

# September 15, 2023 Board Meeting

Virginia ABC Board of Directors





# Agenda

- Call to Order
- Approval of Minutes
  - Approve minutes from July 20 and August 22, 2023
- New Business
  - Adoption of commending resolutions (Hill)
  - Approve Travel Policy (Robinson)
  - Approve recommendations of Real Estate Committee (REC) from July and September 2023 (Hill)
  - Briefing on Efforts Regarding Retail Theft (Retail Team)
  - Briefing on IT Security Efforts (Williams, P)
  - Public Health Briefing (Crumble)
  - Organizational Structure Update (Hill)
  - Briefing on Regulatory Reform Initiative ( Ross)
  - Closed Session
- Comments from the Board
- Public Comments
- Adjournment





# Minutes: July 20 and August 22, 2023

## Required Action

Approval of Minutes from July 20 and August 22, 2023 meetings



**BOARD MEETING MINUTES: July 20, 2023**  
**ABC Headquarters**

**Call Meeting to Order at 9:10 a.m.**

**Attendees**

Board Chair Tim Hugo  
Board Member Greg Holland  
Board Member William Euille  
Board Member Mark Rubin  
Board Member Bob Sledd  
Chief Executive Officer, Travis Hill  
Chief Government Affairs Officer, John Daniel  
Chief of Law Enforcement, Tom Kirby  
Chief Retail Operations Officer, Mark Dunham  
Chief Administrative Officer, David Alfano  
Chief Transformation Officer Elizabeth Chu  
Deputy Secretary, Chris Curtis  
Office of the Attorney General, Jim Flaherty  
Director of Finance, Doug Robinson  
Director of Human Resources John Singleton  
Director of Real Estate Susan Johnson  
Eric Moeller, CTO, Commonwealth of Virginia, Governor's Office  
Tony Lee, Deputy CTO, Commonwealth of Virginia, Governor's Office  
Executive Assistant, Kathleen LaMotte  
Senior Paralegal, Helen Gordon  
Senior Paralegal, Kristie Miles

**Not in attendance:**

Chief Digital and Brand Officer, Vida Williams  
Chief Information Officer, Paul Williams

**New Board Member**

Board Chair Tim Hugo acknowledged the great public service of outgoing Vice-Chair Maria Everett and advised that at the Board's next meeting the Board will consider resolutions for Maria Everett and Beth Hungate-Noland. Mr. Hugo welcomed Robert (Bob) Sledd to the Board. Mr. Sledd, the former CEO of Performance Food Group, introduced himself and reviewed his past service to the Commonwealth and other Boards he was a part of.

**Approval of Minutes**

The board reviewed the minutes from the June 8, 2023 board meeting. Board Member Rubin provided changes to a scrivener's error on page 14. Board member Rubin moved to accept the minutes as amended, Board Member Holland seconded the motion. The motion passed on a roll-call vote of 5 – 0.

## Approval of revised FMLA Policy

John Singleton, Director of Human Resources, reported that:

- The Virginia Department of Human Resource Management (DHRM) has made changes to how Agencies calculate a worker's available leave for FMLA. Previously, leave was considered based on the calendar year, and now will be calculated as a 12-month rolling period.

Mr. Hugo asked what the qualifications were for an employee to use this policy. Mr. Singleton replied that has not changed, the employee could use up to 12 weeks of unpaid leave and still have their job protected if they have been employed for 12 months and 1,250 hours prior to requesting to use FMLA.

Board Member Holland moved to approve the updated FMLA policy, this motion was seconded by Mr. Rubin. The motion passed on a roll-call vote of 5 – 0.

## Approve Recommendations of Real Estate Committee

Mr. Hill reviewed the two new stores ABC may potentially pursue, along with a recommendation for relocation and a number of renewals.

Mr. Sledd asked how ABC considers new stores. Mr. Hill briefly reviewed some metrics considered by the Real Estate Committee and the Authority's rural location strategy.

Board Member Euille moved to accept the REC's recommendations for two new stores, Store 532 (McLean, the Shops at McLean) and Store 533 (Bristol – State Line Centre), one relocation, Store 055 (Manassas Davis Ford Crossing), and six renewals, Stores 068 (Harrisonburg, Garbers Crossing, 096 (Galax, Willow Place Shopping Center), 141 (Hillsville), 217 (Newport News, the Shoppes at Oyster Point), 256 (Virginia Beach, Hilltop North), and 365 (Clintwood, Food City Shopping Center. Board Member Rubin seconded the motion, and the Board adopted the recommendations of the REC on a roll-call vote 5– 0.

## Closed Session

At 9:30 Mr. Hugo moved that the Board convene into closed session pursuant to lawfully exempted consultation with legal counsel 2.2-37.11(A)(8)(46) and information subject to exclusion investigation of licensees and permittees. Attending the closed session in full were all Board members, Jim Flaherty, Travis Hill, Chris Curtis and John Daniel. Mr. Euille seconded the motion, and the motion passed on a roll call vote of 5 – 0.

When the Board returned from Closed session at 10:00, Mr. Hugo moved to certify that to the best of his knowledge nothing was discussed in the closed sessions but consultation with legal counsel and investigations of licensees and permittees discussed in the motion to convene in closed session and only public business matters lawfully exempted from open meeting requirements were discussed. Board Member Rubin seconded; the motion passed on a roll-call vote of 5 - 0.

## Hearing

The Board heard the application regarding Tazma Lounge in Roanoke. They will deliberate and provide the decision within 30 days.



## **New Business**

### **Approval of Board Orders for Archives (March – June 2023)**

Senior Paralegal presented orders that were approved by the Board and by the delegated Authority of Travis Hill and John Daniel, which are presented to the Board in bulk for approval. With no questions from the panel, Mr. Euille moved to approve the Board Orders, and Mr. Rubin seconded the motion. The motion passed on a roll-call vote of 5 – 0.

### **Closed session**

At 10:42 Mr. Hugo moved that the Board convene into closed session pursuant to lawfully exempted consultation with legal counsel 2.2-3711(A)(1)(46) to discuss the appeal hearing. Attending the closed session in full were all Board members, Jim Flaherty, Travis Hill, Chris Curtis and John Daniel. Mr. Euille seconded the motion, and the motion passed on a roll call vote of 5 – 0.

### **Return to Open Session**

When the Board returned from Closed session at 11:21, Mr. Hugo moved to certify that to the best of his knowledge nothing was discussed in the closed sessions but consultation regarding the appeal hearing as discussed in the motion to convene in closed session and only public business matters lawfully exempted from open meeting requirements were discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 – 0.

### **Approval of FY2024 Budget**

The Board heard from CEO Travis Hill, CAO Dave Alfano, Director of Finance Doug Robinson, and Eric Moeller and Tony Lee from the Governor’s CTO office to discuss the proposed FY2024 Budget for the Authority. The Board considered two options; the budget originally presented at the June 8, 2023 meeting (Budget A), and a budget prepared with the advice of the Governor’s CTO office with cuts to Authority spending to increase the funds returned to the Commonwealth (Budget B).

Mr. Rubin moved to approve Budget A with instructions to Authority Management to look for further costs savings. This motion was seconded by Mr. Euille.

Mr. Hugo made a substitute a motion to adopt Budget B, and was seconded by Mr. Sledd. The substitute motion failed on a vote of 2 – 3.

On the motion to adopt Budget A with further cuts, the motion carried on a vote of 3 – 2.

Mr. Hill remarked that there were several changes identified by Mr. Moeller’s office that were non-controversial that the Authority would like to implement. Mr. Hugo directed Mr. Hill to bring the items forward at the next Board meeting.

### **Public Comment**

Rick Wasmund, President of Virginia Distillers Association spoke in appreciation of the work and effort to hone in on profitability as a taxpayer. As a business owner understands short term profits and long-term gains, and outlined the importance of Virginia distillers to the economy by employing Virginians and utilizing raw materials from Virginia farmers. Mr. Wasmund only has one outlet for sales in Virginia, and feared a budget that cuts ABC store staff and outreach and information on Virginia products, consumers may not find out information on Virginia products on their own time. Cutting hours and staff wouldn’t be good for Virginia Distilleries. ABC has done a tremendous job the past few years and Mr. Wasmund supports the relationship.

Mr. Sledd asked Mr. Wasmund what are ways the Authority could assist Virginia Distilleries.

Mr. Wasmund replied that the thing the Authority does well that he does not see in other states is fulfillment of orders in warehouse, on time payment, professionalism of enforcement, all that is good. He would like to see fewer legislative restrictions on the amount of alcohol that may be served to visitors to distilleries, some distillers would like that to be higher than the current restriction of 3 ounces. Mr. Wasmund values the good working relationship with the Authority, and hopes they may keep employees and continue to attract good people. He disagrees with some of the proposed cuts, the store employees are not overpaid and it might be better to invest in more pay to do a better job, such as attracting very knowledgeable, driven employees like in Chicago area private stores.

David Cuttino, the Chair of Virginia Spirits board which promotes Virginia Spirits spoke next. Mr. Cuttino works closely with the Authority to implement marketing budget. Mr. Cuttino read a statement of importance of Virginia Spirits to Virginia's agriculture, tourism, and restaurant industry, and remarked that the Authority is not just a profit center to General Fund. While Virginia Spirits is a small part of the Authority's budget, it is important, and he encouraged more growth and wanted to make sure the decisions have an outsize effect.

Tom Lisk of the Virginia Restaurant Lodging and Travel Association spoke on his longstanding partnership with Virginia ABC. Restaurants purchase 18 – 19% of all spirits from the Authority's stores. It is helpful for any business to look at their bottom line and trying to maximize profit, but when looking at reallocating priorities, please remember the impact on stakeholders. Businesses rely on the Virginia ABC to fill orders and industries that are dependent on you

## **Internal Audit Report**

Mike Skrocki, the director of Internal Audit, reported on recently completed Audits and the plans for upcoming Audits this fiscal year.

## **CEO Report**

Mr. Hill called the Board's attention to a recent summary suspension included in their packet.

Mr. Hugo asked about the store in Portsmouth that was closed due to violence outside the store. Mr. Dunham replied that the Authority is working with the landlord to exit the lease, and the Authority's legal department is working on the issue.

## **Board comments**

Mr. Rubin thanked all for allowing a civil discussion on the budget.

## **Closed session**

At 2:30 Mr. Hugo moved that the Board convene into closed session pursuant to lawfully exempted consultation with legal counsel 2.2-3711(A)(7) to discuss actual or probable litigation. Attending the closed session in full were all Board members, Jim Flaherty, Travis Hill, Mark Dunham, Dave Alfano, Chris Curtis and John Daniel. Mr. Rubin seconded the motion, and the motion passed on a roll call vote of 5 – 0.

## **Return to Open Session**

When the Board returned from Closed session at 3:00, Mr. Hugo moved to certify that to the best of his knowledge nothing was discussed in the closed sessions other than actual or probable litigation which was the subject of the motion to convene in closed session and only public business matters lawfully exempted from open meeting requirements were discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

### **Comments from the Board**

Tuesday, September 12 – Board Meeting

Wednesday, November 1 – Board Meeting

### **Meeting Adjournment**

Meeting adjournment at 3:00 p.m.

**VIRTUAL BOARD MEETING MINUTES: August 22, 2023**  
**ABC Headquarters**

**Call Meeting to Order at 10:07\* a.m.**

**Attendees**

Board Chair Tim Hugo  
Board Vice-Chair Robert Sledd  
Board Member Greg Holland \*  
Board Member William Euille  
Board Member Mark Rubin \*  
Chief Executive Officer, Travis Hill  
Chief Government Affairs Officer, John Daniel  
Chief of Law Enforcement, Tom Kirby  
Chief Retail Operations Officer, Mark Dunham  
Chief Digital and Brand Officer, Vida Williams  
Chief Administrative Officer, David Alfano  
Chief Transformation Officer, Elizabeth Chu  
Chief Information Officer, Paul Williams  
  
Deputy Secretary to the Board, Chris Curtis  
Director of Finance, Doug Robinson  
Office of the Attorney General, Jim Flaherty  
Executive Assistant, Kathleen LaMotte  
Eric Moeller, Chief Transformation Officer, Commonwealth of Virginia  
Tony Lee, Deputy Transformation Officer, Commonwealth of Virginia

\* Mr. Holland and Mr. Rubin were present in person

**Introductory Remarks**

Chair Hugo thanked all for attending the virtual meeting and further thanked CEO Hill and CTO Alfano for their work since the July meeting. Charman Hugo felt there was a lot that the Commonwealth Chief Transformation Office (CTO) and ABC were in agreement upon and appreciates the collaboration and the work of the Authority staff, and the work of the Administration.

Mr. Hill introduced the 2024 Amended Operating Budget. The Board approved a budget at the last meeting, but there was a request to look for efficiencies and the ability to grow profitability. The Authority worked internally and with the Governor's CTO office. This amended budget brings forward items that were not in controversy to increase profitability. This amendment preserves the investment in Authority employees around bonuses, training, and professional development. Additional savings include vacancies that have been open for more than a year, and work with retail team to find efficiencies in store man-hours. The Authority continues to invest in its law enforcement regulatory capabilities, making sure we honor that commitment to our stakeholders. This budget proposal seeks to fill 45 positions, 32 of which are sworn officers. The Authority will continue to build back the enforcement capabilities that are necessary to regulate the market. The Authority also seeks to continue to invest in inventory and order management and expand e-commerce capabilities.

## Approve FY2024 Amended Budget

CAO Alfano reported that:

- Reviewed the Profit and Loss statements of what was previously approved vs. the amended budget put forth today.
- This budget reflects net profit of \$244.3 million. He reviewed the specific changes from the original budget that included restored employee training and bonuses and increased efficiencies in retail along with a reduction in vacant positions. Mr. Alfano is confident the Authority can continue to operate under these efficiencies.
- Recruiting has been challenging for Enforcement, but with recent investments, the Authority will be better able to fill vacant positions. With the Authority focusing on fewer projects, there is a need for less contract labor employees.

