

**New York  
State Liquor Authority**

**Annual Report  
2005**

**State of New York**

**George E. Pataki, Governor**



**Division Of Alcoholic Beverage Control**

**State Liquor Authority**



**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

125 Main Street  
Buffalo, New York 14203

[www.abc.state.ny.us](http://www.abc.state.ny.us)

Dear Governor Pataki and Members of the Legislature:

On behalf of former Chairman Kelly, Commissioner Lawrence J. Gedda, former Commissioner Joseph C. Zarriello and myself we appreciate this opportunity to present the 2005 Annual Report of the Division of Alcoholic Beverage Control. We believe you will find this document to be informative in nature and comprehensive in scope.

The SLA's two main functions are issuing licenses and ensuring compliance with the Alcoholic Beverage Control Law (ABC Law). In carrying out these functions, the SLA seeks to work cooperatively with local law enforcement, government officials, community groups and local leaders to ensure public participation in the licensing and enforcement process..

On February 12, 2006 I was confirmed by the NYS Senate as Chairman, in that capacity, I respectfully submit this report to. As you review this account of the Division of Alcoholic Beverage Control's accomplishments, please share the excitement and energy as we pursue our Agency mission. As always, we welcome your comments and suggestions.

Sincerely,

Daniel B. Boyle  
Chairman

## **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 Bureaus are 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 a quality service to our customers;
- \* Ensure that those who do not respect the privileges 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.

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## **INTRODUCTION**

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## **Authority Responsibilities**

The major responsibilities of the Division of Alcoholic Beverage Control are:

- 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 levels;
- 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 licenses 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.

## **2005 Amendments to the Alcoholic Beverage Control Law**

A number of changes have been made to the New York Alcoholic Beverage Control Law.

**Laws 2005, Chapter 21.** *Adds a new paragraph (e-2) to section 64 of the Alcoholic Beverage Control Law, granting to the Aroma Thymes Bistro, in Ellenville, New York, an exemption from the directive of ABCL § 64(7)(a) that no license be issued to premises located within 200 feet of a building occupied exclusively as a school or place of worship.* Enacted and effective April 26, 2005.

**Laws 2005, Chapter 60.** *Amends the law that provides a restaurant patron may take home one bottle of wine which was partially consumed during a full course meal.* Enacted and effective on April 12, 2005. Chapter 60 strikes the last sentence from subdivision 4 of section 81 of the Alcoholic Beverage Control Law, repeals subdivision 3 of section 1227 of the Vehicle and Traffic Law, and amends subdivision 1 of section 1227 of the Vehicle and Traffic Law. The amendment requires that a partially consumed bottle of wine sealed in conformity with the provisions of the Alcoholic Beverage Control Law must be transported in the trunk of a motor vehicle or, where the motor vehicle does not have a trunk, in the area behind the last upright seat or in an area not normally occupied by the driver or a passenger of the motor vehicle.

**Laws 2005, Chapters 83 and 286.** *Adds and amends provisions that allow a farm winery to manufacture wine using out-of-state grapes where not less than forty percent of a specific New York grape varietal has been destroyed.* Enacted on June 7, 2005 and July 19, 2005, and effective and deemed effective on June 7, 2005, respectively. Chapter 83 adds, and Chapter 286 amends, a new subdivision 42 of section 16 of the Agriculture and Markets Law. Chapters 83 and 286 amend subdivision 5 of section 76-a of the Alcoholic Beverage Control Law. The enactments provide for the investigation and compilation of information by the Commissioner of Agriculture and Markets regarding the emergency unavailability of a particular variety of New York State grapes, and the formal giving of emergency authorization for a farm winery to manufacture and sell wine produced from grapes grown outside the State. The enactments provide that a farm winery authorized in an emergency to use out-of-state grapes in wine production may use out-of-state grapes only to the extent that New York grapes are unavailable. The enactments establish a standard of reasonable availability with respect to the requirement that a farm winery use New York State grapes for wine production prior to using grapes from an out-of-state source for wine making purposes.

