



News Release



Contact: ATF Special Agent Joseph Green
(646) 335-9012
TTB – Thomas Hogue
(202) 453-2134

For Immediate Release
July 5, 2011

ATF and TTB Accept \$1.25 Million Cigarette Settlement *St. Regis Mohawk Company Obtains Federal Permits*

NEW YORK – Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Special Agent in Charge New York Field Division Ronald B. Turk and Thomas Crone, Assistant Administrator for Field Operations for the U.S. Treasury Department's Tax and Trade Bureau (TTB) announce that Jacobs Manufacturing an unlicensed cigarette manufacturer on the New York St. Regis Mohawk Indian Reservation, has agreed to forfeit \$1.25 million dollars to ATF for prior violations of the Contraband Cigarette Trafficking Act (CCTA) and additionally has agreed to come into compliance with all applicable federal statutes and regulations. Jacobs will also have to pay all required cigarette taxes under the Internal Revenue Code of 1986 (IRC) and has agreed not to illegally operate a cigarette internet site in violation of the Prevent All Cigarette Trafficking Act (PACT) Act. TTB, which investigated the case along with ATF, has agreed to issue a tobacco manufacturing permit to Jacobs.

As a part of the settlement agreement, Jacobs denied violating any laws or regulations.

Jacobs is the fourth cigarette manufacturer on the St. Regis Mohawk Indian Reservation to resolve past violations of the CCTA and the IRC with ATF and TTB. In 2006, Native Trading Inc. became the first St. Regis manufacturer to enter into an agreement resulting in a \$2 million forfeiture to ATF. In 2010 Tarbell, became the second manufacturer to voluntarily come into compliance with Federal law and forfeited \$1.75 million dollars to ATF. Earlier this year, King Enterprises agreed to voluntarily cease illegally manufacturing activities and forfeited \$200,000.

There are still several unlicensed cigarette manufacturers on the St. Regis Mohawk reservation, which straddles the United States/Canada border. These illegal operations continue to be a source of illegally manufactured cigarettes which are distributed without payment of tax in both countries. ATF Special Agent in Charge Turk and TTB Assistant Administrator Crone commend Jacobs for voluntarily coming into compliance with Federal cigarette law and also reaffirm that their agencies will continue to work together and in conjunction with the United States Attorney's Office for the Northern District of New York to eliminate the manufacture and distribution of untaxed cigarettes.

For more information about TTB visit the TTB website at www.ttb.gov.
For more information about ATF visit the ATF web site at www.atf.gov.