Mr. Holland asked if the budget would still allow for the Authority to hire outside counsel if needed. Mr. Daniel replied that most years it is not needed. Last year 's spend was only about \$20,000 and this should not be impacted by this budget.

- The Authority worked with the Commonwealth CTO, Mr. Moeller, and Deputy CTO, Tony Lee, to review opportunities for greater efficiencies to yield greater profitability. Mr. Sledd requested updates going forward on how the efforts are going and what the findings are.

Mr. Rubin asked if the Board will potentially be re-visiting the budget throughout the year and reconsider what is being done on a regular basis? Mr. Alfano advised that the Authority is seeking endorsement of this budget, but throughout the year as the analysis is completed on these activities and identify if there are additional opportunities to take action and continue to compare actual to budgeted performance and call out any differences as a result of these actions.

Mr. Rubin stated that the budget process needs to come to an end. The Authority's sole focus should not be maximizing profit. No organization can function well when they are continuously revising the budget. This is not a necessary revision due to lack of funds.

Mr. Hugo agreed and that the discussions originally began because there was agreement at the last meeting between the Authority and the CTO. The budget can't be amended each month, but if there are other ideas through the year, those will be ideas for next year's budget.

- Mr. Alfano reviewed potential budget risks. Management will continue to monitor and take action if needed.

Mr. Holland requested to hear the GACRE presentation prior to voting on the budget which may address his concerns surrounding operating cost reductions.

## Approve Governor's Advisory Council on Revenue Estimates (GACRE) Forecast

Travis Hill introduced the presentation. This forecast for the next five years has the ABC profits trending as an increase of net profit as a percentage of net revenue as discussed as a target in the last Board meeting. Expenses are being kept flat to down, there are a few savings strategies combined with revenue growth. In out years, investments in HR systems and setting aside funds for an incentive program are planned.

Dave Alfano reported that:

- The starting point for GACRE was the 2024 budget with some assumptions for out years. The main driver is projected revenue growth of 5%. This year there was revenue growth attributable to 2% volume increase, 1.5% price increase, and 1.5% on premiumization. The Authority used those same estimates to determine

potential future revenue growth. Operating expenses are expected to be at or below current levels based on efficiencies available, returning the Authority back to the profitability levels of previous years.

- Assumptions for GACRE forecast also included a 1% growth in miscellaneous revenue and licensing fee growth, consistent with prior years.

Mr. Rubin expressed concerns that 5% may be too optimistic. With the planned cuts to marketing (which influences premiumization) and store staffing cuts which may negatively impact the customer experience, there is the likelihood that 5% growth is not attainable. The Authority's ability to withstand online ordering and changes in habits in how younger generations relate to alcohol must be considered. Past growth could be attributed to pandemic spikes and may not be tenable in the future. Mr. Hill advised that ahead of the COVID pandemic, growth was 6 – 7% annually and spirits are commanding more of a market share over beer and wine. Mr. Alfano added that the GACRE forecast may be updated in future years.

Mr. Robinson addressed a concern about cost inflation by advising that about 1.5 - 2% is a price increase at the wholesale level finding its way into the top-line based on how the Authority's markup formula is implemented.

Mr. Hugo brought up a pre-COVID initiative for retail employees to grow sales, which was suspended during the pandemic and there is an opportunity for retail employees to help grow sales. Mr. Hill advised that it is an opportunity, and we are re-emphasizing it with employees and it may also help reduce store shrink by engaging with customers.

- Based on meetings with the Governor's economic advisors, a "soft landing" from recession perspective, and the assumption of 2% for inflation was used as a moderate estimate. Some categories such as freight and rent are higher, and they are large operational expense categories.
- Healthcare assumptions are provided by the State, and they are updated every two years.
- New store growth is estimated at four new stores annually.
- The salary and wage assumptions of 1% are based on some feedback around previous salary actions taken at ABC. Budget language will be brought forth to allow the Authority to deviate from the budget for across the board state raises and to allow the Authority to implement pay for performance. This will provide flexibility to do more or less than other state raises. \$800,000 was added in addition to existing funding for an employee incentive program to give the Authority more flexibility to recognize higher performers.

Mr. Rubin hopes the issue of 1% pay raises will be revisited. The Board did vote for pay for performance in light of the circumstances known at the time, but it may need to be re-examined to establish a more coherent plan. Incentives and pay for performance is a good thing and we need to make it work of our employees in light of the tight labor market.

Mr. Sledd said compared with other state employees, ABC was way above state increases in recent years.

Mr. Rubin responded that prior to the 2021 actions, the ABC Authority was not competitive with the marketplace and we must maintain the competitive nature.

- The vacancy factor is customized for each division rather than applying a flat percentage across the Authority. Most divisions range between 2 – 3%, IT has a higher vacancy factor of 5%, and Enforcement is 9%.
- As positions become vacant this year and future years, a decision will be made if the positions must be backfilled or if the Authority may operate without them.

Board member Euille moved to approve the FY2024 Amended Budget, and Vice-Chair Sledd seconded.

Mr. Rubin commented that he is reluctantly voting for the budget, as it is needed for the Authority to move forward. The Authority staff has done a good job meeting the objectives but still doesn't feel it is a great budget. This has been a dysfunctional process to come up with a budget. There were several mis-steps since April, but the process could be

improved greatly and re-set if we were to reestablish how ABC is supposed to function. Mr. Rubin read from § 4.1-101, “...there is hereby created an independent political subdivision of the Commonwealth, exclusive of the legislative, executive, or judicial branches of state government, to be known as the Virginia Alcoholic Beverage Control Authority... The Board of Directors of the Authority is vested with control of the possession, sale, transportation, distribution, and delivery of alcoholic beverages in the Commonwealth, with plenary power to prescribe and enforce regulations and conditions under which alcoholic beverages are possessed, sold, transported.... The exercise of the powers granted by this subtitle shall be in all respects for the benefit of the citizens of the Commonwealth and for the promotion of their safety, health, welfare, and convenience...” It is not stated in the code that our job is to maximize profits. We do our absolute best at it as it is part of our responsibility, but not our only responsibility. Just as stakeholders stated in a letter to the Chair, they see the priority as Enforcement, but there needs to be a re-set of the relationship between the administration and the ABC, and his hope is that it will be recognized during the next budget process.

Mr. Hugo responded that he looks forward to working with everyone on the Board to look for a mutually acceptable reset that will be for the good of the citizens of the Commonwealth.

Mr. Holland seconded what Mr. Rubin stated, and also said that we are also not only stewards of the Commonwealth of Virginia, but also to our stakeholders and employees. The first amended budget was woefully inadequate on that front and the vote in July did not fall short of their duty to the citizens of Virginia as has been suggested. He hopes that next year we will take a different approach on this.

The motion passed on a roll-call vote of 5 – 0.

Mr. Euille moved to approve the GACRE submission, and Mr. Sledd seconded the motion. The motion passed on a roll-call vote of 5 - 0

### **Public Comment**

None

### **Comments from the Board**

### **Meeting Adjournment**

Meeting adjournment at 11:14 a.m.





# New Business

Board Approval:



# Commending Resolutions

## For Board Approval

Approve Resolutions commending the service of Maria J.K. Everett and Beth Hungate-Noland

## **COMMENDING MARIA J.K. EVERETT FOR HER SERVICE TO THE VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY**

**WHEREAS**, Maria Everett served as the last Chair of the Virginia Department of Alcoholic Beverage Control Board from January 13, 2018 until July 1, 2018, and

**WHEREAS**, Maria served as a Board Member of the Virginia Alcoholic Beverage Control Authority from July 1, 2018 until June 30, 2023; and

**WHEREAS**, Maria performed the role of Vice Chair of the Authority from July 1, 2018 until December 31, 2019 and again from January 25, 2023 until the end of her term, and

**WHEREAS**, Maria served as the Chair of the Authority from January 1, 2020 until January 25, 2023

**WHEREAS**, Everett brought more than 20 years of senior leadership experience in the public and private sectors to Virginia ABC, including a senior attorney at the Division of Legislative Services of the Virginia General Assembly as well as the Executive Director and General Counsel of the Virginia Freedom of Information Advisory Council; and

**WHEREAS**, in her role at the Division of Legislative Services, Everett staffed legislative committees including serving as counsel to the House Committee on General Laws where she drafted legislation and staffed numerous study commissions of the General Assembly impacting the regulation and sale of alcoholic beverages, including the ABC Authority legislation; and

**WHEREAS**, during her tenure, she led Virginia ABC through significant accomplishments, including the transition from a state department to an Authority, growing revenues that surpassed 1 billion dollars in 2019 and consistently helped to exceed profit transfer requirements to the state general fund, exceptional performance of all Authority responsibilities during the COVID pandemic and the relocation of the headquarters office and distribution center to Hanover County, and

**WHEREAS**, on many occasions she adorned her signature sash at a multitude of new ABC store openings, sharing her enthusiasm with employees and sincere admiration for their continuing efforts to make ABC successful, and

**WHEREAS**, Maria participated in a host of ABC meetings, always attending, embracing, and speaking at employee appreciation events with admiration and pride for those who worked to improve public service, safety and revenue enhancement, and

**WHEREAS**, in a uniquely thoughtful and caring manner Maria patiently gathered facts, weighed the benefits and risks to ensure fair and impartial judicial hearings before the Board, and

**WHEREAS**, her commitment to a better Virginia ABC for the citizens of the Commonwealth is unquestioned, and

**WHEREAS**, the joy and laughter she brought to the halls of headquarters and many retail stores throughout the Commonwealth has left a lasting legacy of excellence throughout Virginia ABC and will be missed, now, therefore, be it

**RESOLVED** by the Board of Directors and the entirety of Virginia ABC that Maria Everett is recognized, celebrated, and profoundly thanked for her many contributions and accomplishments during her tenure as Chair of the Authority and be it

**RESOLVED FURTHER**, that the people of Virginia ABC wish her well for all her future endeavors.

September 15, 2023

## **COMMENDING BETH HUNGATE NOLAND FOR HER SERVICE TO THE VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY**

**WHEREAS**, Beth G. Hungate-Noland served as a Commissioner on the Virginia Department of Alcoholic Beverage Control Board from January 13, 2018 until July 1, 2018, and

**WHEREAS**, Beth served as a Board Member of the Virginia Alcoholic Beverage Control Authority Board of Directors from July 1, 2018 until January 25, 2023, and

**WHEREAS**, Beth performed the role of Vice Chair of the Authority from January 2020 until the end of her service on the Board, and

**WHEREAS**, Beth brought a diverse and accomplished resume to her service at Virginia ABC including serving as a managing director at Markel and a corporate attorney and partner at the Williams Mullen law firm, and

**WHEREAS**, Beth provided insightful guidance and a steady hand in the transition from a state Department to the current Virginia ABC Authority, and

**WHEREAS**, during her tenure, Beth helped the Authority realize increased revenues, exceeding one billion dollars for the first time in 2019 and providing profit transfer to the state general fund that consistently exceeded requirements, even while operating during the COVID pandemic, and

**WHEREAS**, her demeanor and insight in the performance of her judicial functions at ABC was impeccable, helping to lead the Board to fair, uniform and consistent rulings, and

**WHEREAS**, it is rumored in the halls of Virginia ABC that she once agreed with a point made by her fellow board member, Mr. Rubin, and

**WHEREAS**, Beth was an avid participant in ABC functions to celebrate the accomplishments of employees, store openings and a host of ABC meetings, now, therefore, be it

**RESOLVED** by the Board of Directors and the entirety of Virginia ABC that Beth Hungate Noland is recognized, celebrated, and profoundly thanked for her many contributions and accomplishments during her tenure as Vice Chair of the Authority and be it

**RESOLVED FURTHER**, that the people of Virginia ABC wish her well for all her future endeavors.

September 15, 2023

# BOARD APPROVAL: Travel Policy





**To: Virginia Alcoholic Beverage Control (ABC) Authority Board of Directors**

**From: Director of Finance**

**Date: September 15, 2023**

**Subject: Travel Regulations and Expense Reimbursement Policy and Procedures Memorandum**

---

The Finance Division at the Virginia Alcoholic Beverage Control (ABC) Authority is proposing the following:

1. Policy reorganization and language revised for clarity.
2. Transition from actual receipted meal and incidental reimbursements to per diem reimbursement when in Travel Status.

***Policy Reorganization and Clarifying Language***

The Finance Division recommends rescinding the existing Travel Regulations & Reimbursement Policy and replacing it with separate Policy and Procedure documents, essentially relocating procedural language to a supporting procedural document. The proposal includes reorganization to help with information flow, particularly keeping non-frequent travelers in mind. Additional clarifying language surrounding the following topics was also included: definitions, commuting mileage, Bureau of Law Enforcement meals while not in travel status, and Finance's role as policy owner.

***Transition to Meal Per Diem Reimbursement***

The Finance Division is also proposing the Authority transition to meal and incidental per diem reimbursement when in travel status. Before evaluating other operating efficiencies, the estimated net increase would be equivalent to \$10 per travel day, per traveler, or equivalent to a yearly total of \$15,000 for all travelers combined. Transitioning from actuals to per diem would create consistency with other Independent and Executive Branch agencies where per diem is already practiced as well as promoted within the Commonwealth Accounting Policies and Procedures (CAPP) Manual (Topic 20335). The transition would also create efficiencies for those who travel, manage or audit travel expenditures. From an operational perspective, transitioning to an efficient reimbursement practice would illustrate to team members that the Authority values their time commitment; particularly for those who work on the road 8-12 hours per day, 40+ weeks per year. From a processing perspective, supervisors and accounts payable personnel would process reimbursements quicker with an average time savings of 15-20 minutes per travel status submission. The time savings would result from a less detailed review and subsequent additional reviews for corrected expense report submissions. Furthermore, this change

lowers the Authority's overall audit risk due to non-compliant receipts being submitted. Overall, the efficiencies gained from per diem would at least cover the added cost, better conform Virginia ABC to CAPP Policies, and provide needed simplifications for frequent travelers.