**Laws 2005, Chapters 184 and 210.** *Adds and amends provisions empowering the New York State Liquor Authority to issue an out-of-state direct shipper's license to an out-of-state winery, which license shall authorize such winery to ship no more than thirty-six cases of wine per calendar year to a New York State resident of legal age for personal use and not for resale – provided that such out-of-state winery is located in a state that affords New York wineries a reciprocal shipping privilege.* Both chapters were enacted on July 12, 2005, effective August 11, 2005. Advisories to out-of-state wineries, in-state wineries, and common carriers have been posted on the New York State Liquor Authority's web site ([www.abc.state.ny.us](http://www.abc.state.ny.us)), along with application forms and forms to be used in the reporting of shipments made to New York State resident customers. The text of Chapters 184 and 210 is also available on the Authority's web site.

## **2005 Amendments to the Alcoholic Beverage Control Law** **(continued)**

**Laws 2005, Chapter 535.** *Amends paragraph (g) of subdivision 4 of section 107-a of the Alcoholic Beverage Control Law to provide that, for beer produced on the licensed premises in small size batches totaling fifteen hundred barrels or less annually, no brand label registration fee will be required.* Enacted and effective August 16, 2005. The exemption applies not only to beer dispensed through the tap, but also to beer placed in bottles, cans, kegs, and barrels.

**Laws 2005, Chapter 540.** *Adds a new subdivision 4 to section 101 of the Alcoholic Beverage Control Law empowering the State Liquor Authority to issue a winery license under ABCL § 76 to the New York State Culinary Arts Center, Inc.* Enacted and effective August 16, 2005. The Center is required to be qualified as a public charity under section 501(C)(3) of the Internal Revenue Code. Among the activities of the Center is the promotion of the wines of New York State. The Center will conduct classes on winemaking, cooking, and the pairing of New York foods and New York wines; will conduct tastings; and will sell New York wines, both in an on-site restaurant and in an on-site wine shop

**Laws 2005, Chapter 575.** *Amends the definition of club “member” found within ABCL § 3 (9) – with respect to members of a chapter or lodge of a not-for-profit corporation or benevolent order qualified under 501(C)(8) or 501(C)(10) of the United States Internal Revenue Code – by expanding the definition of club member to include a person who is a member of another chapter or lodge of the same not-for-profit corporation or benevolent order and who has in his or her possession an identification card or other proof of membership in the same not-for-profit corporation or benevolent order.* Enacted and effective on August 23, 2005.

**Laws 2005, Chapter 578.** *Amends the “sunset” provisions at section 4 of Chapter 519 of the Laws of 1999 from January 1, 2006 to January 1, 2008.* Enacted and effective on August 23, 2005. Chapter 578 of the Laws of 2005 amends section 4 of Chapter 519 of the Laws of 1999, which section originally provided that certain amendments made to ABCL §§ 65(4) and 65-b would expire on January 1, 2004. On January 1, 2004, the amendments made to ABCL 65(4) and 65-b by Chapter 519 of the Laws of 1999 expired in conformity with the original “sunset” directive of section 4 of Chapter 519. The amendments made to ABCL 65(4) and 65-b by Chapter 519 of the Laws of 1999 were revived by Chapter 488 of the Laws of 2004, enacted and effective on September 21, 2004, which amended section 4 of Chapter 519 of the Laws of 1999 to provide that the amendments would “sunset” on January 1, 2006. [*Note: Chapter 488 of the Laws of 2004 was not captured in the 2005 Cumulative Pocket Part.*] Chapter 578 of the Laws of 2005 further extends the life of the amendments made by Chapter 519 of the Laws of 1999 by amending the “sunset” date specified in section 4 of Chapter 519 of the Laws of 1999 from January 1, 2006 to January 1, 2008.

## Keg Registration Deposit Forfeitures

By virtue of Chapter 274 of the Laws of 2004, enacted and effective on August 3, 2004, the Legislature provided for the forfeiture of a keg purchaser's \$75.00 Keg Registration Deposit to the retail seller of the keg upon the occurrence of four eventualities [ABCL § 105-c.(5)+(5-a)]:

Keg was not returned.

