

NEW YORK STATE LIQUOR AUTHORITY

ANNUAL REPORT 2008

DAVID A. PATERSON
GOVERNOR

DANIEL B. BOYLE
CHAIRMAN

JEANIQUE GREENE
COMMISSIONER

NOREEN HEALEY
COMMISSIONER



NEW YORK STATE
LIQUOR
AUTHORITY

DIVISION OF ALCOHOLIC
BEVERAGE CONTROL

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STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF ALCOHOLIC BEVERAGE CONTROL
STATE LIQUOR AUTHORITY

80 S. Swan Street
Albany, New York 12210

317 Lenox Avenue
New York, New York 10027

535 Washington Street
Buffalo, New York 14203

www.abc.state.ny.us

Dear Governor Paterson and Members of the Legislature:

On behalf of the Division of Alcoholic Beverage Control, the 2008 Annual report of the New York State Liquor Authority (SLA) is hereby submitted. This report presents comprehensive information and statistical data on the agency’s activities over the past year.

The SLA is responsible for issuing licenses and ensuring licensees comply with the Alcoholic Beverage Control Law (ABC Law). In order to carry out these functions, the SLA works cooperatively with licensees, local law enforcement agencies, community groups, and other statewide partnerships to ensure the protection of public health and safety and efficiently regulate the industry in a fair and consistent manner.

The State Liquor Authority continues to utilize agency resources to serve both licensees and the citizens of New York State. In 2008, the SLA regulated over 70,000 licenses and permits statewide and issued 5,071 new licenses, processed 4,896 license changes, and issued 31,156 permits. In addition, our Enforcement Bureau conducted over 4,000 investigations and our Hearing Bureau presided over 1,000 cases.

As Chairman of the SLA over the past three years, I am proud of all of the work we have accomplished together, and it is with sincere appreciation that I commend the commitment and professionalism of the hardworking staff of the SLA. As always, we welcome your comments and suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel B. Boyle". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Daniel B. Boyle
Chairman

HISTORICAL OVERVIEW

On December 5, 1933, President Franklin Delano Roosevelt signed Presidential Proclamation 2,065, officially declaring the 18th Amendment to the U.S. Constitution replaced by the 21st Amendment. The 21st Amendment to the United States Constitution repealed Prohibition in 1933 and gave each state the power to regulate the trafficking of alcoholic beverages within its borders. Chapter 180 of the Laws of 1933 provided for the manufacture of malt beverages and wine not exceeding 3.2 percent alcohol content under the guidance of an Alcoholic Beverage Control Board.

In 1934, New York State enacted Chapter 478, known as the Alcoholic Beverage Control Law, creating the State Liquor Authority and the Division of Alcoholic Beverage Control. The State Liquor Authority’s first Annual Report noted that Chapter 478 was enacted by the Legislature to provide for “the protection, health, welfare and safety of the people of the State.” These principles are the core of the SLA’s mission to this day.

AUTHORITY RESPONSIBILITIES

The responsibilities of the Division of Alcoholic Beverage Control include:

- Reviewing applications and investigating applicants to determine eligibility;
- Issuing licenses and permits for the manufacture, wholesale distribution and retail sale of all alcoholic beverages;
- Regulating trade and credit practices related to the sale and distribution of alcoholic beverages at wholesale and retail;
- Limiting, in the Authority’s discretion, the number and type of licenses issued as determined by public convenience and advantage;
- Working with local law enforcement agencies to ensure compliance with the ABC Law;
- Investigating licensees in connection with violations of the ABC Law;
- Inspecting premises where alcoholic beverages are manufactured or sold;
- Bringing disciplinary charges when appropriate;
- Conducting disciplinary proceedings and hearings;
- Revoking, canceling or suspending for cause any license or permit, and/or imposing monetary penalties where appropriate; and
- Promulgating rules to implement the ABC Law.



Mission Statement

Chapter 478 of the Laws of 1934, known as the Alcoholic Beverage Control Law, created the State Liquor Authority and the Division of Alcoholic Beverage Control. The Legislature enacted this measure “for the protection, health, welfare and safety of the people of the State.”

The SLA has two main functions: issuing licenses and ensuring compliance with the Alcoholic Beverage Control Law. The Authority’s Licensing Bureau is responsible for the timely processing of permits and licenses required by the ABC Law. The Compliance Unit is responsible for the protection of the public by working with local law enforcement agencies to uphold the law and bring administrative action against licensees who violate the law.

The Authority seeks to:

Respect applicants and licensees;

- Work cooperatively with community groups and local leaders to ensure public participation in the licensing and enforcement process;
- Increase productivity by utilizing available resources, education and training to successfully deliver quality service to our customers;
- Ensure that those who do not respect the privilege of holding a license are fairly and firmly disciplined; and
- To create a unified, comprehensive approach to all Agency functions to achieve maximum effectiveness and efficiency.

Chairman



Daniel B. Boyle

Daniel B. Boyle was nominated on January 12, 2006 as Chairman and Commissioner of the New York State Liquor Authority and confirmed by the State Senate on February 15, 2006. A devoted law enforcement professional with over 31 years of service, Chairman Boyle has earned a reputation as a leader with vision, courage and commitment.

Chairman Boyle was appointed as a Police Officer with the Syracuse Police Department in 1974, serving as the Department’s first-ever evidence technician. He rose steadily through the ranks in the Criminal Investigations Division, Personnel & Training Divisions and in the Administration Bureau where he coordinated a newly formed D.A.R.E. program with local school and community representatives. Chairman Boyle was appointed Deputy Chief of Police in 1994 and then First Deputy Chief in 1999, where he directed his efforts towards addressing community goals and objectives for the Department. In 2001, Chairman Boyle left the Syracuse Police Department to become Chief of Police of the East Syracuse Police Department. In 2002, Chairman Boyle became the Commissioner of Public Safety for the City of Schenectady, and most recently served as Chief of Police for the Town of Glenville, NY.