## TRAVEL REGULATIONS & EXPENSE REIMBURSEMENT POLICY

<b>POLICY AUTHORITY</b>	Director of Financial Management Services (FMS)		
<b>EFFECTIVE DATE</b>	October 1, 2023	<b>REVISION DATE</b>	September 6, 2023

### Purpose of Policy

The purpose of the Virginia Alcoholic Beverage Control Authority (Virginia ABC) *Travel Regulations and Expense Reimbursement Policy* is to establish the conditions and rules under which Virginia ABC employees may be reimbursed for personally incurred expenses that are directly related to official Virginia ABC business.

Virginia ABC establishes this policy to address the following risks:

1. Travel and other expenditures do not align with the mission, vision and values established by the Virginia ABC.
2. Virginia ABC funds will be misappropriated due to error or fraud.
3. The general public, the General Assembly or Administration may perceive Virginia ABC travel activity or other expenditures as fraudulent or a waste of public funds.

### Applicability

The policy is applicable to all ABC employees, except Virginia ABC’s Board of Directors. The Board of Directors must follow [Va. Code § 4.1-101.01.E](#).

Expenses or reimbursements related to mobile phone use must refer to Virginia ABC’s [Mobile Communications Use Policy](#).

### Definitions

**Commuting Mileage** – Round-trip mileage routinely traveled between the employee’s residence and primary workspace.

**International Travel** – Travel to areas outside of the 48 contiguous United States.

**Primary Workspace** – An employee’s usual work area, desk and/or workstation, as identified on the employee’s profile.

**Prudent** – Sensible; Thrifty, Frugal; Acting with or showing care and thought for the future.

### Detailed Policy Statement

#### A. Overview

1. This policy is not a comprehensive list of all allowable and unallowable expenses related to travel. It is the employee’s responsibility to verify all travel related expenditures are related to the mission, vision and values of Virginia ABC. The employee must seek clarification on portions of this policy that are unclear.

2. Financial Management Services (FMS) reviews compliance with only the items and limits specified in this policy and the associated procedure(s). FMS does not review compliance with division-level policies and procedures in Section C.
  3. FMS may, at its discretion, make reasonable exceptions to this policy and accompanying procedure(s) when the exceptions do not contradict Virginia ABC mission, vision or values.
    - a. To apply fair and consistent policy, FMS may, to the extent practicable, develop division-level policies, procedures and/or guidance for the circumstances under which FMS may make exceptions.
    - b. Exceptions must be authorized by the accounts payable manager and approved at the assistant director/controller or director level within FMS. Approvals of exceptions must be documented.
- B. Reasonableness**
1. All travel expenses must be reasonable and necessary for the execution of Virginia ABC's mission, vision and values.
  2. When considering the necessity and reasonableness of a potential travel expense, the employee must consider economy, prudence and necessity. The use of Virginia ABC funds to accommodate personal comfort, convenience and taste is not permitted.
- C. Division-Level Policies**
1. Division directors may establish policies and procedures that are more restrictive than this policy (e.g., store team members must reference the store policy manual) but must not exempt an employee from this policy.
  2. Enforcement of division-specific policies and procedures must occur at the division level prior to approval and submission of expense reimbursement requests to FMS.
- D. Employee Travel Status**
1. An employee may be on travel status when all of the below conditions are met:
    - a. The employee is engaged in an activity that represents official Virginia ABC business (e.g., training, conference attendance or work assignment) that requires travel to a location other than their primary workspace, as determined by the employee's division director or designee.
    - b. The one-way commute for the activity is 60 miles or more from the employee's primary workspace, and it is beneficial to Virginia ABC that the employee stays overnight.
    - c. The employee's supervisor provides documented approval (e.g., email, employee connect approval) of the travel status.
  2. Employees on travel status may be eligible for reimbursement for expenses such as lodging, meals and incidentals per diem, and transportation in accordance with sections F, G, H and J of this policy and the *Travel Regulations and Expense Reimbursement Procedure*.
  3. Employees who are not on travel status may be eligible for reimbursement for mileage, transportation and meals expenses in specific circumstances, in accordance with sections G, I and J of this policy and the *Travel Regulations and Expense Reimbursement Procedure*.
- E. Travel Planning, Authorization, Purchase, and Reimbursement**
1. Supervisors must provide documented approval of employee travel prior to the dates of the travel (e.g., by email, in employee connect).
  2. For training and development related travel (e.g., training, conference), the employee, supervisor and division director must follow Virginia ABC's *Training and Development Policy*, this policy, and accompanying procedure(s).
  3. Bureau of Law Enforcement individuals in new agent training are exempt from completing the employee training request.
  4. For non-training and development related travel, an employee whose position requires frequent travel (e.g., maintenance, internal audit) must comply with internal division requirements.
  5. An employee may use the internet to purchase travel services if it is cost beneficial to Virginia ABC. The employee must use prudent judgment when choosing an internet travel service website. The employee must comply with requirements established by the Procurement Division.
  6. Employees must submit all reimbursement requests with required documentation within 30 days of travel.
- F. Lodging, Meals & Incidentals Expenses (M&IE) while on Travel Status**
1. An employee may obtain lodging when the one-way commute is greater than 60 miles from the employee's primary workspace. Supervisors may grant an exception on a case-by-case basis.

2. Virginia ABC adopts the U.S. General Services Administration (GSA) lodging rates for employee reimbursement based on the lodging destination's physical location. GSA lodging rates are available [here](#).
3. An employee is reimbursed for actual lodging expenses incurred up to the per diem rate, plus applicable hotel taxes, fees, and surcharges. Expenses up to 50% over the per diem rate must be approved in advance by the employee's supervisor and division director.
4. Meals and incidentals expenses are reimbursable on a per diem basis, using the GSA per diem rates for the travel location corresponding with the lodging destination's physical location. GSA meal and incidental rates are available [here](#).
5. Business telephone calls, internet access, hotel business center charges and facsimiles for official Virginia ABC business purposes are reimbursable.

#### **G. Transportation**

1. Employees must choose the most cost-effective and practical transportation option.
  - a. The employee must consider all travel costs (including meals, lodging, parking, ground transportation, etc.) associated with each option.
  - b. Reimbursement must be limited to the least expensive and practical option (e.g., flying versus driving).
2. Employees may travel for business by using a Virginia ABC-owned vehicle, renting a short-term trip vehicle or using a personal vehicle, but must use a Virginia ABC-owned vehicle if one is available and practical to use.
  - a. If a Virginia ABC-owned vehicle is not available or not practical, employees may use a short-term trip vehicle or personal vehicle. Employees must select the most cost-effective and practical option, using the criteria and procedures established in the *Travel Regulations and Expense Reimbursement Procedure*.
    - i. If renting a short-term trip vehicle, employees must attempt to use a vehicle available through the Office of Fleet Management Services (OFMS) rental car contract for short-term travel by state employees. If a rental is not available through the OFMS contract, the employee may make vehicle rental arrangements through other commercial rental agencies. The employee must acquire any available governmental commercial rate or discount.
    - ii. Virginia ABC permits employees to use a personal vehicle when a Virginia ABC-owned vehicle is not available or when the use of a personal vehicle is the most cost-effective and practical option for Virginia ABC.
  - b. Virginia ABC adopts the mileage reimbursement rates set in the most recent version of the *Commonwealth Accounting Policies and Procedures (CAPP) Manual*.
3. Employees may travel by public transportation (i.e., air, rail, bus, rental car, taxi, shuttle or other "for hire transportation") when cost-effective and practical.
  - a. Airline and rail travel cannot exceed the rates charged for tourist or coach class accommodations without supervisor approval.
    - i. Reimbursement for first class air or rail travel is prohibited.
    - ii. The employee may book business class air or rail travel with the approval of the employee's supervisor and in accordance with the *Travel Regulations and Expense Reimbursement Procedure*.
  - b. Employees must consider the total cost of travel (i.e., the sum of ticket price, baggage fees, taxes and other fees) when choosing among air travel options for business travel.
  - c. Employees are eligible for reimbursement from Virginia ABC for business trip cancellation costs, up to the amount not refunded by the travel provider. Employees must seek reimbursement from the travel provider prior to requesting reimbursement from Virginia ABC.
  - d. Any public transportation credits issued (e.g., airline discount vouchers) for reasons such as travel cancellation or plan alterations for Virginia ABC paid expenses will accrue to Virginia ABC.
4. Travel routing, whether by public transportation, personal vehicle, Virginia ABC-owned vehicle or for-hire transportation, must be the most direct practicable route.
5. Division directors or designee must approve exceptions to the above transportation prior to any arrangements made or expenditures incurred, and the chief administrative officer (CAO) must approve any division director exceptions.

Approvals must be documented. Exceptions for chief officers must follow the *Governance Policy and Authority Delegation of Responsibilities Procedure*.

#### **H. International Travel**

1. Employees' supervisors, division directors and the CAO must approve international travel in advance of the travel dates. Approvals must be documented.
2. Virginia ABC applies all travel requirements outlined in this policy and the *Travel Regulations and Expense Reimbursement Procedure* in the case of international travel. Supervisors may make reasonable exceptions on a case-by-case basis, but supervisors must document those exceptions.
3. Virginia ABC uses the lodging and meal per diem rates for foreign travel as defined by the GSA.

#### **I. Non-Travel Status Mileage Reimbursement and Commuting**

1. Virginia ABC reimburses mileage for an employee who routinely travels on official Virginia ABC business to a location other than their primary workspace (e.g., to the General Assembly, Governor's office, bank, post office or on assignment by a supervisor).
  - a. Commuting mileage and other commuting costs incurred on a scheduled workday are considered a personal expense and are not reimbursable. When traveling between the employee's residence and an alternate work location, the employee must reduce the miles driven by the commuting mileage between the employee's residence and primary workspace.
  - b. When the employee's residence serves as the primary workspace, the mileage driven from the employee's residence to one or more alternate work locations, including Virginia ABC Headquarters, is official Virginia ABC business mileage and is fully reimbursable.
  - c. Non-travel status category mileage must be tracked by the employee throughout the fiscal year.
2. For headquarters, regional offices and distribution center employees, Virginia ABC may reimburse mileage incurred when the individual is required to work on a Saturday, Sunday or holiday that is not a scheduled workday. Reimbursements do not need to be reduced for commuting miles under these circumstances.
3. Virginia ABC adopts the mileage reimbursement rates set in the most recent version of the *CAPP Manual*.
4. Virginia ABC limits authorization for commuting in Virginia ABC-owned vehicles to those employees whose job travel requirements make commuting the only cost-effective or practical alternative. No appointee, serving at the pleasure of the Governor, may use a Virginia ABC-owned vehicle for commuting, except where:
  - a. The commute is connected to a departure for or return from a trip on official Virginia ABC business, or
  - b. Authorized by Virginia ABC's Chief Executive Officer (CEO) for job-related emergencies.

#### **J. Other Allowable Expenses**

1. While Virginia ABC does not provide a comprehensive list of allowable expenses in addition to those listed above, Virginia ABC will reimburse:
  - a. Meals for individuals not in travel status, but who are engaged in substantive discussions of Virginia ABC business that furthers the Virginia ABC's mission, vision and values. Business meal approval is subject to the [Signature Authority and Procurement Responsibility Policy](#). The Virginia ABC CEO or designee may authorize business meal reimbursements up to 50% over the applicable per diem rate.
  - b. Meals when an overnight stay is not involved for the Bureau of Law Enforcement personnel (e.g., working events) and all the following conditions are met:
    - i. Be available during the meal period to perform public safety services.
    - ii. Stay in close communication during the meal for possible immediate response to emergency situations (e.g., such response may interrupt or cancel the employee's meal period).
    - iii. Have meals in an area accessible to the public so that public services are readily provided.
  - c. Tolls and parking fees.

#### **K. Unallowable Expenses**

1. Virginia ABC must not reimburse expenses that are not reasonable and/or necessary for the execution of Virginia ABC's mission, vision and values including but not limited to:
  - a. Lost or stolen articles.
  - b. Alcoholic beverages.

- c. Damage to personal vehicles, clothing or other items.
- d. Services to gain entry to a locked vehicle.
- e. Movies charged to hotel bills.
- f. All expenses related to the personal negligence of the traveler (e.g., fines, late cancellation fees).
- g. Entertainment expenses.
- h. Travel insurance (e.g., personal injury or loss, trip interruption/cancellation).
- i. Towing charges.
- j. Expenses for children, spouses and companions while on travel status.

## Records Retention

Library of Virginia General Schedule:

- GS 102, Series 012151: Reimbursement Records.

## Reference Policies, Procedures, Documents, Forms

The following *Code of Virginia*, policies and procedures are referenced or associated with this policy:

- [Authority Delegation of Responsibilities](#)
- [Financial Management Responsibility Policy](#)
- [Mobile Communications Use Policy](#)
- [Training & Development Policy](#)
- [Signature Authority and Procurement Responsibility Policy](#)
- [Small Purchase Charge Card Policy](#)

The following forms, documents, and tools are associated with this policy:

- [BAR Access AFTER Initial Login](#)
- [BAR Expense Approver Guide](#)
- [BAR Expense User Guide](#)
- [BAR FAQ](#)
- [BAR Initial Login Guide](#)
- [BAR Temporary Backup Approver Guide](#)
- [Commonwealth Accounting Policies and Procedures \(CAPP\) Manual](#)
- [Office of Fleet Management \(OFMS\) travel calculator](#)

## Policy Change History

Revision Date	Author	Description <i>Identify if the policy is new or briefly describe the substantive revisions to the policy</i>	Board Approval Required? (Y/N)
6/2001		Policy created.	
11/2002		Policy revised.	
3/2005		Policy revised.	
5/2006		Policy revised.	
12/2006		Policy revised.	
10/2008		Policy revised.	