Keg was returned but after 90 days from purchase.

Registration label was removed.

Registration label was damaged.

Where a retail keg seller declares a forfeiture of the purchaser's Keg Registration Deposit, the retail keg seller is required to provide notice to the State Liquor Authority of such forfeiture [ABCL § 105-c.(5-a)].

From January 1, 2005 to December 31, 2005, the Authority received notice of the following forfeitures, for the following reasons:

Keg was not returned.	31
Keg was returned, but after 90 days from purchase.	0
Registration label was removed.	4
Registration label was damaged.	2
<b>TOTAL FORFEITURES</b>	<b>37</b>

## **ACCOMPLISHMENTS**

- On July 12, 2005 Governor Pataki signed into law a bill allowing the direct interstate shipment of wine in New York State and outside of the State when reciprocal shipping agreements are in place. This law, effective on August 12, 2005, allows for the shipment of up to 36 cases (9 liters) per year to an individual safeguards in the law prevent the sale to those under 21 years of age;
- The Full Board of the State Liquor Authority reviewed 4,650 cases and applications;
- The SLA Enforcement Bureau's Sale to Intoxicated people/ DWI Reduction program realized a 32% reduction in DWI arrests resulting from over- served patrons at licensed establishments;
- The Enforcement Bureau implemented a computer based Compliance Tracking System to allow for faster and more accurate accounting and issuance of Enforcement investigations and other day to day work efforts;
- Conducted 'in-house' training for Enforcement investigators to further improve and enhance basic investigative and enforcement technologies;
- Participated in meetings with community and industry groups to improve and strengthen our communications network;
- Enhanced customer service through the implementation of more efficient policies and procedures;
- The Full Board of the SLA terminated 464 licenses throughout all of the Zone Offices;
- The Full Board of the SLA suspended 252 licensees throughout the state and in part from each Zone Office;
- The Full Board of the SLA collected Civil Penalties and Bond Claims totaling almost 6.5 Million dollars;
- The IT Department initiated a "Wholesale Delinquent Credit Management" application providing a secure interface for Wholesalers and Manufacturers to report delinquent credit reports;
- The IT Department implemented new hardware and software for the Agency's mission critical application and web servers as well as dedicating resources toward the prevention of cyber attacks and the security of the Agency's information assets.

## 2005 Compliance Statistics

(calendar year)

2005	Dockets Opened	Revocations	Cancellations	Suspensions		Summary Suspensions	Bonds Received	Civil Penalties Received
				Total	# of Days			
Zone 1	2,640	114	214	147	2013	3	\$448,000	\$3,715,950
Zone 2	943	13	59	70	1298	0	\$77,250	\$1,513,950
Zone 3	520	14	50	35	507	1	\$77,000	\$721,500
<b>Statewide</b>	<b>4,103</b>	<b>141</b>	<b>323</b>	<b>252</b>	<b>3818</b>	<b>4</b>	<b>\$602,250</b>	<b>\$5,951,400</b>
							<b>\$6,553,650</b>	