His diverse background includes experience with budget making, audits, public safety, working directly with community leaders and strengthening staff output. Chairman Boyle has successfully launched training programs, developed strong relationships with community leaders, governmental agencies and introduced effective strategies in dealing with day to day management of law enforcement agencies.

A native of Syracuse, Chairman Boyle earned an Associates Degree in Criminal Justice from Onondaga Community College, a Bachelor’s Degree as a Dual Major in Psychology and Sociology from Syracuse University and is currently enrolled in the Maxwell School of Citizenship and Public Affairs at Syracuse University working towards a master’s degree in public administration. Chairman Boyle is a graduate of the National FBI Academy.

Chairman Boyle and his wife Patricia of 31 years are the happy parents of two daughters and reside in Syracuse, NY. Mr. Boyle’s term with the State Liquor Authority expires on February 15, 2009.



COMMISSIONER

COMMISSIONER



JEANIQUE GREENE

Jeanique Greene was nominated to serve as a Commissioner of the New York State Liquor Authority in June of 2008, and is the third African-American woman and the first of Puerto Rican descent to serve as a Commissioner.

A resident of Westchester, Commissioner Greene brings an extensive record of government service to her new position. Prior to her appointment, she was an Analyst for the New York State Office of Court Administration’s Continuing Legal Education Board.

For nearly seven years, Commissioner Greene served as the Legislative Director for then-Senate Deputy Minority Leader David A. Paterson, drafting legislation and researching numerous issues, including health care, crime, transportation and housing. She also represented the Senator at numerous functions and meetings; organized town hall meetings; presented reports on the state budget and legislative affairs to community board and organization meetings; and supervised the staff in the Senator’s Albany Office.

Commissioner Greene conducted legal research on Title VII sexual discrimination issues; researched FOIL requests; and prepared memoranda of law on deceptive business practices and consumer fraud during her time in the New York State Attorney General’s Office.

She has also worked for the New York Center for Alternative Sentencing and Employment Services (CASES), and served as an Intern for the New York State Police, New York State Assembly Black and Puerto Rican Legislative Caucus and the New York City Department of Corrections.

Commissioner Greene received her Juris Doctorate degree from Albany Law School of Union University in Albany; and graduated, cum laude, from the John Jay College of Criminal Justice in New York City, with a Bachelor of Science Degree in Criminal Justice and minors in Government and Law.



NOREEN HEALEY

Noreen Healey has served as a Commissioner of the New York State Liquor Authority since June 2006. She is an attorney, a resident of New York City, and only the fourth woman ever to serve as a Commissioner of the Authority. During the fall of 2006, she was the chairperson of a task force to review the agency’s licensing application process and recommend viable changes and improvements. As chair, she worked with elected officials, law enforcement executives, community board members, community leaders, and industry representatives. The task force reviewed the pertinent laws, analyzed the licensing process and policies, discussed recommendations, and reported its findings and final recommendations. The Authority has implemented many of those recommendations.

Prior to her appointment, Commissioner Healey was a Law Secretary in New York State Supreme Court, Criminal Division, in Kings and Bronx Counties. She also served as an Assistant District Attorney in the Appeals Bureau of the District Attorney’s Office in Kings, Nassau, and Queens Counties for more than twelve years. Prior to that, she represented the Child Welfare Administration as a litigation attorney in child neglect and abuse proceedings in Manhattan Family Court.

Commissioner Healey is a member of the New York County Lawyers Association, where she has served on the Law-Related Education Committee since 2004. In 2005, she received the Committee’s Pro Bono Award for her contributions in providing law-related education to students in New York City schools. She is also a member of the Brooklyn and New York City Bar Associations, and served on the Social Welfare Committee at the City Bar Association for two years.

Commissioner Healey graduated from Saint John’s University School of Law in Jamaica, Queens and earned her Bachelor of Arts Degree, Magna Cum Laude, from Pine Manor College in Massachusetts. She was awarded the Pine Manor College President’s Cup for Outstanding Scholarship, an award given to the highest ranking senior at graduation.



CHEIF EXECUTIVE OFFICER



WOODY PASCAL

Chief Executive Officer Woody Pascal has compiled an impressive record of public service for the people of New York State. The son of Haitian immigrants and a native of Westchester County, Pascal began working for the office of then State Senator David A. Paterson as an intern at the age of 21. He was quickly elevated to the position of Director of Operations and Constituent Services, where he served as the Senator’s senior liaison with Federal, State, and City agencies, and was responsible for planning of outreach events for constituents.

In December 2002, following his election as Senate Minority Leader, Senator Paterson appointed Pascal as his Chief of Staff. Pascal became the first African-American, Haitian-American as well as the youngest Chief of Staff in the history of the State Senate. In this role, Pascal was instrumental in breathing new life into the Minority Conference, both among members and staff. In an effort to gather the best ideas and insights of every employee, Pascal worked personally with all 140 Democratic staffers, regardless of their position in the hierarchy.

In January of 2005, Pascal became the Chief of Staff for Assemblyman Keith L.T. Wright, acting as the Assemblyman’s main contact for not only advocacy groups, lobbyists and constituents, but for the media as well.

In 2006 he moved on to the office of Erik Martin Dilan, head of the Brooklyn Delegation in the New York City Council. As Chief of Staff, Pascal again used his acute knowledge of government to ensure that the Council Member’s constituents and the entire Borough Delegation were represented in budget talks and all other aspects of City Government.

A resident of the Bronx, Pascal is a graduate of the John Jay College of Criminal Justice and is the father of a daughter who attends public school.