3/2014	N. Stanojev, M. Wood, H. Yeager	Policy put in new format; Policy revised, and links updated.	
1/9/2018	B. Wenzig, C. Serafin	Policy revised for transition to Authority.	Yes, 2/20/2018
09/21/2018	T. Henry	Policy further revised due to Authority transition.	Yes, 09/21/2018
10/05/2018	T. Henry	Policy updated with code sections that apply to board.	No, clarification, 10/05/2019
6/24/2019	G. Cordle	Policy updated to reflect transition to BAR system.	
9/6/2023	A. Binks, D. Robinson	Policy updated from actual receipted meal reimbursements to per diem reimbursement, certain meals for Bureau of Law Enforcement Personnel included as a reimbursable expense, additional clarity for commuting mileage, policy reorganized and language revised for clarity, procedural language moved to a supporting procedure, reference to travel charge cards removed, links updated.	Yes Board Meeting Date 09/15/2023



## TRAVEL REGULATIONS & EXPENSE REIMBURSEMENT POLICY

<b>POLICY AUTHORITY</b>	Director of Financial Management Services (FMS)		
<b>EFFECTIVE DATE</b>	October 1, 2023	<b>REVISION DATE</b>	September 6, 2023

### Purpose of Policy

The purpose of the Virginia Alcoholic Beverage Control Authority (Virginia ABC) *Travel Regulations and Expense Reimbursement Policy* is to establish the conditions and rules under which Virginia ABC employees may be reimbursed for personally incurred expenses that are directly related to official Virginia ABC business.

Virginia ABC establishes this policy to address the following risks:

1. Travel and other expenditures do not align with the mission, vision and values established by the Virginia ABC.
2. Virginia ABC funds will be misappropriated due to error or fraud.
3. The general public, the General Assembly or Administration may perceive Virginia ABC travel activity or other expenditures as fraudulent or a waste of public funds.

### Applicability

The policy is applicable to all ABC employees, except Virginia ABC’s Board of Directors. The Board of Directors must follow [Va. Code § 4.1-101.01.E](#).

Expenses or reimbursements related to mobile phone use must refer to Virginia ABC’s [Mobile Communications Use Policy](#).

### Definitions

**Commuting Mileage** – Round-trip mileage routinely traveled between the employee’s residence and primary workspace.

**International Travel** – Travel to areas outside of the 48 contiguous United States.

**Primary Workspace** – An employee’s usual work area, desk and/or workstation, as identified on the employee’s profile.

**Prudent** – Sensible; Thrifty, Frugal; Acting with or showing care and thought for the future.

### Detailed Policy Statement

#### A. Overview

1. This policy is not a comprehensive list of all allowable and unallowable expenses related to travel. It is the employee’s responsibility to verify all travel related expenditures are related to the mission, vision and values of Virginia ABC. The employee must seek clarification on portions of this policy that are unclear.

2. Financial Management Services (FMS) reviews compliance with only the items and limits specified in this policy and the associated procedure(s). FMS does not review compliance with division-level policies and procedures in Section C.
3. FMS may, at its discretion, make reasonable exceptions to this policy and accompanying procedure(s) when the exceptions do not contradict Virginia ABC mission, vision or values.
  - a. To apply fair and consistent policy, FMS may, to the extent practicable, develop division-level policies, procedures and/or guidance for the circumstances under which FMS may make exceptions.
  - b. Exceptions must be authorized by the accounts payable manager and approved at the assistant director/controller or director level within FMS. Approvals of exceptions must be documented.

**B. Reasonableness**

1. All travel expenses must be reasonable and necessary for the execution of Virginia ABC's mission, vision and values.
2. When considering the necessity and reasonableness of a potential travel expense, the employee must consider economy, prudence and necessity. The use of Virginia ABC funds to accommodate personal comfort, convenience and taste is not permitted.

**C. Division-Level Policies**

1. Division directors may establish policies and procedures that are more restrictive than this policy (e.g., store team members must reference the store policy manual) but must not exempt an employee from this policy.
2. Enforcement of division-specific policies and procedures must occur at the division level prior to approval and submission of expense reimbursement requests to FMS.

**D. Employee Travel Status**

1. An employee may be on travel status when all of the below conditions are met:
  - a. The employee is engaged in an activity that represents official Virginia ABC business (e.g., training, conference attendance or work assignment) that requires travel to a location other than their primary workspace, as determined by the employee's division director or designee.
  - b. The one-way commute for the activity is 60 miles or more from the employee's primary workspace, and it is beneficial to Virginia ABC that the employee stays overnight.
  - c. The employee's supervisor provides documented approval (e.g., email, employee connect approval) of the travel status.
2. Employees on travel status may be eligible for reimbursement for expenses such as lodging, meals and incidentals per diem, and transportation in accordance with sections F, G, H and J of this policy and the *Travel Regulations and Expense Reimbursement Procedure*.
3. Employees who are not on travel status may be eligible for reimbursement for mileage, transportation and meals expenses in specific circumstances, in accordance with sections G, I and J of this policy and the *Travel Regulations and Expense Reimbursement Procedure*.

**E. Travel Planning, Authorization, Purchase, and Reimbursement**

1. Supervisors must provide documented approval of employee travel prior to the dates of the travel (e.g., by email, in employee connect).
2. For training and development related travel (e.g., training, conference), the employee, supervisor and division director must follow Virginia ABC's *Training and Development Policy*, this policy, and accompanying procedure(s).
3. Bureau of Law Enforcement individuals in new agent training are exempt from completing the employee training request.
4. For non-training and development related travel, an employee whose position requires frequent travel (e.g., maintenance, internal audit) must comply with internal division requirements.
5. An employee may use the internet to purchase travel services if it is cost beneficial to Virginia ABC. The employee must use prudent judgment when choosing an internet travel service website. The employee must comply with requirements established by the Procurement Division.
6. Employees must submit all reimbursement requests with required documentation within 30 days of travel.

### **Meals and Incidental Travel Expenses (M&IE)**

Meals and incidental travel expenses will be reimbursable based on the actual receipted expenses, up to the U.S. General Services Administration (GSA) per diem rates for the travel location corresponding with the overnight lodging. Supervisors can make exceptions for significant distances between available lodging and worksite, but the supervisor must document the approval of those exceptions in writing. The reimbursement ceiling for travel days will be the GSA 75% prorated rate. The GSA rates are available at the following website [here](#)

The requirement to provide actual receipted expenses does not preclude an employee from purchasing groceries in place of meals. In these cases, the employee will need to submit receipts clearly indicating the grocery items that were used for meals. The employee will still be limited to the applicable per diem for the particular day and meal. The total reimbursement for groceries must not exceed the total per diem for a particular day (including the 25% reduction on travel days).

### **Travel Days**

The reimbursement ceiling for travel days will be the GSA 75% prorated rate. For trips involving multiple travel destinations, base the reduction rate in effect for where the employee spends the night. See examples below:

Departure Day: Where you spend the night

Return Day: Where you spend the night before returning to home base.

### **Reimbursement Restrictions**

Virginia ABC expects authority employees to disclose meals provided in conjunction with certain travel events on the expenditure report. In these cases, management will reduce total reimbursable rate by the per diem allowance for that meal. If this occurs on a travel day, management will reduce the full per diem then prorate by 75%. For example, if the M&IE rate allows a \$51 total reimbursement, and lunch was provided at no cost on a travel departure or return day, the total allowable reimbursement for that day would be \$29.25  $\{(\$51 - \$12 \text{ lunch} - \$39) \$39 * .75 = \$29.25\}$ . If the employee is not able to partake of the included meal, due to dietary or medical restrictions, the employee is free to obtain a meal, meeting their requirements, up to the GSA per diem limitation, with all travel day proration requirements still in effect. However, the authority strongly encourages the employee to make every effort to ensure travel event meals meet their dietary and medical restrictions prior to travel.

Employees must record the number and type (breakfast, lunch, and dinner) of meals on the expense report, when meals are included with registration or lodging expenses as part of a package (the employee specifically selects a rate package that includes meals). If meals are included with the cost of the lodging stay, the employee will no longer be eligible for additional meal reimbursement. This restriction does not apply to continental breakfasts and/or evening receptions offered by the lodging entity.

## **F. Lodging, Meals & Incidentals Expenses (M&IE) while on Travel Status**

1. An employee may obtain lodging when the one-way commute is greater than 60 miles from the employee's primary workspace. Supervisors may grant an exception on a case-by-case basis.
2. Virginia ABC adopts the U.S. General Services Administration (GSA) lodging rates for employee reimbursement based on the lodging destination's physical location. GSA lodging rates are available [here](#).
3. An employee is reimbursed for actual lodging expenses incurred up to the per diem rate, plus applicable hotel taxes, fees, and surcharges. Expenses up to 50% over the per diem rate must be approved in advance by the employee's supervisor and division director.

4. Meals and incidentals expenses are reimbursable on a per diem basis, using the GSA per diem rates for the travel location corresponding with the lodging destination's physical location. GSA meal and incidental rates are available [here](#).
5. Business telephone calls, internet access, hotel business center charges and facsimiles for official Virginia ABC business purposes are reimbursable.

#### **G. Transportation**

1. Employees must choose the most cost-effective and practical transportation option.
  - a. The employee must consider all travel costs (including meals, lodging, parking, ground transportation, etc.) associated with each option.
  - b. Reimbursement must be limited to the least expensive and practical option (e.g., flying versus driving).
2. Employees may travel for business by using a Virginia ABC-owned vehicle, renting a short-term trip vehicle or using a personal vehicle, but must use a Virginia ABC-owned vehicle if one is available and practical to use.
  - a. If a Virginia ABC-owned vehicle is not available or not practical, employees may use a short-term trip vehicle or personal vehicle. Employees must select the most cost-effective and practical option, using the criteria and procedures established in the *Travel Regulations and Expense Reimbursement Procedure*.
    - i. If renting a short-term trip vehicle, employees must attempt to use a vehicle available through the Office of Fleet Management Services (OFMS) rental car contract for short-term travel by state employees. If a rental is not available through the OFMS contract, the employee may make vehicle rental arrangements through other commercial rental agencies. The employee must acquire any available governmental commercial rate or discount.
    - ii. Virginia ABC permits employees to use a personal vehicle when a Virginia ABC-owned vehicle is not available or when the use of a personal vehicle is the most cost-effective and practical option for Virginia ABC.
  - b. Virginia ABC adopts the mileage reimbursement rates set in the most recent version of the *Commonwealth Accounting Policies and Procedures (CAPP) Manual*.
3. Employees may travel by public transportation (i.e., air, rail, bus, rental car, taxi, shuttle or other "for hire transportation") when cost-effective and practical.
  - a. Airline and rail travel cannot exceed the rates charged for tourist or coach class accommodations without supervisor approval.
    - i. Reimbursement for first class air or rail travel is prohibited.
    - ii. The employee may book business class air or rail travel with the approval of the employee's supervisor and in accordance with the *Travel Regulations and Expense Reimbursement Procedure*.
  - b. Employees must consider the total cost of travel (i.e., the sum of ticket price, baggage fees, taxes and other fees) when choosing among air travel options for business travel.
  - c. Employees are eligible for reimbursement from Virginia ABC for business trip cancellation costs, up to the amount not refunded by the travel provider. Employees must seek reimbursement from the travel provider prior to requesting reimbursement from Virginia ABC.
  - d. Any public transportation credits issued (e.g., airline discount vouchers) for reasons such as travel cancellation or plan alterations for Virginia ABC paid expenses will accrue to Virginia ABC.
4. Travel routing, whether by public transportation, personal vehicle, Virginia ABC-owned vehicle or for-hire transportation, must be the most direct practicable route.
5. Division directors or designee must approve exceptions to the above transportation prior to any arrangements made or expenditures incurred, and the chief administrative officer (CAO) must approve any division director exceptions. Approvals must be documented. Exceptions for chief officers must follow the *Governance Policy and Authority Delegation of Responsibilities Procedure*.

## H. International Travel

1. Employees' supervisors, division directors and the CAO must approve international travel in advance of the travel dates. Approvals must be documented.
2. Virginia ABC applies all travel requirements outlined in this policy and the *Travel Regulations and Expense Reimbursement Procedure* in the case of international travel. Supervisors may make reasonable exceptions on a case-by-case basis, but supervisors must document those exceptions.
3. Virginia ABC uses the lodging and meal per diem rates for foreign travel as defined by the GSA.

## I. Non-Travel Status Mileage Reimbursement and Commuting

1. Virginia ABC reimburses mileage for an employee who routinely travels on official Virginia ABC business to a location other than their primary workspace (e.g., to the General Assembly, Governor's office, bank, post office or on assignment by a supervisor).
  - a. Commuting mileage and other commuting costs incurred on a scheduled workday are considered a personal expense and are not reimbursable. When traveling between the employee's residence and an alternate work location, the employee must reduce the miles driven by the commuting mileage between the employee's residence and primary workspace.
  - b. When the employee's residence serves as the primary workspace, the mileage driven from the employee's residence to one or more alternate work locations, including Virginia ABC Headquarters, is official Virginia ABC business mileage and is fully reimbursable.
  - c. Non-travel status category mileage must be tracked by the employee throughout the fiscal year.
2. For headquarters, regional offices and distribution center employees, Virginia ABC may reimburse mileage incurred when the individual is required to work on a Saturday, Sunday or holiday that is not a scheduled workday. Reimbursements do not need to be reduced for commuting miles under these circumstances.
3. Virginia ABC adopts the mileage reimbursement rates set in the most recent version of the *CAPP Manual*.
4. Virginia ABC limits authorization for commuting in Virginia ABC-owned vehicles to those employees whose job travel requirements make commuting the only cost-effective or practical alternative. No appointee, serving at the pleasure of the Governor, may use a Virginia ABC-owned vehicle for commuting, except where:
  - a. The commute is connected to a departure for or return from a trip on official Virginia ABC business, or
  - b. Authorized by Virginia ABC's Chief Executive Officer (CEO) for job-related emergencies.

