



Mid Pacific Distributors, Inc.  
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## FOR IMMEDIATE RELEASE

BARRIGADA, GUAM (July 26, 2018): John T. Calvo, President and General Manager of Mid Pac, stated that the accusations by Speaker B.J. Cruz and Michael San Nicolas that Mid Pac has been engaged in cigarette smuggling and tax evasion are baseless. Mid Pac has been an authorized and licensed distributor of tobacco and other products on Guam for decades. The claim that Mid Pac diverts or smuggles shipments of cigarettes to or out of Guam is entirely false. On the contrary, as a licensed distributor Mid Pac has sought to prevent the unlawful importation and sale of cigarettes by unlicensed persons on Guam without the payment of any taxes.

Mid Pac is a local Guam company which has been in business for over 70 years and established itself as a reputable company that operates with integrity. Mid Pac's financial statements are audited annually and it pays millions of dollars in taxes every year. Last year Mid Pac discovered issues with its reconciliation of tobacco taxes and unilaterally brought the matter to the attention of the Department of Revenue and Taxation ("DRT").

As a result of Mid Pac's voluntary notice, DRT reviewed the situation, assessed Mid Pac for additional taxes, and then agreed to an installment plan involving substantial initial payments as well as monthly payments in addition to Mid Pac's regular on-going monthly excise tax payments.

Calvo stated: "The inadvertent underpayment of excise taxes was unfortunate but did not involve any diversion of product from our bonded warehouse facility which is under the oversight of DRT. When Mid Pac discovered the problem we immediately brought the matter to DRT's attention and agreed to a payment plan pursuant to standard DRT procedures. Mid Pac pays millions of dollars in much needed tax revenues to the Government in addition to employing hundreds of employees." Calvo went on to say that, "I understand that we are in the height of political season but the mean spirited and baseless assault is really unmerited. Mid Pac is meeting all its tax obligations, and accounting for every cigarette it imports and distributes, and will continue to be a significant contributor to our island economy."

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