<b>Zone 1</b> <b>317 Lenox Ave.</b> <b>New York, NY</b> <b>10027</b>	<b>Zone 2</b> <b>80 S. Swan St.</b> <b>Albany, NY 12210-</b> <b>8002</b>	<b>Syracuse District</b> <b>333 E. Washington</b> <b>St.</b> <b>Syracuse, NY 13202</b>	<b>Zone 3</b> <b>125 Main Street</b> <b>Buffalo, NY 14203</b>
<a href="#">Licensing</a> (212) 961-8385	<a href="#">Licensing</a> (518) 474-3114	<a href="#">Licensing</a> (315) 428-4198	<a href="#">Licensing</a> (716) 847-3035
<a href="#">Enforcement</a> (212) 961-8378	<a href="#">Enforcement</a> (518) 474-4890	<a href="#">Enforcement</a> (518) 474-4890	<a href="#">Enforcement</a> (716) 847-3039
<a href="#">Wholesale</a> (518) 474-6820	<a href="#">Wholesale</a> (518) 474-6820	<a href="#">Wholesale</a> (518) 474-6820	<a href="#">Wholesale</a> (518) 474-6820
Press Office (518) 486-4767	Press Office (518) 486-4767	Press Office (518) 486-4767	Press Office (518) 486-4767
<a href="#">Public Affairs</a> (212) 961-8300	<a href="#">Public Affairs</a> (212) 961-8300	<a href="#">Public Affairs</a> (212) 961-8300	<a href="#">Public Affairs</a> (212) 961-8300
Legal (212) 961-8317	Legal (518) 474-6750	Legal (518) 474-6750	Legal (716) 847-3056
Hearing Bureau (212) 961-8337	Hearing Bureau (212) 961-8337	Hearing Bureau (212) 961-8337	Hearing Bureau (212) 961-8337
Technology Department (518) 402-4070	Technology Department (518) 402-4070	Technology Department (518) 402-4070	Technology Department (518) 402-4070
Administration (212) 961-8347	Administration (518) 486-4767	Administration (518) 486-4767	Administration (716) 847-3001
Secretary's Office (518) 402-4394	Secretary's Office (518) 402-4394	Secretary's Office (518) 402-4394	Secretary's Office (518) 402-4394

# **LICENSING**

The Agency maintains three Zone Offices in Albany, Buffalo, New York City and a satellite office in Syracuse. The Deputy Commissioner of Licensing Services 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 a manufacturer, distributor, wholesaler and retailer. Wholesalers include those licensees manufacturing, storing and distributing alcoholic beverages for sale to licensed retailers. Retailers are those licensees who can purchase, stock and sell alcoholic beverages directly to consumers for consumption on or off-premises. The length of the license period varies depending on the class or type of license issued. The fee structure for each license and permit is established by the ABC Law.

## **LICENSING PROGRAM**

Each Licensing Bureau statewide receives, examines and investigates license and permit applications within its Zone to ensure they meet the eligibility requirements of the State Liquor Authority as provided for in the ABC Law and Rules.

## **LICENSING PRODUCTIVITY**

The Agency regulates over 70,000 licenses and permits statewide each year. The Licensing Bureau issued 7,455 licenses and 18,632 permits. (Permits include Temporary Beer and Wine Permits as well as Caterer's Permits).

## **BRAND LABEL REGISTRATION**

Before any liquor or malt beverage can be sold in New York, its brand label must be registered with the SLA. The brand owner/manufacturer, if not licensed in New York, must designate a licensed New York wholesaler as its exclusive agent for the registration of its brand.

All functions relating to brand label registration are performed in the Licensing Bureau beginning with the initial receipt of the application, through the review process, and ultimately to the issuance of the permit. All renewals are also processed by this Bureau.

# **LICENSING PRODUCTIVITY**

(Continued)

## **PERMITS UNIT**

This unit processes all “Temporary Permits” (‘Temporary Beer and Wine Permits’ and ‘Caterer’s Permits’). The Unit complies with the state law requiring no more than four Temporary Beer & Wine Permits at any one location per year. This requires continual contact with local police precincts to help determine eligibility of applicant and location. This process helps eliminate many locations that are “Focal Points” of police activity.

## **INVESTIGATIVE/EXAMINERS UNIT**

The Investigative Units statewide processed over 7,000 cases in 2005. More than 800 cases per month are processed by this unit.

## **RENEWAL UNIT**

This unit operates out of Zone II (Albany) and is responsible for review and issuance of Licenses statewide. All Renewal applications must be scanned into the computer, including all supporting documents. Staff in this unit handle all follow up for incomplete applications which require additional information.

# LICENSING PRODUCTIVITY

(Continued)

<u>Summary:</u>	TOTAL LICENSES ISSUED	7,455
	TOTAL PERMITS ISSUED	<u>18,632</u>
	REVENUE GENERATED	\$53,068,981.00

The State Liquor Authority's generated income is one of the largest sources of revenue for the State Treasury. The revenue is deposited into the State's General Fund.