## J. Other Allowable Expenses

1. While Virginia ABC does not provide a comprehensive list of allowable expenses in addition to those listed above, Virginia ABC will reimburse:
  - a. Meals for individuals not in travel status, but who are engaged in substantive discussions of Virginia ABC business that furthers the Virginia ABC's mission, vision and values. Business meal approval is subject to the [Signature Authority and Procurement Responsibility Policy](#). The Virginia ABC CEO or designee may authorize business meal reimbursements up to 50% over the applicable per diem rate.
  - b. Meals when an overnight stay is not involved for the Bureau of Law Enforcement personnel (e.g., working events) and all the following conditions are met:
    - i. Be available during the meal period to perform public safety services.
    - ii. Stay in close communication during the meal for possible immediate response to emergency situations (e.g., such response may interrupt or cancel the employee's meal period).
    - iii. Have meals in an area accessible to the public so that public services are readily provided.
  - c. Tolls and parking fees.

## K. Unallowable Expenses

1. Virginia ABC must not reimburse expenses that are not reasonable and/or necessary for the execution of Virginia ABC's mission, vision and values including but not limited to:
  - a. Lost or stolen articles.
  - b. Alcoholic beverages.
  - c. Damage to personal vehicles, clothing or other items.
  - d. Services to gain entry to a locked vehicle.

- e. Movies charged to hotel bills.
- f. All expenses related to the personal negligence of the traveler (e.g., fines, late cancellation fees).
- g. Entertainment expenses.
- h. Travel insurance (e.g., personal injury or loss, trip interruption/cancellation).
- i. Towing charges.
- j. Expenses for children, spouses and companions while on travel status.

## Records Retention

Library of Virginia General Schedule:

- GS 102, Series 012151: Reimbursement Records.

## Reference Policies, Procedures, Documents, Forms

The following *Code of Virginia*, policies and procedures are referenced or associated with this policy:

- [Authority Delegation of Responsibilities](#)
- [Financial Management Responsibility Policy](#)
- [Mobile Communications Use Policy](#)
- [Training & Development Policy](#)
- [Signature Authority and Procurement Responsibility Policy](#)
- [Small Purchase Charge Card Policy](#)

The following forms, documents, and tools are associated with this policy:

- [BAR Access AFTER Initial Login](#)
- [BAR Expense Approver Guide](#)
- [BAR Expense User Guide](#)
- [BAR FAQ](#)
- [BAR Initial Login Guide](#)
- [BAR Temporary Backup Approver Guide](#)
- [Commonwealth Accounting Policies and Procedures \(CAPP\) Manual](#)
- [Office of Fleet Management \(OFMS\) travel calculator](#)

## Policy Change History

Revision Date	Author	Description <i>Identify if the policy is new or briefly describe the substantive revisions to the policy</i>	Board Approval Required? (Y/N)
6/2001		Policy created.	
11/2002		Policy revised.	
3/2005		Policy revised.	
5/2006		Policy revised.	
12/2006		Policy revised.	
10/2008		Policy revised.	
3/2014	N. Stanojev, M. Wood, H. Yeager	Policy put in new format; Policy revised, and links updated.	

1/9/2018	B. Wenzig, C. Serafin	Policy revised for transition to Authority.	Yes, 2/20/2018
09/21/2018	T. Henry	Policy further revised due to Authority transition.	Yes, 09/21/2018
10/05/2018	T. Henry	Policy updated with code sections that apply to board.	No, clarification, 10/05/2019
6/24/2019	G. Cordle	Policy updated to reflect transition to BAR system.	
9/6/2023	A. Binks, D. Robinson	Policy updated from actual receipted meal reimbursements to per diem reimbursement, certain meals for Bureau of Law Enforcement Personnel included as a reimbursable expense, additional clarity for commuting mileage, policy reorganized and language revised for clarity, procedural language moved to a supporting procedure, reference to travel charge cards removed, links updated.	Yes Board Meeting Date 09/15/2023

## TRAVEL REGULATIONS & EXPENSE REIMBURSEMENT PROCEDURE

<b>POLICY IN REFERENCE</b>	Travel Regulations and Expense Reimbursement		
<b>POLICY AUTHORITY</b>	Director of Financial Management Services (FMS)		
<b>EFFECTIVE DATE</b>	October 1, 2023	<b>REVISION DATE</b>	September 6, 2023

### Purpose of Procedure

The purpose of the Virginia Alcoholic Beverage Control Authority (Virginia ABC) *Travel Regulations and Expense Reimbursement Procedure* is to establish the requirements and provide instructions for Virginia ABC employees who may be reimbursed for personally incurred expenses that are directly related to official Virginia ABC business, in accordance with Virginia ABC policy.

### Applicability

The procedure is applicable to all ABC employees, except Virginia ABC’s Board of Directors. The Board of Directors must follow [Va. Code § 4.1-101.01.E](#).

Expenses or reimbursements related to mobile phone use must refer to Virginia ABC’s [Mobile Communications Use Policy](#).

### Definitions

**Commuting Mileage** – Round-trip mileage routinely traveled between the employee’s residence and primary workspace.

**International Travel** – Travel to areas outside of the 48 contiguous United States.

**Primary Workspace** – An employee’s usual work area, desk and/or workstation, as identified on the employee’s profile.

**Travel Status** – Designation for an employee engaged in an activity that represents official Virginia ABC business that requires travel to a location other than the employee’s primary workspace and requires an overnight stay, as determined by the employee’s division director or designee and further defined in the *Travel Regulations and Expense Reimbursement Policy*.

### Detailed Procedure

#### A. Travel Status Authorization

1. The supervisor may assign an employee to travel status, or an employee may request to travel. The supervisor must determine whether the employee may be on travel status, according to criteria defined in the *Travel Regulations and Expense Reimbursement Policy*.
2. In consultation with the employee, the division director or designee has the discretion as to whether to pay for overnight travel accommodations the night before or after the training/conference/workshop considering start/end times, travel distance and geographical location of such training/conference/workshop. In instances that overnight travel accommodations are not approved, the employee is not considered to be on travel status and is not entitled to meals and incidentals per diem or lodging. However, the employee may be eligible for transportation



reimbursement such as a short-term trip vehicle or non-travel status mileage reimbursement when a Virginia ABC-owned vehicle is not available.

3. The employee's supervisor must:
  - a. Provide documented approval (e.g., by email, in employee connect) for the travel status designation, with a date and time stamp, prior to the dates of the travel.
  - b. Retain their documented approval for audit purposes.

#### **B. Online Purchase of Travel Services**

1. When paying for travel services via the internet, the following methods may be used:
  - a. Virginia ABC small purchase charge card (SPCC).
  - b. An employee is eligible for reimbursement when using a personal charge card for travel, provided the travel is complete and the expense reimbursement request with the supporting documentation is submitted. However, the employee must use a SPCC when available.
2. The employee must submit the following documentation with the expense reimbursement request after travel services are obtained via the internet:
  - a. Itemized receipt(s) from the internet site that show total costs and confirm the services provided.
  - b. Documents that validate the mode and class of travel.
  - c. Confirmation from the airline and/or hotel of actual, itemized costs incurred when an invoice is not created because the internet travel provider is paid in advance.

#### **C. Reimbursement Process**

1. Employees must submit expense reimbursement requests and the appropriate scanned documentation in the Budget Accounting Reporting (BAR) system within 30 calendar days after completion of a trip.
  - a. Approval of reimbursement requests filed after 30 calendar days of the trip are discretionary.
  - b. If the reimbursement request is filed:
    - i. 31-90 days after the completion of a trip, the request must include a justification for the delay and requires approval of the accounts payable manager or assistant manager.
    - ii. After 90 days of the completion of a trip, the request must include a justification for the delay and requires approval by the director of FMS.
2. The employee must retain an original hard copy for six months and provide originals upon request for audit. Reimbursement requests are electronically routed to the employee's supervisor or manager for initial approval. Reimbursements over \$1,000 are automatically routed to the division director upon approval by the employee's immediate supervisor.
3. Employees must follow additional reimbursement processes and documentation requirements included in this procedure and the *Travel Regulations and Expense Reimbursement Policy*.

#### **D. Lodging on Travel Status**

1. The employee may obtain lodging when the one-way commute is greater than 60 miles from the employee's primary workspace. Supervisors grant any exceptions on a case-by-case basis by providing a documented explanation (e.g., by email) for the exception and attaching the explanation to the expense reimbursement request.
2. The employee may obtain lodging up to the allowable U.S. General Services Administration (GSA) lodging rates (linked [here](#)). The standard rate applies for locations not listed with the GSA lodging rates table. Expenses up to 50% over the per diem rate must be approved in advance in writing by the employee's supervisor and division director (e.g., email). The exception must accompany a short, reasonable explanation for the needed exception, and be attached to the expense reimbursement request and/or employee training request.
3. The employee must make any cancellations in a timely manner to avoid cancellation fees.
  - a. Cancellation fees incurred due to unforeseen circumstances, and not negligence, are eligible for reimbursement with the approval of the supervisor and the accounts payable manager or assistant manager.
  - b. The supervisor must include the documented explanation with the expense reimbursement request.
4. Lodging expenses for rates, taxes and surcharges may be direct billed.
5. The employee must submit an itemized hotel bill, obtained at the time of checkout, with the expense reimbursement request and the SPCC log, when applicable.

#### **E. Meals & Incidentals Expenses (M&IE) on Travel Status**

1. The employee may be reimbursed for approved expenses using the GSA per diem rates for the travel location corresponding with the lodging destination's physical location. GSA meal rates are available [here](#).
  - a. Reimbursement for M&IE on the first and last travel days will be 75% of a full day's per diem.
  - b. For trips involving multiple travel destinations, per diems are based on the physical location of lodging. For *departure* days, the M&IE rate is based off where the night is spent. For the *return* days, the M&IE rate is based on where the night is spent *before* returning to home base.
  - c. Supervisors may make exceptions to allow higher reimbursement rates for significant distances between available lodging and alternate work location if the alternate work location's reimbursement rate is higher. The supervisor must document the approval of those exceptions in writing, and the approval must be submitted with the expense reimbursement request.
2. FMS pays M&IE reimbursements directly to each individual employee even where it can be shown that one employee incurred the expenses on behalf of another.
3. For meals covered by registration or lodging expenses as part of a package (e.g., continental breakfasts, receptions, meals specifically selected within a rate package), employees must disclose and exclude such expenses from the reimbursement request. Meals provided with registration or lodging that the employee does not partake in may be reimbursable for any reasonable circumstance (e.g., early work hours do not allow for participation in the provided breakfast, the food provided was not adequate, dietary needs not met). Virginia ABC strongly encourages the employee to make every effort to verify travel event meals meet their dietary and medical restrictions prior to travel.

#### **F. Transportation**

1. Obtaining a Virginia ABC-owned vehicle: Employees must use a Virginia ABC-owned vehicle if one is available and practical to use.
  - a. To obtain a Virginia ABC-owned vehicle for travel, the employee must consult the *Procurement Policy* and contact the procurement division.
  - b. Employees who travel frequently may have a Virginia ABC-owned vehicle permanently assigned.
2. Choosing between a short-term trip vehicle and personal vehicle: If a Virginia ABC-owned vehicle is not available, the employee must determine whether a short-term trip vehicle rental or personal vehicle is more cost-effective and practical.
  - a. Generally, a personal vehicle may be considered more cost-effective and practical than a short-term trip vehicle in the following circumstances. Employees need not complete a cost-benefit analysis in these circumstances.
    - i. Occasional travel planned for distances up to 200 miles per day. For overnight travel, consider the average daily mileage over the period the state vehicle would otherwise be needed.
    - ii. Constant daily routine travel (e.g., bank trips, post office visits).
    - iii. An emergency that is approved by the supervisor.
  - b. When determining whether a short-term trip vehicle is more cost-effective and practical than a personal vehicle, the employee must consider the following factors for the short-term trip vehicle:
    - i. Distance to the nearest rental location and the hours of operation.
    - ii. Administrative time required to obtain the rental car.
    - iii. The type of vehicle required and the number of employees traveling.
  - c. When comparing cost and practicality between a personal vehicle and a short-term trip vehicle, the employee must visit the OFMS website and use the trip calculator (linked [here](#)) to determine the vehicle cost for their proposed trip. For reimbursement for short-term trip vehicle expenses, a copy of the trip calculator results must be attached as supporting documentation on the mileage line of the expense reimbursement request.
3. Reserving and operating a short-term trip vehicle: If renting a short-term trip vehicle, employees must attempt to use a vehicle available through the Office of Fleet Management Services (OFMS) rental car contract for short-term travel by state employees (employees can book OFMS rentals at this [site](#)). If a rental is not available through the OFMS contract, the employee may make vehicle rental arrangements through other commercial rental agencies.