SENIOR AGENCY STAFF

Thomas J. Donohue, *Counsel to the Authority*
Thomas O’Connor, *Deputy Commissioner for Governmental Affairs*
Kerri O’Brien, *Deputy Commissioner of Licensing*
Jacqueline Held, *Secretary to the Authority*
William Crowley, *Director of Communications*
Robert Benedetto, *Director of Wholesale*
Michael Drake, *Director of Information Technology*
Kimberly Ciccone, *Secretary to the Chairman*

Zone 1 – NYC

Dana Christian
Acting Director of Licensing
Marvin Levine
Supervising BCI, Enforcement
Robert Buckley
Associate Attorney, Legal
Kimberly Morella
Deputy Director of Communications

Zone 2 – Albany

Teresa Pearlroth
Supervising BCI, Enforcement
Lisa Bonacci
Deputy Counsel

Zone 3 – Buffalo

MaryJo Lattimore-Young
Deputy Commissioner
Brandon Noyes
Executive Officer, Licensing
Gary Bartikofsky
Supervising BCI, Enforcement



LICENSING BUREAU



The Agency maintains three zone offices in Albany, Buffalo, New York City and a satellite office in Syracuse. The Deputy Commissioner of Licensing coordinates statewide licensing policies, standards and initiatives and is responsible for systems development to support the Agency.

LICENSE AND PERMIT TYPES:

The ABC Law defines 173 different licenses and permits within the general categories of manufacturer, distributor, wholesaler and retailer. The holder of a wholesale license is authorized to manufacture and distribute alcoholic beverages to licensed retailers. A retail license authorizes the holder to sell alcoholic beverages directly to consumers for on or off-premises consumption. The length of the license period varies depending on the class or type of license issued. The fee structure for each license/permit is set by statute.

LICENSING PROGRAM:

It is the responsibility of the Licensing Bureau to ensure that all applicants meet the statutory requirements and qualify to obtain a license or permit. The Licensing Bureau reviews license and permit applications carefully, documents all findings and prepares detailed reports to ensure that either the local Licensing Board or the Members of the Authority are able to make a reasonable determination on every application.

LICENSING PRODUCTIVITY:

The Agency regulates over 70,000 licenses and permits statewide each year. The Licensing Bureau issued 5,071 licenses, processed 4,896 license change requests and issued 31,156 permits in 2008.

PERMIT UNIT:

This unit processes all permits, including Temporary Beer and Wine Permits, Caterer’s Permits, Temporary Retail Permits, Transportation Permits, Solicitor’s Permits and all other miscellaneous permits. The Unit reviews all applications for completeness and ensures that all policies and procedures are followed in the review process. The Unit works with the municipalities, including the local police precincts, to ensure that permits are not issued to applicants who have held more than the allowable number of permits at a specific location or at locations that have been the focus of police attention.

INVESTIGATIVE/EXAMINER UNIT:

The Investigative/Examiner Unit processed over 9,000 cases in 2008, an average of over 750 cases per month.

INTAKE UNITS:

Intake Units in all three zones reviewed and processed 10,771 applications statewide. The unit performs a preliminary review of the documents submitted to determine if the application meets the criteria for filing for all new applications and license change applications. In New York City, the unit also checks for required documentation of all Community Board notifications and the separation of the 500 Foot Hearing applications.

REFUND UNIT:

This unit is responsible for reviewing, computing and processing refunds for surrendered licenses, overpayments or disapprovals statewide. This documentation is then forwarded to the New York State Office of Audit & Control for payment of the refund.

RENEWAL UNIT:

The Renewal Unit is responsible for the review and issuance of all applications for renewal of licenses/ permits statewide. Renewal applications are printed and mailed to licensees ten to twelve weeks prior to the expiration of their current license. When the renewal application is received in the office, the applications are reviewed for completeness and all pertinent information is data entered into the computer system. A review of any prior adverse history or pending charges is also completed prior to making a determination on the renewal application. Licensees with adverse history or pending disciplinary cases may sign a disciplinary stipulation acknowledging that any pending charges may still result in the revocation, cancellation or suspension of their license which allows the renewal unit to issue the license certificate, or they may receive a State Administrative Procedure Act (“SAPA”) letter which allows the establishment to continue to operate temporarily, pending the disposition of disciplinary matters.



WHOLESALE BUREAU

The Wholesale Bureau is responsible for the statewide administration of NYS liquor and wine price schedules, brand label registration for beer, liquor, alcoholic cider and wine products and administering the retail delinquent/credit list. In addition, the unit provides assistance and guidance to manufacturers, wholesalers, retailers, representatives and other agency bureaus on matters concerning trade practices and policy issues; reviews and approves liquor and wine combination packs; advises, in concert with Counsel’s Office, manufacturers on matters relating to contests, sweepstakes, mail in rebates, promotions or other direct consumer giveaways. The Bureau is also responsible for processing and approving requests for centralized bookkeeping.

In performing these responsibilities, the Wholesale Director, the Chairman, Chief Executive Officer, Counsel to the Authority meet with manufacturers and wholesalers to educate, discuss and resolve complex issues, as well as address concerns of mutual interest relating to processing applications or request for approvals/clarification on various matters.

Brand Labels (BLs) Processed (calendar year)			
2005			
New BLs	1,153 records	Fees	\$301,400.00
Renewed BLs	3,905 records	Fees	\$852,450.00
		Total	\$1,153,850.00
2006			
New BLs	1,337 records	Fees	\$288,700.00
Renewed BLs	2,863 records	Fees	\$715,750.00
		Total	\$1,004,450.00
2007			
New BLs	1,636 records	Fees	\$348,400.00
Renewed BLs	5,751 records	Fees	\$1,052,050.00
		Total	\$1,400,450.00
2008			
New BLs	1,616 records	Fees	\$325,700.00
Renewed BLs	5,185 records	Fees	\$1,049,200.00
		Total	\$1,374,900.00

The electronic price filing is an on-line price schedule accessible to manufacturers, wholesalers, retailers, and the general public. In keeping with Governor Paterson’s ‘Green initiative,’ this program eliminates thousands of pages of paper filings that produced confusing, incomplete and inconsistent information. The program also provides the Agency with improved monitoring capabilities.