## Licensing Process

### **INTAKE UNIT:**

Intake Unit's in all three zones review and process over 7,400 applications statewide. The overall unit follows a strict adherence to documentation for all applications, corporate changes, and alteration applications. In New York City, these units are responsible for required documentation of all Community Board notifications and the separation of the 500 Foot Hearing applications.

### **FEES AND REFUND UNIT:**

This unit receives and processes all fees from license applications and permits. The unit creates daily deposits and processes refunds where necessary. Documentation for the "surrender" of licenses is performed by this unit. This documentation is then forwarded to the New York State Office of Audit & Control.

### **DATA ENTRY/RECORD ROOM:**

All applications are sent to the "Record Room" where a file is created. The data-entry of all pertinent data is recorded in our work flow system on the computer. The new application is assigned a serial number and sent on to an investigator when needed. The files are utilized by the Enforcement Bureau, Public Affairs, and Counsel's Office.

# **ENFORCEMENT**

The Authority's Enforcement Bureau is responsible for investigating complaints alleging violations of the Alcoholic Beverage Control (ABC) Law and the Rules of the Authority. The complaints are received from various sources such as governmental agencies, police departments, the public, neighborhood groups and others.

Maintaining a close working relationship with the state and local police agencies is a high priority for the Bureau. Joint actions are conducted with various police departments.

The bureau conducts training seminars for police departments statewide in its ongoing program to update and inform the departments on the ABC Law and procedures. In addition, classes for licensees are held along with classes for universities and communities. Bureau representatives also attend neighborhood meetings statewide helping to address community concerns and problems.

Membership and interaction in governmental, law enforcement and community groups, such as the New York State Police Selective Enforcement Unit, the Capitol District Police Information Network, the Committee on University and Community Relations, Canadian American Law Enforcement Organization, Campaign Safer and Sober, The Governor's Traffic Safety Committee, the New York State Police Information Network and others, further allows the Bureau to more efficiently fulfill its responsibilities.

<b>Enforcement Statistics - Summary</b>				
<b>2005</b>				
<b>Compliance System Statistics</b>	<b>Compliance Cases Opened in Enforcement</b>	<b>Investigations Completed</b>	<b>Referrals to Office of Counsel</b>	
	4080	2778	1080	
<b>Miscellaneous Statistics not related to Compliance</b>	<b>Total # of Miscellaneous Assignments</b>	<b>Joint Action Operations / Task Force</b>	<b>Served Suspensions/ Cancellations/ Revocations</b>	<b>Other (training / meetings / etc.)</b>
	916	71	557	288

## **OFFICE OF COUNSEL**

The Office of Counsel is responsible for providing legal advice and service to the Chairman, Commissioners and other staff of the Authority. In 2005, the bureau consisted of 23 employees, including the Counsel to the Authority and 11 staff attorneys. The legal bureau maintains offices at the Authority's headquarters in Albany, as well as in New York City and Buffalo.

In 2005, the Office of Counsel;

- Prosecuted disciplinary proceedings against licensees who have been charged with violating the Alcoholic Beverage Control Law and the Rules of the State Liquor Authority;
- Represented the Authority in litigation brought against the Authority by licensees and other parties;
- Advised the Chairman, Commissioner and staff on legal issues;
- Responded to requests for interpretation and application of the law from other agencies, licensees and the public;
- Developed rules, regulations and policy directives in cooperation with the Chairman, Commissioners and other staff;
- Prepared proposed legislation and commented on legislation proposed by other agencies and members of the legislature;
- Assisted other bureaus within the Authority to ensure that all actions are taken in compliance with the law;
- Advised the Chairman and Commissioners on requests for declaratory rulings;
- Reviewed information received from the Enforcement Bureau, police or other law enforcement agencies to determine whether the continued operation of a licensed premises may constitute an imminent threat to public health, safety or welfare. When appropriate, such cases were returned to the Members of the Authority for consideration of a summary suspension of the license;
- Assisted the Secretary's Office in preparing submissions to the Members of the Authority and implementing determination made by the Members of the Authority.