- a. In cases where an employee has traveled to a destination without pre-registering for a vehicle, vehicle rental expenses are allowed but limited to official Virginia ABC business use only.
  - b. The employee must select the most cost-effective commercial rental agency and vehicle type available and acquire any available governmental commercial rate or discount.
  - c. The employee must make all vehicle reservations at least 24 hours in advance of the anticipated pickup of the vehicle when available. Otherwise, the employee may be restricted to mileage reimbursement at the fleet rate for use of personal vehicle.
  - d. Vehicle rentals exceeding 30 days must be approved by OFMS in advance. The employee must inform the procurement division and must allow sufficient time for procurement division employees to obtain the appropriate approval from OFMS.
  - e. Travelers must refuel the rental vehicle before returning the vehicle to the rental contractor. Virginia ABC will base any reimbursement on the fuel used and receipts provided.
    - i. The employee must claim reimbursement by using the appropriate category on the reimbursement request.
    - ii. Employee's must never enter a "Fuel Agreement" or pay for fuel at the time of rental or before the vehicle is used.
  - f. Employees must decline any rental insurance offered by the rental agency because the Department of Treasury, Division of Risk Management provides a Statewide Self-Insured Automobile Plan for State/Virginia ABC employees.
  - g. When travel occurs outside of the United States, Virginia ABC adopts *Commonwealth Accounting Policies and Procedures (CAPP) Manual* guidelines in Topic 20335.
  - h. Operators of Short-Term Trip Vehicles are subject to the OFMS Policies and Procedures that apply to state or Virginia ABC-owned vehicles. See *OFMS Policies and Procedures Manual* (Page 14; II Travel Planning). Employees may direct questions about short-term trip vehicles to the Director of Procurement.
4. Mileage reimbursement for eligible use of a personal vehicle: Virginia ABC adopts the mileage reimbursement rates set in the [CAPP Manual](#).
- a. Currently, the CAPP rates for the first 15,000 miles of use each fiscal year are:
    - i. **Current IRS rate** – when a personally owned vehicle is cost justified or a Virginia ABC-owned vehicle/OFMS rental is not available. This rate is adjusted annually. Current IRS rates can be found at the following site: <https://www.irs.gov/tax-professionals/standard-mileage-rates>
    - ii. **\$.246 per mile** – when an employee elects to use a personally owned vehicle for convenience.
  - b. Virginia ABC reduces reimbursement rates to **\$.13 per mile** for travel greater than 15,000 miles in a fiscal year, unless a state-owned vehicle/short-term trip rental is not available. The employee is responsible for providing justification within the expense reimbursement request that a state vehicle option is not available if they exceed 15,000 miles and elect to use the current IRS rate. FMS does not process reimbursements without the required documentation.
  - c. Non-travel status category mileage (e.g., to the General Assembly, Governor's office, bank, post office, or on assignment by a supervisor) must be tracked by the employee throughout the fiscal year. The employee must submit an expense reimbursement request within 30 days of meeting one of the below conditions. Expense reimbursement requests submitted greater than 30 days of meeting one of the below conditions will follow the justification and approval process outlined on Section C.1 of this procedure.
    - i. The total mileage reimbursement amount is greater than or equal to \$100, **or**
    - ii. Once per fiscal quarter (i.e., July-September, October-December, January-March, April-June).
5. Public Transportation (i.e., air, rail, bus, rental car, taxi, shuttle, or other "for hire transportation"): Employees must choose the most cost-effective and practical public transportation option.
- a. Generally, employees must book airline or rail travel at tourist or coach class rates. An employee may be eligible to receive reimbursement for fees incurred to book an assigned seat if the seat was booked to ensure a seat is available on the day of the flight. However, the employee who books premium assigned seating strictly for preference will not be eligible for reimbursement. To obtain reimbursement, the employee must document the

reason for the premium when submitting reimbursement documentation and the employee's supervisor must approve the reimbursement.

- b. The employee may book business class air or rail travel with the approval of the employee's supervisor and under the following conditions:
  - i. For Air:
    - 1) When the cost is less than or equal to the lowest available tourist/coach fare. A cost comparison must be attached to the expense reimbursement request or purchase card log; or
    - 2) For travel to Western Europe if the business meeting is conducted within three hours of landing; or
    - 3) For transoceanic, intercontinental trips involving flight-time of more than eight consecutive hours; or
    - 4) If the traveler pays the difference.
  - ii. For Rail:
    - 1) When the cost is less than or equal to the lowest available tourist/coach fare. A cost comparison must be attached to the expense reimbursement request or purchase card log; or
    - 2) When reserved coach seats are not offered on the route; or
    - 3) If the traveler pays the difference.
  - iii. The employee and supervisor must document approval of booking business class air or rail in writing, which must be attached to the expense reimbursement request or purchase card log.
- c. Employees may be reimbursed for costs beyond ticket price (e.g., overweight baggage fees) if there is a legitimate business purpose. In such cases, employees must provide an itemized receipt for the additional cost with an explanation of the request.
- d. To request reimbursement for business trip cancellation costs, employees must follow the regular reimbursement process as well as the requirements in the *Travel Regulations and Expense Reimbursement Policy*.
  - i. Employees seeking reimbursement for cancellation costs must seek reimbursement from the travel provider prior to requesting reimbursement from Virginia ABC.
  - ii. Virginia ABC reimburses eligible expense amounts not refunded through the travel provider, if any.
- e. Employees must communicate with accounts payable any public transportation credits received (e.g., airline discount vouchers). Accounts payable will provide additional guidance on how to proceed.

#### **G. International Travel**

- 1. Employees' supervisors, division directors and the CAO must approve international travel in advance of the travel dates. Approval must be documented.
- 2. Employees may claim reimbursement for lodging and meals and incidentals expenses using per diem rates for foreign travel as defined by the Federal Government, General Services Administration (GSA).
  - a. The Department of Defense (DOD) sets the rates for Hawaii, Alaska and all United States Territories (Puerto Rico, Guam, The Virgin Islands, etc.). The Secretary of State establishes these maximum rates of per diem allowances for travel in foreign areas.
  - b. The GSA web page (<https://www.gsa.gov/travel/plan-book/per-diem-rates>) link for domestic travel lodging and meal rates has links to the DOD and State Department web sites. If a specific city is not listed, employees must use the "Other" rate shown for that country. The meals portion of the maximum per diem rate is the reimbursement limit for the cost of meals.

#### **H. Other Allowable Expenses (Business center costs, tolls, parking and business meals)**

- 1. Employees may claim the costs of business telephone calls, internet access, hotel business center charges, and facsimiles incurred by the employee while on travel status on the expense reimbursement request. The employee must provide a detailed justification with the expense reimbursement request and supporting documentation.
- 2. An itemized receipt is required for reimbursement claims for tolls and parking fees.
- 3. Employees must follow the process in section C above to submit reimbursement requests for eligible business meal expenses. The Virginia ABC CEO or designee may authorize business meal reimbursements up to 50% over the applicable per diem rate.

- a. Employees must attach an itemized receipt and a completed Business Meals and Snacks and Refreshments Approval Form with the expense reimbursement request or SPCC log.
- b. Official business meals are state sales tax exempt per the Department of Taxation’s Tax Bulletin 16-3: <https://www.tax.virginia.gov/laws-rules-decisions/tax-bulletins/16-3>. Employees must work with the vendor to receive tax exempt status.

## Records Retention

Library of Virginia General Schedule:

- GS 102, Series 012151: Reimbursement Records.

## Reference Policies, Procedures, Documents, Forms

The following *Code of Virginia*, policies and procedures are referenced or associated with this policy:

- [Authority Delegation of Responsibilities](#)
- [Financial Management Responsibility Policy](#)
- [Mobile Communications Use Policy](#)
- [Training & Development Policy](#)
- [Signature Authority and Procurement Responsibility Policy](#)
- [Small Purchase Charge Card Policy](#)

The following forms, documents, and tools are associated with this policy:

- [BAR Access AFTER Initial Login](#)
- [BAR Expense Approver Guide](#)
- [BAR Expense User Guide](#)
- [BAR FAQ](#)
- [BAR Initial Login Guide](#)
- [BAR Temporary Backup Approver Guide](#)
- [Business Meals and Snacks and Refreshments Approval Form](#)
- [Commonwealth Accounting Policies and Procedures \(CAPP\) Manual](#)
- [IRS Standard Mileage Rates](#)
- [Office of Fleet Management \(OFMS\) travel calculator](#)

## Procedure Change History

Revision Date	Author	Description <i>Identify if the policy is new or briefly describe the substantive revisions to the policy</i>	Board Approval Required? (Y/N)
9/6/2023	A. Binks, D. Robinson	This new procedure reflects the procedural steps associated with the Travel Regulations and Expense Reimbursement Policy. Content was also updated to reflect change from actual receipted meal reimbursements to per diem reimbursements, certain meals for Bureau of Law Enforcement Personnel are now included as a reimbursable expense, now requires employees to seek tax exempt status for business meals, references to travel charge cards was removed.	Board Meeting Date 09/15/2023



# Real Estate Committee Recommendations

## Overview

### August:

0 New Stores

1 Relocation

0 Expansions

6 Renewals

### September:

0 New Stores

0 Relocations

1 Conversion

11 Renewals

## Action

Approve Real Estate Recommendations

# Real Estate Committee Recommendations

ACTION	COMMENTS
<b>August 2023</b>	
<b>Relocation</b>	
Store #036 (Gainesville) Shops at Stonewall	2400 square feet at \$38 per square foot; Landlord initially proposed \$45 per square foot
<b>Renewals</b>	
Store #152 (Farmville - Prince Edward County) Longwood Village Shopping Center	4800 square feet at \$10.12 per square foot, flat, for a 5 year option term
Store #197 (Claypool Hill – Tazewell County) 149 Clay Drive	2400 square feet at \$16.48 per square foot, flat, for a 5 year term
Store #247 (Glen Allen – Henrico County) Westpark Shopping Center	2500 square feet at \$29.22 per square foot, with 3% annual increases, for a 5 year term (Subsequent to the REC Meeting, Landlord advised that 3% annual increases was a requirement; therefore, we negotiated a lower rental rate \$29.75 to \$29.22; Landlord initially started at \$31 per square foot)
Store #250 (Hampton) Fox Mill Shopping Center	2550 square feet at \$19.70 per square foot, flat, for a 5 year term
Store #340 (Newport News) Oyster Point Marketplace	3000 square feet at \$25.85 per square foot, flat, for a 5 year option term (this was voted on via email, as the option had to be executed by the end of July)
Store #352 (Herndon – Fairfax County) Fox Mill Shopping Center	2500 square feet at \$41.67 per square foot, with 2% annual increases, for a 5 year term



# Real Estate Committee Recommendations

ACTION	COMMENTS
<b>September 2023</b>	
<b>Conversion</b>	
<b>Store #361 (Portsmouth) Midtown Marketplace</b>	Convert the self-service location to a counter store
<b>Renewals</b>	
<b>Store #056 (Winchester - Frederick County) Delco Plaza</b>	2900 square feet at \$15 per square foot, flat, for a 2 year option term
<b>Store #124 (Covington – Alleghany County) Riverbend Shopping Center</b>	2934 square feet at \$19.35 per square foot, flat, for a 5 year option term
<b>Store #132 (Martinsville – Henry County) Smith River Crossing</b>	2700 square feet at \$12.10 per square foot, flat, for a 5 year option term
<b>Store #176 (Brookneal – Campbell County)</b>	2800 square feet at \$8.72 per square foot, flat, for a 5 year option term
<b>Store #214 (Clarksville – Mecklenburg County)</b>	3240 square feet at \$4.07 per square foot, flat, for a 5 year option term
<b>Store #229 (Roanoke) Valley Gateway Shopping Center</b>	2100 square feet at \$22.50 per square foot, with 3% annual escalations, for a 5 year term
<b>Store #251 (Richmond)</b>	3600 square feet at \$12.14 per square foot, with 2% annual increases, for a 5 year option term
<b>Store #304 (Goochland) Courthouse Commons Shopping Center</b>	2000 square feet at \$17.67 per square foot, with 2% annual increases, for a 5 year option term
<b>Store #335 (Williamsburg – York County) James York Plaza Shopping Center</b>	4500 square feet at \$18.66 per square foot, flat, for a 5 year option term
<b>Store #356 (Radford)</b>	4000 square feet at \$11.55 per square foot for 3 years and \$12.50 per square foot for 2 years
<b>Store #386 (Stuarts Draft – Augusta County) Windmill Square Shopping Center</b>	1400 square feet at \$12.10 per square foot, flat, for a 5 year option term

# Actions to Combat Theft

# Actions to Combat Retail Theft

- Partnering with law enforcement in Virginia Beach, Chesapeake, Hampton Roads, Newport News, Norfolk, Portsmouth, Richmond, and York County to address rising retail theft.
- Conducted store layout and property review assessments to reduce theft and improve customer and personnel safety. Specific action plans were developed in these markets to slow / mitigate the progression of shrink within each store.
- Retail leadership attends local Chesapeake Police Department CompStat meetings to maintain a collaborative feedback channel between both parties. Communicate with other departments through email and phone almost daily.
- Implemented a High Shrink Action Plan (HSAP) framework segmenting stores into three categories. The goal is to provide customer service while balancing theft mitigation, and to provide a safe shopping and working environment.
  - Stores were analyzed to identify the level of shrink occurring and placed into one of three groups based on the percentage of shrink over the past 12 months. This will be monitored to assure stores Levels are updated to reflect the current theft environment.
    - Level 1: Shrink 0.40% and below = 354 Stores
    - Level 2: Shrink 0.41% - 0.99% = 28 Stores
    - Level 3: Shrink % to sales of 1.0% and higher = 18 Stores

# Actions to Combat Retail Theft

## Prevention Efforts Completed (Level 3 stores):

- Updated store layouts to move high theft spirits categories to line of site of cash registers, restricted inventory levels in the store and on the sales floor for the top ten high theft products. Inventory in the in backroom moved to less accessible locations.
- Camera site line and angles adjusted, and all lenses cleaned.
- Bottle locking devices have been installed on high-theft items provided by suppliers.
- Additional labor allotment during peak theft periods

## Mitigation:

- CAM-intrusion alarms installed on the interior stockroom access doors at a portion of the locations. Additional CAM-intrusion alarms on back-order.
- ABC signage and insignias have been removed from the back entrance of stores.
- Height strips were added to all doors and wide-angle peepholes have been installed.

## Training & Execution:

- Customer engagement expectations training.
- Theft reporting & when to call 911 and non-emergency line guidance training.
- Crime reporting criteria & "How to be a Good Witness" training.
- Shoplifting, robbery, and burglary procedures were revised to reflect the new reporting criteria.

