



Department of Justice

**United States Attorney Melinda Haag
Northern District of California**

FOR IMMEDIATE RELEASE

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CONTACT: JACK GILLUND

(415) 436-6599

Jack.Gillund@usdoj.gov

OWNER OF MONTEREY WINE SERVICES CHARGED IN 11 COUNT INDICTMENT

Failed to Pay More Than \$580,000 of Tax on Wine

SAN JOSE, Calif. – Brenda Jo Kibbee, 41 of Salinas, Calif., was arrested this morning and arraigned in federal court on 11 counts of failure to pay federal excise tax on wine, United States Attorney Melinda Haag, Assistant Attorney General of the Justice Department's Tax Division Kathryn Keneally, Alcohol and Tobacco Tax and Trade Bureau Assistant Administrator for Field Operations Thomas Crone, and IRS Criminal Investigation Special Agent in Charge Marcus Williams announced.

According to the indictment, Kibbee owned and operated Monterey Wine Services, a bonded wine cellar. Between August 29, 2008 and January 14, 2009, Kibbee was required to pay excise tax to the Alcohol and Tobacco Tax and Trade Bureau on wine removed for sale or consumption. Kibbee intentionally failed to pay the excise tax due in the amount of \$581,177.

The maximum penalty for failure to pay tax on wine, in violation of Title 26, United States Code 5661(a), is five years in prison and a fine of \$250,000 or 2 times the gross gain or loss. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Matthew J. Kluge, Trial Attorney with the United States Department of Justice, and Assistant United States Attorney Thomas Moore are prosecuting the case with the assistance of Kathy Tat. The prosecution is the result of an investigation by the Alcohol and Tobacco Tax and Trade Bureau and the Internal Revenue Service, Criminal Investigation.

The Alcohol and Tobacco Tax and Trade Bureau enforces those provisions of the Internal Revenue Code of 1986 associated with the collection of excise taxes on alcohol, tobacco, firearms, and ammunition. TTB also enforces the Federal Alcohol Administration Act, the Alcoholic Labeling Act of 1988, and the Webb-Kenyon Act, which restrict the production, sale, and distribution of alcohol beverages.

Please note, an indictment contains only allegations against an individual and, as with all defendants, must be presumed innocent unless and until proven guilty.

Further Information:

Case #: CR-12-00701-DJJ

A copy of this press release may be found on the U.S. Attorney's Office's Web site at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's Web site at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at Jack.Gillund@usdoj.gov.