## OFFICE OF COUNSEL

During the 2005 calendar year, the Office of Counsel opened 4,103 disciplinary cases against licensees and completed 350 hearings. In 2005, as a result of disciplinary action taken by the Office of Counsel, the Members of the Authority revoked or cancelled 474 licenses, suspended 252 licensees, and collected civil penalties and bond claims totaling almost \$6.5 million dollars.

### SUMMARY:

Disciplinary Cases Opened	4,103
Hearings Completed	305
Licenses Cancelled/Revoked	474
Licenses Suspended	<u>252</u>
Civil Penalties/Bond Claims	\$6,500,000.00

## **HEARING BUREAU**

The Hearing Bureau of the State Liquor Authority comprises four Administrative Law Judges (ALJ's) and one secretary.

Licensees charged with violations 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, requiring that they be conducted in a manner that is impartial, efficient, timely, expert and fair. The role of the ALJ's is to conduct the hearings in accordance with those requirements.

Upon completion of hearings, ALJ's 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. The record of hearing including a transcript (or an audio recording) of testimony taken at the hearing, also constitutes the basis upon which all succeeding reviews, including review by the Members of the Authority, and on appeal, the Appellate division of the Supreme Court . The record of hearing is central to all subsequent actions taken in any given prosecution.

In addition, the Hearing Bureau conducts hearings on license applications when such hearings are mandated by statute. Primarily, the Hearing Bureau conducts two types of licensing hearings:

1. Hearings on applications for licenses when the application has been disapproved by the Authority's License Bureau and the applicant wishes to appeal that decision; and
2. "500 Foot Rule Hearings" - hearings mandated to be held when the Authority is presented with an application for an "on-premises" liquor license in a municipality of 20,000 or more people and there are already three or more "on-premises" liquor licensees within 500 feet of the applied for premises.

## HEARING BUREAU

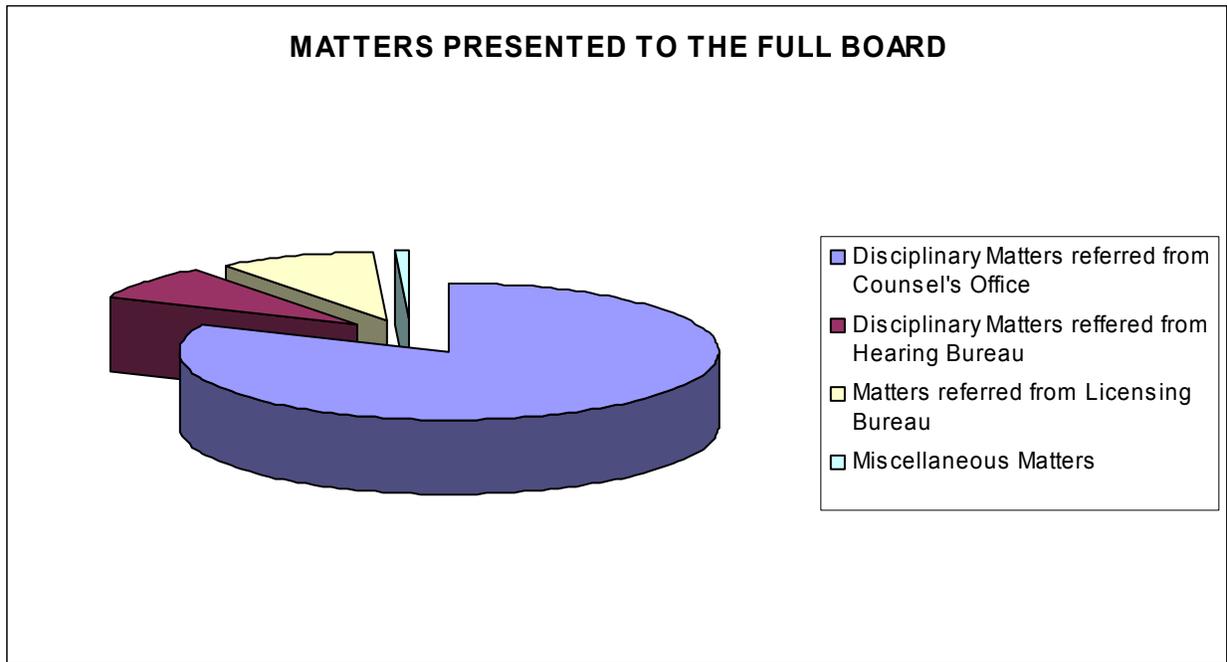
In the 2005 Calendar Year, the Hearing Bureau heard to completion 350 disciplinary hearings, 1 statutory hearing and 452 "500 Foot Rule Hearings."