Online Price Postings Certified	
Liquor to Wholesale	626
Liquor to Retail	870
Wine to Wholesale	1,807
Wine to Retail	3,079

In conjunction with Counsel’s Office and the IT Unit, the Wholesale Bureau developed and implemented on-line filing of the “Direct Consumer Wine Shipment Report” in which wineries and farm wineries from NYS and out-of-state must report to the Authority all direct consumer wine sales. The program allows licensees to report this mandatory data in a more standardized format for Agency review.

Wholesale Licenses in Effect (calendar year)	
<i>Year</i>	<i>Total</i>
2005	1316
2006	1793
2007	1917
2008	2011

In 2009, the Wholesale Bureau will continue to meet with Industry Leaders and Trade Groups to provide assistance, guidance, education, and interpretation to help licensees avoid violations of law. In addition, a general informational training program developed in 2008 will continue to be utilized for future industry training seminars. The Bureau’s newly assigned wholesale attorney will assist Counsel’s Office in evaluating all Bulletins and Divisional Orders to insure they are still applicable.



ENFORCEMENT BUREAU

The NYS Liquor Authority’s Enforcement Bureau is responsible for investigating possible violations of the Alcoholic Beverage Control Law, Rules and Regulations relating to the manufacturing, wholesale, retail, transportation, storage, as well as, other aspects of the alcoholic beverage industry. As local law enforcement agencies share responsibility for the enforcement of New York’s Alcoholic Beverage Control law, the SLA’s Enforcement Bureau works with police across the state to ensure the law is followed. In addition to assisting law enforcement agencies, the Enforcement Bureau conducts training for police departments, licensees, servers and other beverage industry members on alcohol related issues. The Enforcement Bureau oversees the certification and monitoring of the Alcohol Training Awareness Program (ATAP) in which licensees and servers are properly trained in the appropriate and lawful sales of alcoholic beverages. Embedded within the Enforcement Bureau is the Rapid Enforcement Unit (REU) which is responsible for urgent response to incidents at licensed locations where incidents occur that pose a risk to the public’s health, safety and welfare.

The Enforcement Bureau has formally partnered with other law enforcement agencies in joint task forces and operations such as:

M.A.R.C.H. Program : Multi Agency Response to Chronic Hotspots Program in NYC with police, fire, code and other similar agencies.

IMPACT Program: Integrated Municipal Police Action Community Team in 17 sites across the state designated as IMPACT locations whereby various Federal, State and Local law enforcement agency share intelligence and work in a collaborative effort to address problems in high crime areas.

NYSIC PARTNER: New York State Intelligence Center is the central depository agency responsible for the collection, analysis and maintenance of criminal intelligence for NYS. As a designated NYSIC partner our enforcement bureau is responsible for assisting, collecting, notifying and responding to inquiries or other assistance relating to terrorism and criminal investigations.

Enforcement personnel also act as agency liaisons with the numerous university, college, community and neighborhood groups, coalitions and associations.

OFFICE OF COUNSEL

The Office of Counsel, also called the Legal Bureau, is responsible for providing legal services to the State Liquor Authority. The Bureau maintains offices in Albany, New York City and Buffalo.

The Counsel to the Authority is Thomas Donohue. Associate Counsel, Lisa Bonacci supervises prosecutions done by the Albany and Buffalo offices and also serves as Deputy Counsel. Associate Attorney Robert Buckley oversees disciplinary cases in the New York City office. Ms. Bonacci and Mr. Buckley are also the lead prosecutors for cases investigated by the Authority’s Rapid Enforcement Unit.

Among its duties, the Office of Counsel prosecutes licensees in administrative proceedings for violations of the Alcoholic Beverage Control Law and the Rules of the Authority. In 2008, the Bureau commenced 5080 such proceedings against licensees. That was a 20% increase over the number of proceedings initiated in 2007, and a 32% increase from 2006. On average, prosecutors have a caseload of approximately 250 pending disciplinary cases.

A significant problem over the years has been a backlog of referrals from law enforcement agencies and the Authority’s Enforcement Bureau that are waiting to be reviewed by a prosecutor. At the end of 2007 there were 1431 referrals waiting for a prosecutor to decide whether the case would be prosecuted, closed, or sent to the Enforcement Bureau for further investigation. Due to the efforts of the Bureau’s legal and support staff, that number was reduced to 533 by the end of 2008, a reduction of almost two-thirds. As a result, cases are being prosecuted in a more timely fashion.

In addition to prosecuting licensees, the Office of Counsel represents the Authority in litigation brought by licensees and applicants who are challenging determinations made by the Authority. These cases involve determinations made in both disciplinary and licensing matters. At any given time there are approximately 40 such pending lawsuits.

The Bureau performs a number of other duties, including:

- advising the Members of the Authority and staff on legal issues;
- responding to requests from licensees and the public for interpretations of the Alcoholic Beverage Control Law;
- drafting legislation proposed by the Authority;
- providing comment on pending legislation; and
- reviewing requests for reconsideration of Authority decisions.



DISCIPLINARY PROCEEDINGS

An investigation by the New York State Liquor Authority may include: (a) on-site inspections of a licensed establishment; (b) on-site undercover investigations by SLA Investigators and other law enforcement agencies; (c) a review of reports and investigations by other law enforcement and regulatory agencies; and (d) interviewing potential witnesses/complainants and collecting evidence of potential violations.

