



January 4, 2018

City Tobacco Licensing Division
375 Jackson Street; #220
St Paul, MN 55101

Seized Cigarette/Tobacco Product

The Minnesota Department of Revenue recently seized cigarette and/or tobacco products as contraband under Minnesota Statute 297F.21 from a business located in your jurisdiction. Because all time periods for judicially challenging the seizure have expired, the property has been forfeited to the State.

Attached you will find a copy of our Seizure Notice, Form M21. The notice lists the products we seized.

Why are you contacting me?

We are providing you information about our seizure of tobacco contraband so you may take any action against the city/county license as appropriate.

Contact me if you have any questions.

Sincerely,

Steve Johnson
Compliance Coordinator
Phone: 651-556-3878
Email: steve.johnson@state.mn.us

Supervisor Contact Information:
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October 23, 2017

ID: XX-XXX8439
Letter ID: L1215391936
Notice Date: October 23, 2017

NEW HOPE MARKET LLC
1132 PAYNE AVE
SAINT PAUL MN 55130-3722

Notice of Seized Contraband

Seized Date and Time: 19-Oct-2017 4pm
Seized by: Steve Johnson & Garrett Larson
Seizure Location: 1132 Payne Ave, St Paul, MN
Seized From: New Hope Market

The Minnesota Department of Revenue seized the following property as contraband under the authority granted to the commissioner of revenue (Minnesota Statutes Chapter 297F.21)

Quantity	Unit	Product Description
26	boxes	Black & Mild Singles \$.99
13	boxes	Black & Mild Singles - Jazz \$.99
9	boxes	Dutch Masters - Java Fusion 30 2 packs - 2/\$.99
1	box	Dutch Masters - Berry Fusion - 30 2 packs - 2/\$.99
1	box	Dutch Masters - Honey Fusion - 30 2 packs - 2/\$.99
28	packs	White Owl Sweets - 2 packs
27	packs	Swisher Sweet - Sweets
5	singles	Black & Mild - Wood Tip - Jazz
22	singles	Black & Mild - Plastic Tip - Jazz
19	singles	Black & Mild - Plastic Tip - Casino
14	packs	Garcia Vega 3/2
17	packs	Swisher Sweet - 5 packs - Cigareillos
12	packs	Swisher Sweet - 12 packs - B1G1
8	singles	Swisher Sweet - Mini Cigarillos
4	singles	Swisher Sweet - Cigarillos
7	packs	Black & Mild Wine - 5 packs - Original
1	single	Black & Mild Wine
5	packs	Black & Mild - Wood Tip
1	single	Black & Mild - Wood Tip

7 packs	Golden Harvest - Green - 1 oz.
4 packs	Dutch Masters - Java Fusion
6 packs	Dutch Masters - Honey Fusion
2 packs	Dutch Masters - Berry Fusion
9 singles	Backwoods - Sweet
1 box	Backwoods - Sweet - Singles
19 packs	Backwoods - Wild & Mild - 5 packs
2 boxes	Backwoods Original - 24 singles
2 rolls	Grizzly Long Cut - Winteregreen - rolls of 5

The property listed was seized as contraband under the authority granted in M.S. 297F. The specific section of the law under which this property is declared to be contraband is M.S. 297F.21, which state(s).

Subdivision 1. Contraband defined. The following are declared to be contraband and therefore subject to civil and criminal penalties under this chapter

Cigarette/Tobacco 297F.21

(i) Tobacco products on which the tax has not been paid by a licensed distributor.

What must I do?

You must request a judicial review of this seized property within 60 days of the Notice Date. If you do not, the property that we seized will become property of the state of Minnesota.

How do I demand a judicial review?

1. File a civil complaint with the court administrator in the county where the seizure occurred.
2. Include proof that you served a copy of the complaint on the Department of Revenue.
3. List your name as "plaintiff" and the seized property as "defendant" in the title of the complaint.
4. State the grounds on which you allege the property was improperly seized and what your ownership interest is in the property.

You do not have to pay the court filing fee if it is determined you cannot afford the fee. If the value of the seized property is \$10,000 or less, you can file an action in conciliation court to recover the property. If the value of the seized property is less than \$500, you do not have to pay the conciliation court filing fee.

October 23, 2017
Page 3

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Steven Johnson
Revenue Tax Specialist
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Fax: 651-282-3933

Retail Inspection Log

Taxpayer Name New Hope Market	Was this inspection assigned? No
Date of Inspection 10/19/2017	Minnesota ID # 5192697
Arrival Time @ Business 245pm	Departure Time from Business 4pm
Time Invoices Requested 245pm	Time Invoices Provided 330pm
Clerk(s) Name(s)	Owner(s) Name(s) Jawad K Al-Maliki
Was there a seizure? Yes	Estimated Value of Seizure \$
Auditor(s) @ Retail Inspection Site RTS Johnson & RTS Larson	Was a Stamp Reader Used? No

Notes:

RTS Steve Johnson and RTS Garrett Larson entered the business, introduced ourselves to the store clerk, as Minnesota Department of Revenue employees, and stated we would be conducting a cigarette/tobacco inspection.

We provided the establishment with:

Fact Sheet #1 - "Random Compliance Checks of Cigarette and Tobacco Retailers"

Fact Sheet #2 - "License Requirements for Retailers"

Postcard - "Do you suspect tobacco smuggling?"

Did the employee have any questions? The employee stated they do not sell tobacco products at this store, but we did see tobacco product boxes behind the counter.

Did we ask to see the tobacco license and document all license information on the CT105? Yes, we did ask to see the license, but the location does not have a City of St Paul Tobacco license

Did we request from the store employee access to behind the sales counter and all storage areas? Yes

We continued our inspection of the business and found a number of boxes containing tobacco products behind the sales counter. We also inspected cabinet drawers and found additional tobacco products and cigarettes.

We asked the sales associate why they had so much tobacco product in the store if they do not sell tobacco. He stated they do not sell tobacco in the store because the City of St Paul has not issued a license.

I am guessing that 90% of the customers that came into the store were looking for tobacco products. We also observed a number of empty tobacco and cigarette cartons in the trash behind the sales counter.

At this point, the store employee called the owner of the store and the owner arrived about 45 minutes later. The owner stated he has been purchasing some tobacco product for when the city issues them a license they will have tobacco on hand to sell. The store has been purchasing tobacco from Golden Valley and Sam's Club.

We reviewed the invoices the storeowner had and found invoices for all cigarettes purchased from Sam's Club, but were only able to find invoices for a few tobacco products that were purchased from Golden Valley the prior day on October 18, 2017.

After we did not find the appropriate invoices for the tobacco on hand, we conducted a seizure of said tobacco. The owner stated several times the tobacco that did not have invoices was from the prior owner.

If there was a seizure - Were the appeal Rights explained to the taxpayer? Yes