# Actions to Combat Retail Theft

- Profit Focus Endcaps – High Theft Stores empty boxes used to fill in gaps





# Customer Service and Engagement Training

## Operation Customer Engagement:





Customer engagement is being emphasized to focus teammates on selling and **to mitigate shoplifting incidents**. Establishing a consistent presence throughout the store lets people know that teammates are ready to assist them and are watching. As a result, customers are more likely to ask questions when they need help, and associates can watch for misplaced items or potential theft.

This effort includes:

- Zone Sales Floor Management to ensure maximum coverage and customer interaction.
- Upselling while engaging. This is where the customers are most open to suggestions on better brands, larger package sizes, and addons to enhance their shopping experience.
- A well-defined and structured sales process that helps team members effectively guide customers through their buying journey and maximize conversion rates.

# Actions to Combat Retail Theft

## Continued Activity

Activity	Description
 <p data-bbox="275 511 443 558">Training</p>	<p data-bbox="899 454 2339 596">As we continue our partnership, we work with our PD liaisons to craft and update training for our store teams: Proper crime reporting (when to call 911), and how to be a good witness to produce actionable reporting to increase solvability.</p>
 <p data-bbox="257 729 754 776">Partnership Coordination</p>	<p data-bbox="899 668 2339 811">Introduction of the local operators to the policing professionals and invitation to visit the ABC stores in the market to meet the teams. Where possible adding space in the backroom for local Police Departments to do paperwork.</p>
 <p data-bbox="270 886 817 991">Continued Prevention and Mitigation, and Fortification</p>	<p data-bbox="899 858 2339 1053">Jennifer Burke Retail Director is in the market weekly working with local Police Departments, taking in teammate feedback, and assessing the changing landscape. Additional sales floor coverage during peak theft periods, updates to store layouts, and adjusting inventory availability as theft patterns change and migrate.</p>
 <p data-bbox="270 1143 626 1190">Statistical updates</p>	<p data-bbox="899 1100 2339 1243">Chesapeake CompStat meeting, schedule meetings as needed, email, and phone with local Police Departments in high theft areas. Internal ABC HSAP meeting with Retail Operations, Internal Audit, Bureau or Law Enforcement and IT.</p>

# Additional Action Plan Items to Mitigate Shrink / Risk

- **Process and System changes:**
  - Centralized dashboard to track shrink in Retail Stores, Distribution Center, and In-transit. Retail Dashboard – (pilot stage)
  - GK Point of Sales System (POS) - updated GK POS to capture write-offs identified as external theft (**shoplifting**), data will be integrated into the data warehouse for future centralized dashboard reporting. (in-progress) Next steps are to complete standard operating procedures and pilot.
  - GK POS – store receiving has a process control gap where the RF device does not distinguish between a good or bad scan, or a case intended for another store. DC inventory control team is monitoring receiving's daily and is working with stores and DMs to research discrepancies. Updating DC software to increase load sequence and delivery accuracy to stores. (on-going)

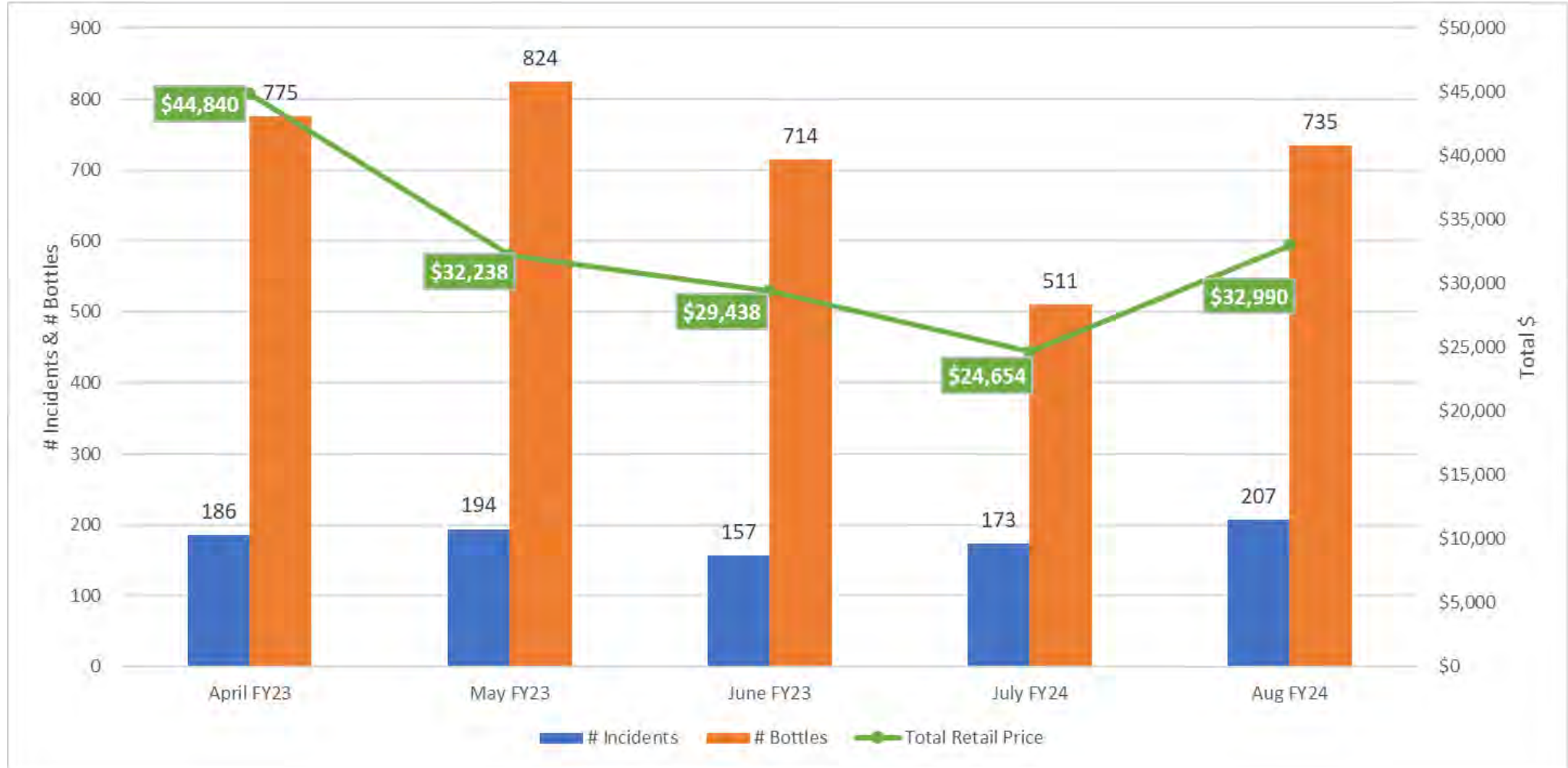


# Additional Action Plan items to Mitigate Shrink / Risk

- Process and System changes:
  - March 2023, Virginia ABC began tracking retail theft manually as a separate shrink category. Previously individual crime reports were documented and communicated internally but not tracked. Individual theft reports have been consolidated from the last 18-months. The theft data is being used to show theft patterns that can be used to prevent and apprehend future larcenies in partnership with local law enforcement. (on-going)
  - Real time inventory data for retail stores, piloting cycle-count program to count stores inventory twice a quarter, top 10 shrink items counted monthly, and a full-physical inventory annually for level 1 & 2 stores. Level 3 stores top 10 shrink items counted monthly and full physical inventory every 90-days.

# Level 3 High Shrink Stores

## Reported Theft April – August 2023

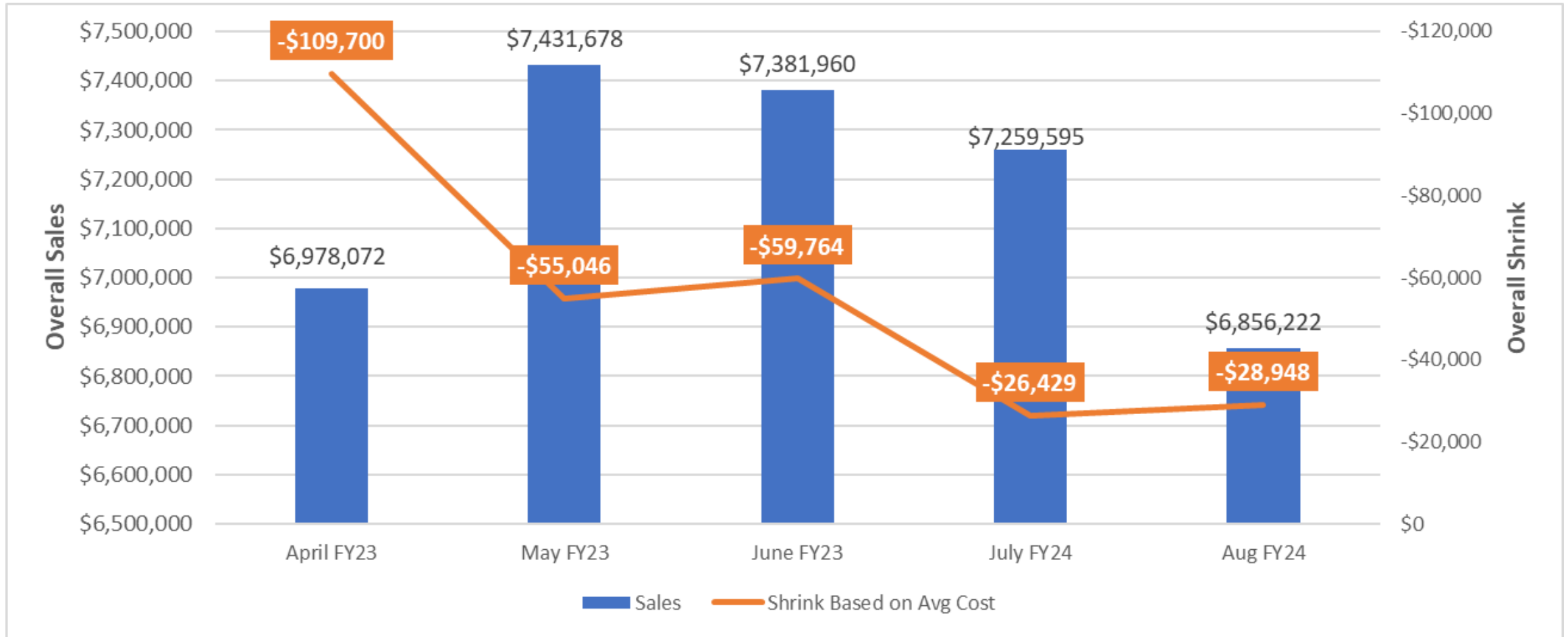


Store 361 was closed in May 2023 and is excluded from analysis.



# Level 3 High Shrink Stores

## Sales & Shrink Performance April – August 2023



Store 361 was closed in May 2023 and is excluded from analysis.



# Actions to Combat Retail Theft

## Questions?

# Virginia ABC Information Security Update

*Chief Information Officer*

Paul Williams

*Information Security Officer*

Diane Enroughty



# Main Aspects

## Identity and Access

- Active Directory and Account Central
- Privileged access (Administrator and elevated rights)
- Single Sign on (SSO)/ Syndicated Authentication

## Network and Perimeter Controls

- Firewalls / Web Application Firewall
- Anti Spam, Anti Virus, Local firewalls, Policy
- Intrusion Detection and response

## Maintenance and Compliance

- Vulnerability scanning / Patching and remediation
- Upgrades / System Lifecycle stage
- Development and Deployment controls (System Development Lifecycle)
- ABC has adopted the NIST security standard (not COV)

## Risk Management

- IT Strategy
- Vendor and system assessments
- Data Retention and Storage philosophy

## Response, Prevention and Monitoring

- Security Operations
- Training
- Testing and evaluation

# Identity and Access Management

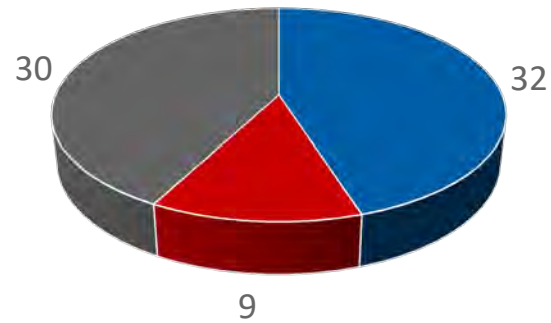
## General Principles : ABC internal systems all require user authentication.