Information obtained is reviewed to determine if there is sufficient evidence to bring administrative charges against a licensee. A disciplinary proceeding is commenced by the issuance of a Notice of Pleading setting forth the alleged violations. The licensee may enter one of the following pleas; (1) Not Guilty; (2) No Contest; or (3) Conditional No Contest. If the licensee fails to respond, the matter is treated as a No Contest plea.

If a licensee pleads not guilty, a hearing date is scheduled with an Administrative Law Judge (ALJ). At the hearing, the SLA and the licensee may produce witnesses, cross-examine witnesses and submit evidence in support of their case. Findings are made by the ALJ and presented to the Members of the Authority. Again, the ALJ’s findings are not final, only the Members of the Authority may make a final determination.

If the licensee pleads No Contest, the case is sent directly to the Members of the Authority for final determination of the appropriate penalty.

If the licensee submits a Conditional No Contest plea, the licensee’s offer is forwarded to the Members of the Authority for final determination. If the offer is rejected by the Members, the matter is returned to Counsel’s Office to schedule an administrative hearing.

Each case brought to the Members of the Authority is examined on its individual merits. If a disciplinary charge is sustained, the Members of the Authority may impose one or more of the following:

License suspension, cancellation or revocation; a monetary penalty; a bond forfeiture; or a two-year ban against the issuance of a license to any part of the building containing the revoked licensed premises.

In addition, if the Members of the Authority find the actions of a licensee are a threat to the public health, safety, or welfare, they may vote for an Immediate Summary Suspension of the license.

SECRETARY’S OFFICE

The Secretary’s Office oversees the preparation of the agenda for the “Full Board” meetings of the Members of the State Liquor Authority. The Office receives matters from the Licensing Bureau, Counsel’s Office, Hearing Bureau, as well as miscellaneous matter presented by other departments of the Authority.

Twenty-five regular meetings and two special meeting were scheduled in 2008. The majority of meetings were held in the Authority’s New York City Office, along with three meetings held in Albany, and one in Buffalo. Members of the public who wished to attend and/or participate in Full Board meetings could do so from the New York City Office, Albany Office or Buffalo Office of the Authority through video conferencing. Meetings may be viewed live on the internet. In addition, prior meetings are archived and available for viewing on the internet.

The Secretary’s office scheduled a total of 4,407 items for the Full Board to review. Of those items, 4,188 were new submissions while the remaining 219 items had been re-scheduled and/or carried over from previous meetings. The new items (4,188) were submitted from the following departments:

Office of Counsel	2,586
Licensing Bureau	441
Hearing Bureau	1,075
Miscellaneous	86
Total	4,188

In comparison from 2007, there was a nominal decrease in total new items presented. Of note, the Hearing Bureau and Licensing Bureau have increased their submissions to the Board by 28% and 18% respectively.

Disciplinary Statistics									
	Revocations	Cancellations	Suspensions		Bond Claims Imposed	Civil Penalites Imposed	Summary Suspensions	Two Year Proscriptions	Two Year Proscriptions Lifted
			Total	# of Days					
2003	88	305	195	2879	\$504,500	\$4,864,150	1	8	0
2004	125	272	238	3303	\$532,500	\$5,132,750	4	28	5
2005	141	323	250	3818	\$579,500	\$5,928,050	4	54	17
2006	203	252	246	3348	\$531,975	\$6,040,650	24	78	7
2007	239	233	286	4631	\$467,100	\$6,979,699	14	39	11
2008	234	315	104	2039	\$367,050	\$7,307,052	20	18	5

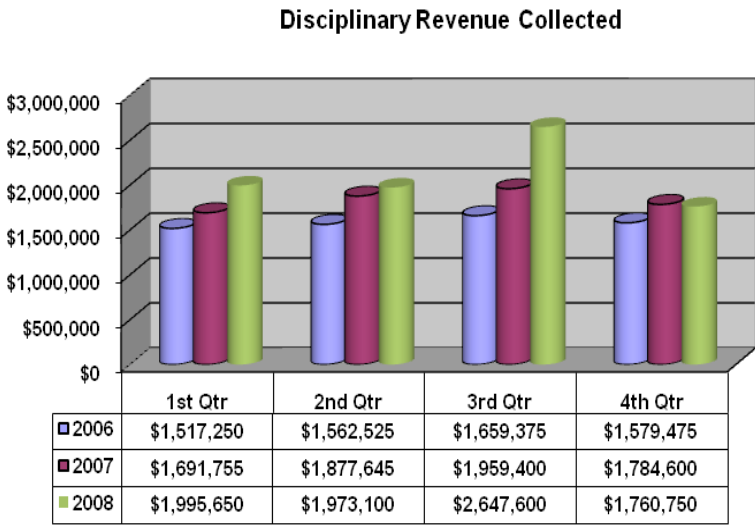
In addition to preparing the Full Board calendar, the Secretary’s Office is responsible for implementing all disciplinary determinations made by the Board which includes processing payments for civil penalties and bond claims.



SECRETARY’S OFFICE (cont.)

Overall, while the total number of new items decided by the Board minimally decreased from 2007, the Authority collected over \$1,000,000 more this year in civil penalty/bond claim revenue.

A secondary function the Secretary’s Office performs for the Authority is the processing and collection of returned checks. Notifications are routinely sent to applicants and licensees for the prompt payment on all checks returned. Licensees who fail to remit payment are forwarded to Counsel’s Office for the commencement of disciplinary proceedings.



HEARING BUREAU

The Hearing Bureau of the State Liquor Authority is comprised of four full time and twelve part time Administrative Law Judges (ALJs) and one secretary. The Hearing Bureau is located in New York City where most of the cases are calendared.

