

Where such firm qualifies for the exemption in § 723.405 of this part, the firm is only required to report such tobacco received for storage that does not belong to such firm.

17. Revise § 723.412 to read as follows:

§ 723.412 Separate records and reports from persons engaged in tobacco related businesses.

Any person who is required to keep any record or make any report as a warehouse operator, receiving station official, dealer, trucker, or as a person engaged in the hauling, processing, or storage of tobacco and who is engaged in more than one such business, shall keep such records as will enable such person to make separate reports for each such business in which such person is engaged to the same extent for each such business as if the person were engaged in no other business.

18. In § 723.414 revise the section title and paragraphs (a)(2) introductory text, (a)(2)(i), (a)(2)(ii), (b), and (c) to read as follows:

§ 723.414 Failure to keep records and make reports or making false reports or records.

(a) * * *

(2) *Failure to obtain producer marketing card or sale memo.* The failure of any dealer, receiving station official, or warehouse operator to obtain either of the following shall constitute a failure to make a report:

(i) Producer's marketing card, MQ-76, MQ-76-C, or MQ-77, to identify a sale of producer tobacco, or

(ii) Dealer identification card, MQ-79-2, to cover a resale of tobacco.

(b) *False representation—warehouse operators, receiving station officials, dealers, and processors.* The monetary penalties described in this part are in addition to penalties prescribed by other criminal statutes including 18 U.S.C. 231, which provides for a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both, for a person convicted of knowingly and willingly committing such acts as making a false acreage report, altering a marketing card, falsely identifying tobacco or buying and selling unused "103 percent of quota poundage" on marketing cards.

(c) *Misrepresentation and scheme or device.* A warehouse operator, receiving station official, or dealer who is determined by FSA to have knowingly done one or more of the following, shall pay a marketing quota penalty as prescribed in this part:

(1) Adopted any scheme or device which tends to defeat the purpose of the tobacco program;

(2) Made any fraudulent representation;

(3) Misused a MQ-76, MQ-76-C or MQ-79-2; or

(4) Sold excess tobacco.

19. Add § 723.417 to read as follows:

§ 723.417 Receiving station official's records and reports.

(a) *Report on Form MQ-78-C, Tobacco Receiving Station Registration.* Each receiving station official shall annually, prior to the beginning of the marketing year, furnish the Director, TPD an executed Form MQ-78-C showing:

(1) Form of business organization, buying company name, street address, including city, state and zip code;

(2) Names, street addresses and phone numbers of receiving station official and bookkeeper;

(3) Names, physical addresses and phone numbers of receiving station officials having financial interests in other dealer operations, auction warehouses and other receiving stations; and

(4) Names, addresses and phone numbers of custodians of receiving station records and their locations.

(b) *Separate records and reports.* Each receiving station official shall keep the records and make the reports separately for each quota kind of tobacco as provided in this section.

(c) *Record of marketing.* Each receiving station official shall:

(1) For non-auction receiving station purchases, keep such records as will enable the receiving station official as applicable, to furnish the following information to FSA with respect to each purchase of tobacco made at such receiving station:

(i) The name of the operator of the farm on which the tobacco was produced, including farm serial number, state and county code and the name of the producer, in the case of a sale by a producer;

(ii) Date of purchase;

(iii) Number of pounds purchased; and

(iv) Amount of any penalty.

(2) Reserved.

(d) *Tobacco sale bill for burley and flue-cured tobacco.*

(1) Each receiving station shall use tobacco sale bills furnished at the receiving station's expense showing, as a minimum, the following information:

(i) Tobacco sale bill number;

(ii) Registration number assigned to the receiving station by the Department;

(iii) Name and street address of receiving station where purchase occurred;

(iv) The identification of other producers having an interest in the tobacco;

(v) Date of purchase;

(vi) Number of pounds in each lot;

(vii) Name and address of producer;

(viii) Farm number (including State and county codes) for producer tobacco;

(ix) Poundage balance before purchase for producer tobacco based on 103 percent of farm quota;

(x) Gross number of pounds purchased and balance available for sale after purchase;

(xi) Sale price for each lot and gross purchase price for all lots sold;

(xii) Marketing quota penalty collected; and

(xiii) Amount withheld from purchase price to cover liens due the United States.

(2) At the end of each purchase day, the tobacco sales bills shall be sorted and filed in numerical order by purchase date, and lot tickets shall be filed in an orderly manner by sale dates and by numerical order.

(e) *Identification of tobacco for marketing.*

(1) *Marketing card.* Each marketing of tobacco from a farm in any State for which a farm marketing quota has been established for any kind of tobacco shall be identified by a marketing card (MQ-76-C) issued for the farm on which such tobacco was produced (unless prior to the marketing of such tobacco an Agricultural Marketing Service inspection certification is obtained showing that the tobacco offered for sale is a kind of tobacco not subject to marketing quotas).

(2) *Recording farm identification.* For burley and flue-cured tobacco, at the time the tobacco is staged to be weighed, the receiving station official shall affix a lot ticket containing the operator's name, address, the farm serial number (including the state and county codes) from the marketing card (MQ-76-C) for the farm from which the tobacco is marketed and a unique lot ticket number assigned by the receiving station to the lot of tobacco, provided:

(i) The receiving station official, in order to facilitate scheduling, may stage producer tobacco one purchase day prior to purchase; and

(ii) The receiving station official shall record the unique lot ticket number, the farm serial number (including state and county codes), and the weight of tobacco on the sales bill for the farm at the time of weighing. The price and grade shall be entered at the time of purchase.

(3) *Return of marketing card.* For tobacco that is to be purchased by the receiving station, the receiving station