HI 96817 on or around and between April 1, 2013 through April 30, 2016.

AMOUNT AND TERMS OF OFFER:
The proponent has submitted an offer of \$322,374.99 in compromise of the above alleged violations incurred under the Internal Revenue Code.

RECOMMENDATION:
The Director, National Revenue Center, recommends acceptance of the offer.

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 March 22 2019
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