Licensees charged with violations, such as sales of alcoholic beverages to underage purchasers, have the right to a fair and impartial hearing. The Hearing Bureau conducts all such disciplinary proceedings, which are prosecuted by the Authority’s Office of Counsel. Hearings are formal, “of record” adjudicatory proceedings of the Authority. They are governed by the State Administrative Procedure Act (SAPA) and by Executive Order 131, which require that they be conducted in a manner that is impartial, efficient, timely, expert and fair. The role of the ALJ is to conduct the hearings in accordance with those requirements.

Upon completion of hearings, ALJs sort out the facts and render written determinations. They include reasoned findings of fact, an opinion, including a review of the applicable law and a conclusion as to whether charges have been sustained. Determinations must be based upon the record of hearing which is central to all subsequent actions taken in any given prosecution. The record of hearing, including a transcript (or an audio recording) of testimony taken at the hearing, constitutes the basis upon which all succeeding reviews, including reviews by the Members of the Authority, or on appeal by the courts of the State of New York, are heard.

In addition, the Hearing Bureau conducts hearings on license applications when such hearings are mandated by statute. Primarily, the Hearing Bureau conducts “500 Foot Rule Hearings” which are hearings mandated by law when the Authority is presented with an application for an “on-premises” liquor license in a municipality of twenty thousand (20,000) or more people where there are already three or more “on-premises” liquor licensees within 500 feet of the applied for premises.



The Administrative Unit of the State Liquor Authority coordinates the daily operations of the Agency, providing external support to a wide variety of public and licensed interests, as well as internal support to all Agency program areas. Members of the administrative team function as program liaisons with our host partner, the Office of General Services (OGS). All Finance and Human Resource activities are processed through this unit, providing Agency staff at four different locations with near immediate response to personnel or fiscal inquiries and requests.

The Administrative Unit directly supports the Chairman and other Members of the Authority, provides guidance and oversight in budgetary planning, supply and equipment acquisition, staffing plan, maintenance and inventory control, compliance with Internal Control requirements, Telecommunications and Information Technology programs, and all matters related to our workplace tenancy.

A key aspect of administrative leadership is development and management of a multifaceted Agency mission—focusing on Licensing and Compliance responsibilities that promote public interest, health and safety. A disaster preparedness model is also being constructed to assist Agency leadership in addressing unanticipated challenges to daily operations, including natural disasters, disease, terrorist actions, economic collapse and other consequential threats that impact our ability to serve the licensed community we regulate and public we protect.

Administrative staff also serves as a liaison with our host OGS Employee Development Office. SLA staff are regularly advised of training opportunities and assist in the registration process. Attendance is monitored and course completion is credited to the employee’s personnel record. Prescriptive training is arranged for special needs. The training unit works similarly with the Governor’s Office of Employee Relations, the Office of the State Inspector General, the Committee on Open Government, and the State Ethics Commission (Public Integrity) to keep the staff mindful of its legal and ethical responsibilities as State and Agency employees.

The Office of Governmental Affairs (OGA) is responsible for fostering positive working relationships with federal, state and local legislators, community boards and their staffs in order to encourage dialogue and cooperation on matters affecting Alcoholic Beverage Control Policy. OGA is also charged to present, discuss and gain passage of the Agency’s annual legislative program and, where appropriate, Governor’s Program Bills bearing on Alcoholic Beverage Control Policy, thereby supporting the Agency’s overall mission.

In 2008, the OGA was successful in advancing one of the agency’s Departmental Bills which was eventually signed into law by the Governor during the 2008 Legislative Session. The following is a brief summary of SLA’s Departmental Bill that was signed into law by the Governor.

Chapter 548 of the Laws of 2008

This chapter amends the Alcoholic Beverage Control (ABC) Law regarding the definition of wine. Specifically, this amendment makes it clear that wine can be produced not only from the fermentation of grapes but also from other fruits and plants.

OGA also successfully assisted in the Agency’s efforts to improve our relationships with our external stakeholders by maintaining an open dialogue. This includes our relationships with elected officials, community boards and industry. There continued to be a significant amount of contacts from elected officials and community boards during 2008.

During 2009 OGA will continue to pursue the passage of the Agency’s legislative program; continue to improve our relationships with our external stakeholders by maintaining an open dialogue; and encourage internal customers to utilize our services.



LEGISLATIVE AND REGULATORY CHANGES IN 2008

During 2008, a number of changes were made to the Alcoholic Beverage Control Law. The following is a brief summary of these changes.

- Applicants for new on-premises licenses, and those seeking to renew their on-premises license, must now use a standard form to notify their local municipality of the application.
- Wineries may now conduct wine tastings starting at 10 am on Sundays. The prior law stated that tastings could not start until noon.
- Wineries and Farm Wineries can now sell wine for consumption on the grounds of the New York State Fair without obtaining an additional permit from the Authority.
- Ice Cream made with wine will now be considered a non-alcoholic product and can be manufactured and sold without a license from the Authority.
- Colleges will now be able to obtain permits to serve alcoholic beverages for educational purposes.
- The New York State Wine & Culinary Center can now conduct tastings of and sell wine, beer and liquor produced in New York.
- Manufacturers and Wholesalers may participate in, or support, retailer trade associations without violating the “gifts and services” law.
- The law passed in 2007 that created the Farm Distiller’s license has been amended to make clear that the distillers can sell liquor in bulk to wineries, sell liquor produced by other farm distillers, and locate the farm distillery at an existing distillery.
- The definition of “wine” has been changed. “Wine” can now be produced not only from grapes, but also other fruits and plants. The definition of “New York State labeled wine” has also been change to include “other fruits”, as well as grapes.
- Class A-1 distillers may now sell liquor in bulk to wineries and farm wineries. Class C distillers will be able to sell fruit brandy in bulk to farm wineries.
- A new category of liquor, “New York State labeled liquor” has been added. This will include liquor made from agricultural products with at least 75% of the volume of the products being grown in New York. Class A-1, B-1, and C distillers will be able to sell bottles of New York State labeled liquor to farm wineries, either outright or on consignment. The farm wineries may sell the bottles for off-premises consumption and conduct tastings at the farm winery.
- The “notification date” for wholesalers to advise the Authority of retailers who are delinquent in their liquor and wine bills (the “COD” list). Under the existing statute, the notification date varied depending on the date of delivery. The new date will be 35 days from the date of delivery. This schedule had already been implemented administratively by the Authority.
- Wineries and farm wineries can now obtain multiple permits each year to conduct tastings at five (5) events that are sponsored by charitable organizations. The old law limited each winery and farm winery to one permit each year.
- The keg registration law has been extended until November 22, 2009. The keg registration fee, which was \$75, has been decreased to \$50.