### Summary:

Disciplinary Hearings Completed	350
Statutory Hearings	1
"500 Foot Rule" Hearings	<u>452</u>
<b>TOTAL HEARINGS</b>	<b>803</b>

## Office of the Secretary

The Secretary's Office oversees the preparation of the agenda for the "Full Board" meetings of the Members of the Authority. The Office receives matters from the Licensing Bureau, Counsel's Office, Hearing Bureau, as well as miscellaneous matters presented by other bureau/offices of the Authority.



In 2005, the office presented 4650 new matters to the "Full Board." Those matters consisted of 3,803 disciplinary matters referred from the Counsel's Office, 374 disciplinary matters referred from the Hearing Bureau, 437 matters referred from the Licensing Bureau and 36 miscellaneous matters.

The Office scheduled 26 regular meetings in 2005, all of which were held in the Authority's Zone I Office in New York City.

Following Full Board meetings, the Office implements the Members determinations and imposes penalties, where appropriate. In 2005, the Office revoked 141 licenses, cancelled 323 licenses, suspended 252 licenses, summarily suspended 4 licenses, claimed surety bonds posted by licensees in the amount of \$602,250 and collected \$5,951,400 in civil penalties.

## **PUBLIC AFFAIRS**

The Public Affairs Office has the responsibility for public information inquiries by telephone, email and by US Mail. Inquiries involve those of both local and interstate government, community relations, Freedom of Information Law Requests (FOIL) and media inquires.

The Public Affairs Office handled requests for information from Members of the Legislature and their staffs, state agencies, local government officials, law enforcement agencies, New York City Community Boards, concerned citizens, attorneys and others regarding the Alcoholic Beverage Control law, licensed establishments, applications for licenses and disciplinary actions.

Requests for information generally concern the status of license applications and pending disciplinary matters, the license application process, complaint procedures, adverse history of particular establishments and general information about the provisions of the Alcoholic Beverage Control Law.

The office responds to many media calls from New York State outlets and others throughout the United States, Europe and the Far East on various aspects of the Authority's activities. The Public Affairs Office also makes referrals to the Enforcement Bureau and Counsel's office based on letters and calls of complaint.

The Public Affairs Office receives and responds to thousands of written and oral communications from interested parties requesting access to Agency records as provided for in the State's Freedom of Information Law.

## **INTERNAL AUDIT**

The Internal Audit Unit is responsible for the Agency's internal audit functions including training, evaluation and testing of internal controls. This unit reviews internal procedures and implements changes to safeguard agency assets.

Internal Audit works with Secretary's Office, Counsel's Office and Finance Office in statewide tracking of bond claims and civil penalties. The Unit collected and recorded over \$ 6.5 million in revenue penalties in 2005 and referred 32 licensees to Counsel's Office for failure to restore bonds.

The Internal Audit Unit is responsible for:

- Ensure bonds are reinstated;
- Maintaining check collection tracking system for checks returned by the bank
- (collected over \$536,000.00 returned checks in 2005);
- Working with the Office of the State Comptroller to resolve discrepancies in bank statements;
- Working with administration to respond to outside audits;
- Maintaining the agency's vehicle management system;
- Assisting the Public Affairs Officer with Freedom of Information Act Requests.

## **INFORMATION TECHNOLOGY DEPARTMENT**

In February of 2005, the I.T. Department implemented the Wholesale Delinquent Credit Management application providing a secure interface for Wholesalers and Manufacturers to report delinquent credit reports as required by law.

