

Department of Health and Human Services

DEPARTMENTAL APPEALS BOARD

Civil Remedies Division

Center for Tobacco Products,

Complainant,

v.

Khalsa Enterprises LLC d/b/a Crown Fried Chicken,

Respondent.

Docket No. C-13-814
FDA Docket No. FDA-2013-H-0629

Decision No. CR2882

Date: July 31, 2013

INITIAL DECISION AND DEFAULT JUDGMENT

The Center for Tobacco Products (CTP) initiated the above-captioned matter when it filed an Administrative Complaint for Civil Money Penalties (Complaint) with the Departmental Appeals Board, Civil Remedies Division (CRD) and the Food and Drug Administration's (FDA) Division of Dockets Management. CTP seeks to impose civil money penalties under the Federal Food, Drug, and Cosmetic Act (Act) and the Act's implementing regulations.

The Complaint alleges the following facts. Respondent owns an establishment located at 1385 Springfield Avenue, Irvington, New Jersey 07111, that does business under the name Crown Fried Chicken, and that sells tobacco products. Complaint ¶ 3. CTP conducted two inspections of the establishment. Complaint ¶ 9. During an August 6, 2012 inspection, an FDA-commissioned inspector observed that Respondent:

[Sold] tobacco products to a minor, in violation of 21 C.F.R. § 1140.14(a); [and] [failed] to verify the age of a person purchasing tobacco products by means of photographic identification containing the bearer's date of birth, as required by 21 C.F.R. § 1140.14(b)(1).

Complaint ¶ 10.

On October 18, 2012, CTP issued a warning letter to Respondent specifying the violations that the inspector observed. Complaint ¶ 10. The letter warned Respondent that if it failed to correct the violations, civil money penalties could be imposed on it and that it was Respondent's responsibility to ensure compliance with the law. Complaint ¶ 10. CTP did not receive a response to the warning letter. Complaint ¶ 11.

During a subsequent inspection, an FDA-commissioned inspector documented that "a person younger than 18 years of age was able to purchase a package of Newport Box 100s on March 2, 2013, at approximately 4:46 PM ET." Complaint ¶ 1. The inspector also documented that "the minor's identification was not verified before the sale . . . on March 2, 2013, at approximately 4:46 PM ET." Complaint ¶ 1.

In compliance with 21 C.F.R. §§ 17.5 and 17.7, CTP served Respondent with the Complaint on June 3, 2013, via United Parcel Service. CTP charged Respondent with violating 21 C.F.R. § 1140.14(a) (sale of tobacco products to a minor) and 21 C.F.R. § 1140.14(b)(1) (failure to verify the age of a person purchasing tobacco products by means of photographic identification containing the bearer's date of birth). Complaint ¶¶ 1, 10. CTP asked the CRD to impose a \$500 civil money penalty based on three alleged violations of the regulations in a 24-month period. Complaint ¶ 13.

The Complaint provided detailed instructions related to filing an answer and requesting an extension of time to file an answer. Complaint ¶¶ 14-18, 20-22. The Complaint stated that failure to file an answer could result in the imposition of a civil money penalty against Respondent. Complaint ¶ 19. Respondent neither filed an answer nor requested an extension of time within the 30-day time period prescribed in 21 C.F.R. § 17.9.

If a respondent does not file an answer within 30 days of a properly served complaint, the regulations provide that:

the presiding officer shall assume the facts alleged in the complaint to be true, and, if such facts establish liability under the relevant statute, the presiding officer shall issue an initial decision within 30 days of the time the answer was due, imposing:

- (1) The maximum amount of penalties provided for by law for the violations alleged; or