In addition to these changes to the Alcoholic Beverage Control Law, the Authority also issued a new rule regarding the process for obtaining an “all night permit.” These are the permits issued to allow on-premises retailers to continue serving “after hours” on New Year’s Eve. Additional information on the new rule is available on the Authority’s website. <http://abc.state.ny.us>

OFFICE OF COMMUNICATIONS

The Office of Communications is responsible for providing information to the public, working with the media, distributing press releases and coordinating press conferences. The Communications Office serves as an information resource center for the public and employees by developing and implementing public information strategies as well as coordinating internal communications. The office manages the content of the Agency’s website, enabling members of the news media, as well as individuals, to obtain the latest announcements, bulletins, press releases and media advisories. The Office’s goal is to keep the media, licensees and the public up to date on news, policies and current events concerning the State Liquor Authority.

In 2007, the Office of Communications revived the State Liquor Authority’s newsletter, after a nearly 65 year intermission due to rationing and labor constraints during World War II. The goal of the SLA newsletter is to raise public awareness of the ABC Law and Agency policies, continue to build upon statewide partnerships, and work with licensees, community groups and local law enforcement to ensure the protection of public health and safety and efficiently regulate the industry in a fair and consistent manner.

The Office of Communications also had involvement during 2007 in the complete overhaul of the agency’s website. This work, coordinated through the Agency’s IT Department, included researching new layout and formats, developing a more ‘user-friendly’ website, implementing a platform for analysis of features that are most useful to users and developing a launch program for the new website upon completion.

In addition, the Office of Communications responds to requests for Agency records as provided for in the State’s Freedom of Information Law (FOIL). The Agency receives hundreds of written, electronic and oral communications annually from interested parties requesting access to Agency records pursuant to FOIL. Responding to these requests requires extensive review, research and retrieval of Agency records, making careful determination regarding what information is releasable, redacting from requested documents information not releasable and preparing a response providing the requested information or reasons why the request was denied.

INFORMATION TECHNOLOGY

The Information Technology unit focused on cost effective technology solutions and reduced spending in 2008, given the difficult economic climate. The IT unit did, however, manage to make upgrades to our desktop environment, implement a re-designed website and logo, roll out new online services, increase our security posture and awareness, all while continuing work on an e-licensing initiative for the redesign and replacement of the existing licensing and regulatory systems that support both our online customers and our internal staff.

Desktop Refresh - the IT unit successfully deployed 150 new desktop units procured cost effectively through the State’s aggregate buy contracts. The effort was a scheduled replacement of outdated equipment in conjunction with the Agency desktop refresh policies. The new hardware and software running Windows Vista Business and Office 2007 was successfully rolled out with all staff training occurring concurrently.

Website Re-Design / Re-Branding Project - the IT unit contracted with a local vendor to re-brand and re-design the Agency website and logo as well as implementing a complete content management solution for maintaining the Agency web site. The site went live on April 5, 2008.

Online Services - newly implemented online services rolled out in conjunction with the redesigned website included the new Retail Delinquent Management interface and Advanced Public Query services.

Network Security - the IT unit undertook a project to work with the Office of the State Comptroller (OSC) for the completion of a comprehensive network security audit. The audit was requested by the Agency allowing us to cost effectively evaluate our existing systems and networks against compliance with the State’s Security Policy requirements. The audit was completed by the experienced and professional staff at OSC in late 2008 with their findings and recommendations provided to the Agency shortly thereafter. The IT unit worked in conjunction with OSC to implement recommendations as they were identified and continues to work on strengthening our security posture going forward.

Licensing and Compliance Re-Engineering - the Agency is continuing a multi-year enterprise initiative for the development of a request for proposal (RFP) for the replacement of our existing licensing and regulatory systems as well as the online e-licensing system that will interface with our customers and the public. As the IT unit pursues this complex multi-year initiative we plan to pursue related technology tools like geographic information systems that can return short term results that will fit with any future enterprise solutions.

The IT unit anticipates that 2009 will bring many of the same challenges as we continue to face a difficult fiscal climate. The IT Unit will address these challenges by continuing our pursuit of innovative, cost effective technology solutions that fit with the goals and mission of the Agency.



ALCOHOL TRAINING AND AWARENESS PROGRAM

OUTREACH

In an effort to lower the incidence of underage drinking, the Alcohol Training Awareness Program (ATAP) was created to offer voluntary instruction for licensed alcoholic beverage retailers and their employees.

The program focuses on the legal responsibilities of selling or delivering alcohol and provides training in practical skills to help licensees and their employees fulfill their legal responsibilities. Additionally, the ATAP program informs participants on the potential consequences of improper sale or delivery of alcohol. Licensees and individuals completing the ATAP program have the possibility of a limited affirmative defense in the event of an illegal alcohol sale to a minor.

