

Department of Health and Human Services

DEPARTMENTAL APPEALS BOARD

Civil Remedies Division

Center for Tobacco Products,

Complainant,

v.

KSD Petroleum, LLC, d/b/a Cool Valley BP,

Respondent.

Docket No. C-12-803
FDA Docket No. FDA-2012-H-0574

Decision No. CR2591

Date: August 16, 2012

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 and the Food and Drug Administration (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 in St. Louis, Missouri that sells tobacco products. Complaint ¶ 2. CTP conducted two inspections of the establishment. Complaint ¶ 8. During an August 24, 2011 inspection, an FDA-commissioned inspector observed that Respondent:

[Sold] cigarettes or smokeless tobacco products to a person younger than 18 years of age . . . [and] fail[ed] to verify by means of photographic identification, containing the bearer's date of birth, that no person purchasing cigarettes or smokeless tobacco is younger than 18 years of age.

Complaint ¶ 10.

In a November 17, 2011 warning letter, CTP informed Respondent of the violations that the inspector observed and warned Respondent that a failure to correct the violations could result in the imposition of civil money penalties. Complaint ¶ 10. CTP did not receive a response to the warning letter; however, on May 23, 2012, CTP confirmed that Respondent received the warning letter. Complaint ¶ 11.

During a follow-up inspection, an FDA-commissioned inspector documented that “a person younger than 18 years of age was able to purchase a package of Marlboro cigarettes on February 8, 2012, at approximately 7:05 PM CST.” Complaint ¶ 9.

In compliance with 21 C.F.R. §§ 17.5 and 17.7, CTP served Respondent with the Complaint on June 13, 2012, 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, 9, 10. CTP requested a \$250 civil money penalty based on two alleged violations of the regulations in a 12-month period. Complaint ¶ 13.

The cover letter to the Complaint and the Complaint provided detailed instructions related to filing an answer and requesting an extension of time to file an answer. The letter and Complaint stated that failure to file an answer could result in the imposition of a civil money penalty against Respondent. 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 (2) The amount asked for in the complaint, whichever amount is smaller.