Throughout 2005, the I.T. Department focused on evaluating and implementing information technology security upgrades, which had been identified in a 2004 security analysis. Infrastructure upgrades in preparation for the Albany office relocation in early 2006 were also implemented.

In second and third quarters of 2005, the I.T. Department underwent an extensive "Information Technology Peer Review" which was submitted to the SLA from a committee appointed by the New York State Office of the C.I.O. The review consisted of a detailed analysis of the Agency's existing I.T. environment and future initiatives focusing on high priority projects. The Peer Review report was issued in the 4<sup>th</sup> quarter of 2005.

# 2006 ...and Beyond

## **OFFICE OF GOVERNMENT AFFAIRS:**

In 2006, the SLA will establish the Office of Government Affairs (OGA). This office will act as the agency's primary liaison between the Members of the Legislature and their staffs, state agencies, local government officials and community boards within New York City.

The primary purpose of the OGA will be to improve and maintain the agency's relationships with its external stakeholders by encouraging open dialogue. Additionally, the OGA will also be responsible for the presentation of the agency's annual legislative program and will be charged to discuss and gain its passage. Internal customers will be encouraged to utilize the services provided by the newly established OGA.

## **RAPID ENFORCEMENT UNIT:**

This unit, proposed by Governor Pataki, will conduct priority investigations and institute prompt disciplinary action when allegations of criminal activity and serious repeat violations of the Alcoholic Beverage Control Law occur. The proposed "Rapid Enforcement Unit (REU)" will coordinate with law enforcement to quickly react to emergency situations, prosecute disciplinary charges and refer matters to the Members of the Authority for action.

The unit is comprised of investigators appointed from each region of the State, utilizing an experienced prosecutor which would assure prompt action on alleged violations. This initiative will enhance efforts by the Division of Alcoholic Beverage Control and local law enforcement, municipalities or other government agencies to work cooperatively and effectively with each other to bring dangerous licensed premises to swift justice.

# 2006 ...and Beyond

## **LICENSING BUREAU:**

The Licensing Bureau will continue to coordinate cross-training assignments for staff, while maintaining consistent standards of work product, meeting the multiple needs of our clients in an atmosphere of courtesy and professionalism.

The office will continue to review workflow issues, allowing for flexibility with staffing changes and maintenance of day to day operations in the most efficient manner. There is a scheduled relocation of the Albany office to 80 South Swan Street in 2006. The Buffalo office will move into a new location at 535 Washington Street in late 2006.

## **ENFORCEMENT BUREAU:**

2006 will involve implementation of a computer based Compliance Tracking System utilized statewide. Beverage Control Investigators will be equipped with additional electronic personal devices enabling them to submit reports from the field as well as capture accurate images of investigation locations from stored data

Enforcement will expand their 2005 initiative of using decoy minors in compliance and complaint checks and increase 'in-house' training of our BCI's.

## **OFFICE OF COUNSEL:**

2006 will see the initiation of a comprehensive review of the Alcoholic Beverage Control Law and the Rules of the Authority as well as other directives issued by the Authority. In addition working with the Hearing Bureau, the Office of Counsel will ensure that licensees are afforded prompt hearings in disciplinary proceedings.

# 2006 ...and Beyond

## **HEARING BUREAU:**

The Hearing Bureau in connection with other senior agency administration Officials will begin a process of recruiting, hiring, training and utilizing a significant number of part-time administrative law judges. The part time administrative law judges will be utilized in all regions of the state in an effort to promote speedier and more efficient justice. The Authority plans to start hiring administrative law judges in the late Summer of 2006 and will provide them with necessary training.

## **INFORMATION TECHNOLOGY:**

2006 will see a re-creation of the Agency web site, more interactive features for the public and feature more information and data not previously available online. A plan is in place to implement online Wholesale Price posting applications. As a result of the NY State Office of CIO Peer Review, the Agency has refocused its IT priorities and will work in 2006 to implement some of the recommendations provided by the committee. Recommendations being initiated include outsourcing of the Agency's scanning functions, implementation of the e-Wholesale Price posting application and the development of an RFP to re-engineer the Agency's existing License and Compliance Workflow processes and systems.