

DEPARTMENT OF THE TREASURY  
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

NOT IN SUIT

**ABSTRACT AND STATEMENT**

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)  Union Carbide Corporation (for World Ethanol Company)  P.O. Box 4393  Houston, Texas 77210-4393	OFFER IN COMPROMISE	
	2. ORIGINATING OFFICE	3. AMOUNT OF OFFER  \$15,000.00
	4. PERMIT, LICENSE, OR REGISTRY NO. (If applicable)  [REDACTED]	5. SYSTEM CONTROL NUMBER(S)  N/A
	6. DOLLAR AMOUNT OF LIABILITY BEING COMPROMISED (If applicable)  \$ approximately \$86,000.00	
7. TAXPAYER IDENTIFICATION NUMBER  [REDACTED]		

8. CHARGE

**VIOLATIONS:** During the period March 2002 through April 2004, the proponent failed to properly comply with the gauging requirements and also failed to accurately compile and maintain the required records related to the removal and transfer of alcohol commodities and therefore allegedly violated Title 26, United States Code Sections 5204(a) and 5207 and the corresponding regulations as follows: (1) Title 27, Code of Federal Regulations, Section 19.21 by failing to pay all federal excise taxes due, (2) 27 CFR 19.25 by failing to properly determine federal excise taxes, (3) 27 CFR 19.92(b)(3) by failing to properly gauge spirits for transfers in bond, (4) 27 CFR 19.93 by failing to make tax determination gauges by weight, (5) 27 CFR 19.273(a)(4) by failing to make tax determination gauges in a scale tank, (6) 27 CFR 19.273(b)(1) by failing to have the scale tank calibrated in proper increments, (7) 27 CFR 19.277(c) by making tax determination gauges by meter without proper authority, (8) 27 CFR 19.508(a)(1) by failing to properly make transfers in bond, (9) 27 CFR 19.515(a) by failing to properly determine and pay federal excise taxes, (10) 27 CFR 517(b) by failing to make proper tax determination gauges, (11) 27 CFR 19.522(a) by failing to include all taxes due on ATF Form 5000.24, Excise Tax Return, (12) 27 CFR 19.731(b)(2)(iii)(A) by failing to maintain daily records that allow TTB to trace the movement of spirits in each operation, (13) 27 CFR 19.731(b)(2)(iii)(B) by failing to maintain daily records that enable TTB to verify tax determinations, (14) 27 CFR 19.731(b)(2)(iii)(C) by failing to maintain daily records that enable TTB to ascertain whether there is compliance with laws and regulations, (15) 27 CFR 19.761, by failing to maintain proper records of tax determination, (16) 27 CFR 19.770 by failing to maintain proper records for transfers in bond, (17) 27 CFR 19.780 by failing to prepare and maintain proper records for the transfer of spirits to manufacturers of nonbeverage products, (18) 27 CFR 19.792 by failing to make proper entries on the ATF Form 5110.11, Monthly Report of Storage Operations, (19) 27 CFR 30.36 by failing to make tax determination gauges by weight, and (20) 27 CFR 30.41 by failing to make tax determination gauges in a scale tank.

**BUSINESS IN WHICH ENGAGED:** Proponent is a duly qualified distilled spirits plant.

**DATE OR PERIOD AND LOCATION OF VIOLATIONS:**

From March 2002 through April 2004, at proponent's premises located at 3301 Fifth Avenue South, Texas City, Texas.

**AMOUNT AND TERMS OF OFFER:**

The proponent has submitted an offer of \$15,000.00 for recordkeeping violations.

**RECOMMENDATION BY DEPUTY ASSISTANT ADMINISTRATOR:**

The Deputy Assistant Administrator, Field Operations recommends acceptance of \$15,000.00 as this amount is commensurate with the violations. In view of doubt as to the amount of liability and hazards of litigation, acceptance of this Offer in Compromise as submitted is warranted.

(Continued on page(s) )

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 <input checked="" type="checkbox"/> ACCEPT <input type="checkbox"/> REJECT the terms proposed.	
10. SIGNATURE AND TITLE  Deputy Assistant Administrator, Field Operations	11. DATE  2/22/06