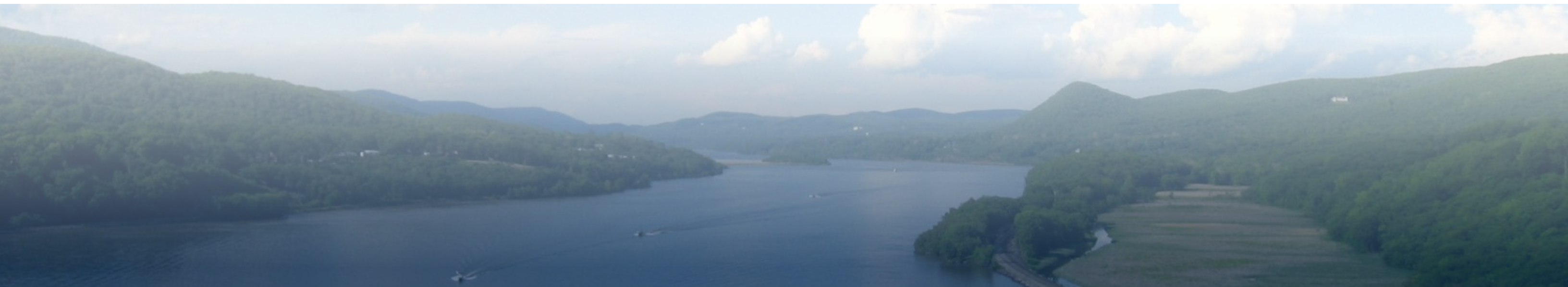
Chapter 549 of the Laws of 2001 amended the minimum curriculum standards for the ATAP program. The new chapter directed the Authority to set minimum standards for two different types of Alcohol Training Awareness Program (ATAP): one for off-premises licensees and their employees, and one for on-premises licensees and their employees.

The Authority has issued Certificates of Approval to nine training programs, which regularly provide instruction to retail alcoholic beverage licensee and their employees. In 2008, 236 classes were conducted with 3,555 employees completing the program. Additionally, the first ever online ATAP class was also approved in 2008, with 460 employees participating. ATAP assists the SLA in realizing the goal of providing a safe environment at licensed establishments to preserve the health, safety and welfare of citizens in our communities.

The goal of the State Liquor Authority is to protect the public health and safety and to efficiently regulate the industry in a fair and consistent manner. This entails ensuring the SLA is both transparent and efficient and that the agency treats all licensees fairly and with respect. The SLA achieves these goals in part by continually communicating with all of the various interests within the alcohol industry.

In 2008, SLA staff attended countless meetings across the state with licensees, community groups, police departments, local government leaders, and our other partners in the industry. These meetings and other outreach efforts are critical in helping the SLA communicate the ABC law as well as regulations and policies that licensees must follow.

In 2008 the SLA began holding free training seminars for On Premises licensees around the state in conjunction with the Empire State Restaurant and Tavern Association. Hundreds turned out, providing the SLA with the opportunity to not only educate licensees on the law, but to also listen to their questions, concerns, and suggestions. In addition to licensees, participants included municipal officials, police officers, elected officials, and district attorneys' offices. Our goal is to provide licensees with practical information on serving alcoholic beverages legally, responsibly, and safely. The SLA will continue these efforts in 2009 so that both the agency and our licensees may continue to be successful.





How to Contact the Liquor Authority

Zone Offices and Representative Counties



Enforcement If you would like to make a complaint or have questions on enforcement issues, please call (212) 961-8378 in Zone 1, (518) 474-0385 in Zone 2, (716) 847-3039 in Zone 3 or send an email to: Enforcement@abc.state.ny.us		Office of the Secretary If you have questions regarding the Full Board Calendar or questions on fines or penalties imposed by the Board please call (518) 402-4394 or send an email to: Secretarys_Office@abc.state.ny.us
Licensing If you have questions concerning how to obtain a license or permit, please call (212) 961-8385 in Zone 1, (518) 474-3114 in Zone 2, (716) 847-3035 in Zone 3 or send an email to: LicensingInfo@abc.state.ny.us		Information Technology If you have questions or suggestions regarding the Agency’s use of technology please call (518) 486-4132, (518) 402-4070 or send an email to: Web_Master@abc.state.ny.us
Wholesale If you are a manufacturer, wholesaler, retailer or other interested party with questions concerning trade practice, price schedules, brand label registrations or delinquent/credit statutes, please call (518) 474-6820 or send an email to: Wholesale@abc.state.ny.us		Communications Office If you are a member of the media with questions regarding the State Liquor Authority, please call (518) 486-4767 or send an email to: PressOffice@abc.state.ny.us
FOIL If you would like to make a Freedom of Information request, please call 518-486-4767 or send an email to: FOIL@abc.state.ny.us		Legal If you have a legal question, please call (518) 474-6750 or send an email to: AlbanyCounsel@abc.state.ny.us

Zone 1 317 Lenox Ave. New York, NY 10027	Zone 2 80 S. Swan St. Albany, NY 12210-8002	Syracuse District 333 E. Washington St. Syracuse, NY 13202	Zone 3 535 Washington St. Buffalo, NY 14203
Bronx Kings Nassau New York Queens Richmond Suffolk Westchester	Albany Clinton Columbia Dutchess Essex Franklin Fulton Greene Hamilton Montgomery Orange Putnam Rensselaer Rockland Saratoga Schenectady Schoharie Sullivan Ulster Washington Warren	Broome Cayuga Chenango Cortland Delaware Herkimer Jefferson Lewis Madison Oneida Onondaga Oswego Otsego St. Lawrence	Allegany Cattaraugus Chautauqua Chemung Erie Genesee Livingston Monroe Niagara Ontario Orleans Schuyler Seneca Steuben Tioga Tompkins Wayne Wyoming Yates



New York State Liquor Authority
Division of Alcoholic Beverage Control
80 South Swan Street, Suite 900
Albany, New York 12210
<http://abc.state.ny.us>