- Source of truth for identity and credentials is Active Directory via Single Sign On (SSO) or Syndicated authentication
- Roles in applications (required) are either mapped to Active directory groups or mapped to preset roles inside applications
- Active Directory is dynamically integrated with HR
- Multi Factor Authentication (MFA) on ALL systems is preferred. Mandatory on Systems containing sensitive data
- Privileged access is restricted, more complex authentication rules are applied.
- System Access is Logged centrally
- The standards for Compliance have been changing year over year – such that previously compliant systems may not remain compliant without changes – for example multi factor authentication is a fairly new requirement

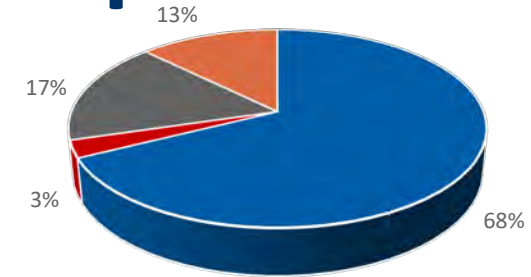
## Role design

- Modification of roles requires System owner authorization and is usually only executed within a project (e.g. adding Product (PDH) functionality to our Finance System). Infosec / Internal audit are engaged with role design
- Allocating users into and out of roles is a standard process of onboarding and authorized by the employee manager and system administrator of each system
- Role and access reviews are performed at least annually

# Current state of Identity Compliance



- Internal Systems with Sensitive Data
- External Systems with sensitive data
- Other (lower risk) systems



- Systems on Active Directory
- Systems with Other Multi Factor
- Sensitive Systems without MFA
- Other systems without MFA

- 71 core systems support our business. The majority of these systems use an ABC identity and / or support their own MFA (Name, Password + another factor - 71%)
- ABC identities are driven by an employee record and are linked to actions on the employee record.
- We have 19 systems that have stand alone user / passwords that have to be managed separately from the employee record and have no MFA). 12 of these systems contain sensitive data
- We continue to pursue having MFA for all systems containing sensitive data and converted 2 more systems in July. The remaining 12 are all either dependent on Vendors (we actively pursue these vendors for remediation) or ABC development to resolve (in progress incrementally through 2024)



# Network and perimeter controls

- The current ‘buzzword’ in network security is ‘zero trust’. ABC does not yet operate at that level but we are moving towards it. Zero trust requires all connections authenticate for every new connection. ABC has actively reduced our access points to present as narrow a ‘front door’ as possible to potential attackers and consolidated authentication through Active Directory.
- ABC’s primary firewalls are enterprise class devices, both on premise and in our cloud infrastructure. They also provide VPN to expand our network via to remote workers.
- Only ABC owned / Authorized devices are permitted to participate in the ABC network (including VPN). This ensures devices on our network are also hardened against attack.
- We operate from a ‘deny all’ stance and only open approved pathways on our gateways
- We perform routine external and internal penetration tests for our network. Weaknesses discovered by these tests become action items for ABC to address
- Even though we have redundant connections at every site, and regularly experience failovers, ABC is most vulnerable to a multi circuit failure by one of our primary ISP data carriers. These carriers provide high speed connections at hundreds of ABC sites as well as national internet infrastructure.

# Scanning and Compliance

In an ever changing threat landscape, we have to continuously monitor for vulnerabilities and weaknesses that could be exploited to harm ABC. Monitoring includes finding new vulnerabilities in existing systems as much as prevention and diligence when implementing changes or new systems.

## Vulnerability Management :

- Our security operations group runs full scans at least monthly over the entire ABC environment
- Vulnerabilities are tracked (and aged) from discovery to remediation
- Most scans are limited to ABC responsible environments (Scanning SaaS and PaaS sites is usually blocked by contract language and providers are responsible for their own scanning and remediation).
- We examine threats as they become visible and assess our environment for potential impact (do we use vulnerable components, do our partners use compromised systems or services). Infosec and Secops are specifically tasked with monitoring for threats
- Our developers use multiple tools to scan new code prior to deployment to avoid introducing known vulnerabilities such as compromised libraries
- We deploy most updates in test or pilot modes for short periods of observation before deploying to our full environment
- All environmental changes are authorized and tracked through a formal change management process
- Overall vulnerability status is reported monthly in the IT Monthly report. Critical open items are reported in the Monthly Information Security Steering Committee (ISSC)

# Maintenance Activities

- Maintenance and Patching is not just responsive to threats. We patch and maintain to vendors recommended published levels. Our main complexities come when specific applications cannot be upgraded because components or integrated systems become incompatible.
- Internal system routine maintenance is largely automated / on routine monthly cycles.
- We have dedicated systems for Microsoft / Windows (servers and PCs) and use a Service for AISn and Azure hosted systems
- Urgent and critical issues are addressed out of cycle as they are discovered
- Software as a Service (SaaS) providers usually cycle Quarterly updates that ABC tests prior to production (45% of ABC systems)
- Licensed software applications (27% of systems), such as Point of Sale and Sitecore usually have upgrades every 6-12 months and range from cosmetic to project level efforts. Major version upgrades are often significant cost and effort and are handled as projects.
- Issues not patchable are assessed for risk, mitigated and addressed with security exceptions if they will not be mitigated promptly (usually considered if risk will persist > 90 days).
- Exceptions have a life of up to 12 months and are reported / reviewed at the Information Security Steering Committee (ISSC) monthly. If not remediated within the 12 months they can be renewed but require an action plan.

# Summary of Risk Exceptions

## Open - Carried forward

- Postponement of an upgrade due to incompatibility and lack of support with a vendor software application (opened Feb 2023)

## New - Exceptions since last report to the Board

- Older encryption algorithm (opened July 2023)
- Lack of adequate backup (opened July 2023)
- Use of a non-standard communications method (opened July 2023)
- Postponement of a software update (opened July 2023)
- Database technical security standards (opened June 2023)

## Closed (Open at February 2023 Board Report)

- Use of an outdated software library (opened July 2022 and closed 12/2022)
- An external vendor is terminating support for the database used in an ABC application (opened 12/2022 and closed 8/2023)

# Risk Management

## IT Strategy refreshed 2023

- Minimize the sensitive data we intake / store. Where possible tokenize sensitive data
- Use full drive encryption everywhere, plus backup and restore capability on all data (any point in time within last 30 days)
- Moved from Batch backups to continuous recovery capability
- Use SaaS/PaaS Services where possible and contract for security and compliance by vendors
- Have single solutions for defined business needs (not multiple) to simplify our environment
- Drive toward a single identity and authentication source for Employees across all systems
- Multifactor Authentication preferred everywhere, required on sensitive data systems

## Risk assessments / Review

- Significant efforts in evaluation and assessment during contract / acquisition
- Weaker in review and audit processes (but many systems are relatively new) – working to improve review processes
- Working on improving Business Owner Documentation and System categorization
- Still work to migrate from routine testing to a risk based approach
- Resourcing is challenging (retention and recruitment) for IT audit.
- Cyber Insurance renewed for 2024

# Ongoing efforts

Annual Payment Card Industry (PCI) Audit – third party assessment that covers our retail environment (January 2024)

Annual APA IT audit (3 APA IT Audit points in 2022, 2023 Audit in progress)

Security Operations documented response plan for adverse events

- Routinely deal with Spam and Malware reports (minor events on ongoing basis)
- Integration with Continuity Of Operations Plan in case of a major event
- Participate in COOP and Disaster Recovery (DR) testing and exercises (no ABC data center – most operations are Cloud)
- Last ‘test’ was when the Licensing System (VAL) failed to fully recover from a reboot - 8/17/23
- Annual Security awareness and compliance training required for all staff - 99.3% compliant during 2022-2023 period

Spam and Phishing tests performed routinely

- ABC automated responses catch most of these and have to be disabled to permit a user facing test
- ABC response to user Phishing tests is significantly better than industry average 7.9% (industry is 18.5%)

Periodic Penetration tests and Evaluations

- Last Full evaluation and test completed 2021 – still working on some of the more complex recommendations
- Penetration tests planned for fall 2023 (and required for PCI in 2024)
- ABC (Internal and external), VITA (external) and PCI (Internal and external) regular compliance testing and scanning

# Public Health Briefing

Katie Crumble, Director of  
Education and Prevention

# Community Health & Engagement

2023 Health Trends





# Pandemic Impacts on Alcohol Use

- 17% increase spirits (high-end and ready to drink categories)
  - 1% increase each for beer and wine
  - Americans could not spend on vacations & restaurants so spent on stocking the bar
- 
- Largest increase is among 25-44 year olds
  - Correlation between a state's alcohol sales and alcohol-related deaths

**The Washington Post**  
*Democracy Dies in Darkness*



## Alcohol consumption surged during the pandemic – and deaths followed

U.S. consumption of alcohol, which had already been increasing for years, accelerated during the pandemic as Americans grappled with stress and isolation

By [Caitlin Gilbert](#), [David Ovalle](#) and [Hanna Zakharenko](#)

July 13, 2023 at 6:00 a.m. EDT

**Note:** This source equates alcohol sales with consumption

# Alcohol Consumption Trends

# Virginia was 1 of 3 states that had *no change* in per capita ethanol consumption from 2020-2021

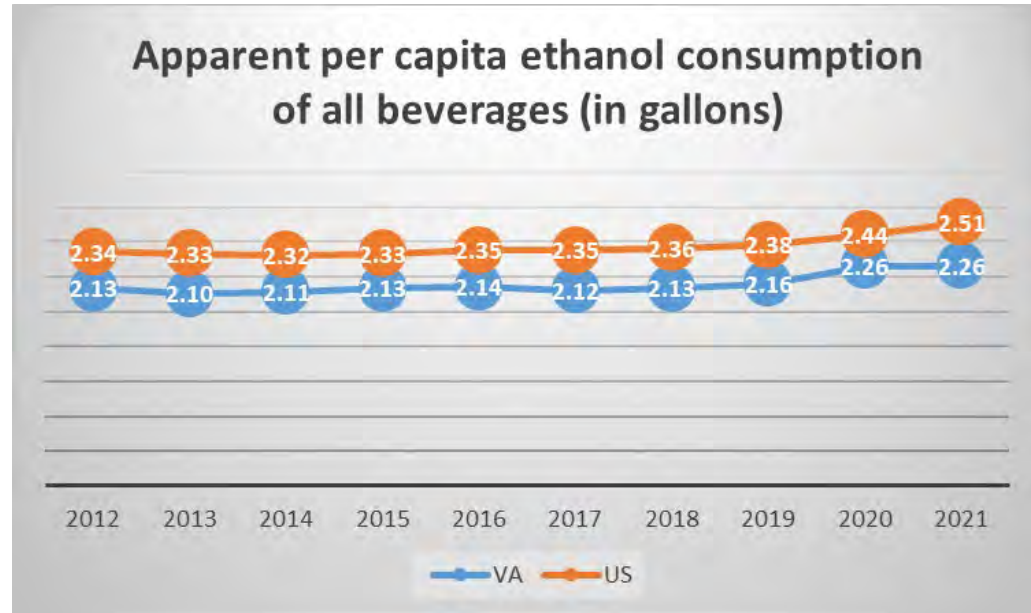
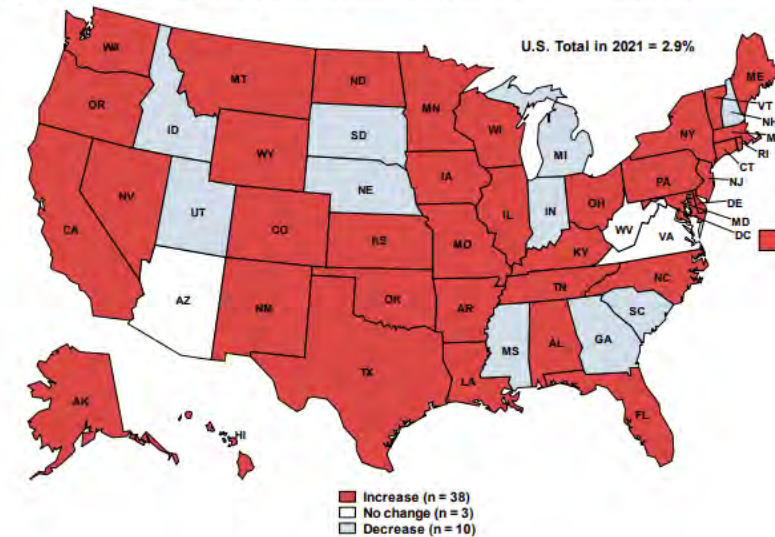


Figure 5. Percentage change in total per capita ethanol consumption by State, United States, 2020–2021



*Note: This source equates alcohol sales with consumption*

# The bulk of the change in per capita ethanol consumption came from the increase in spirit sales

Figure 1. Total per capita ethanol consumption, United States, 1935–2021

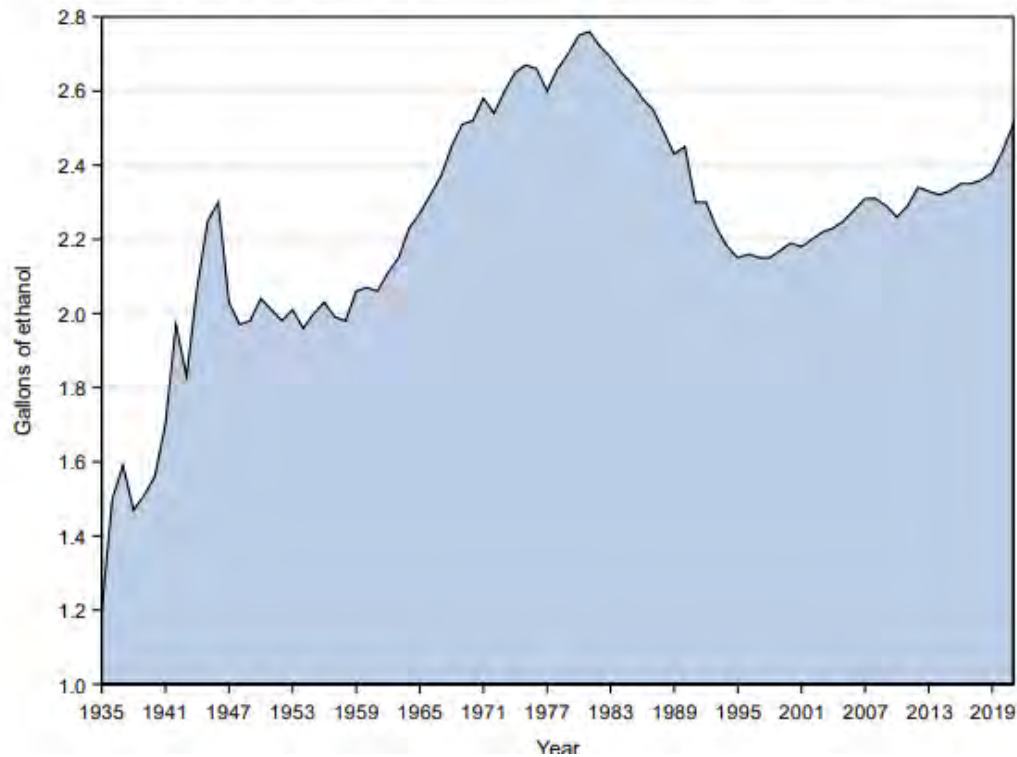
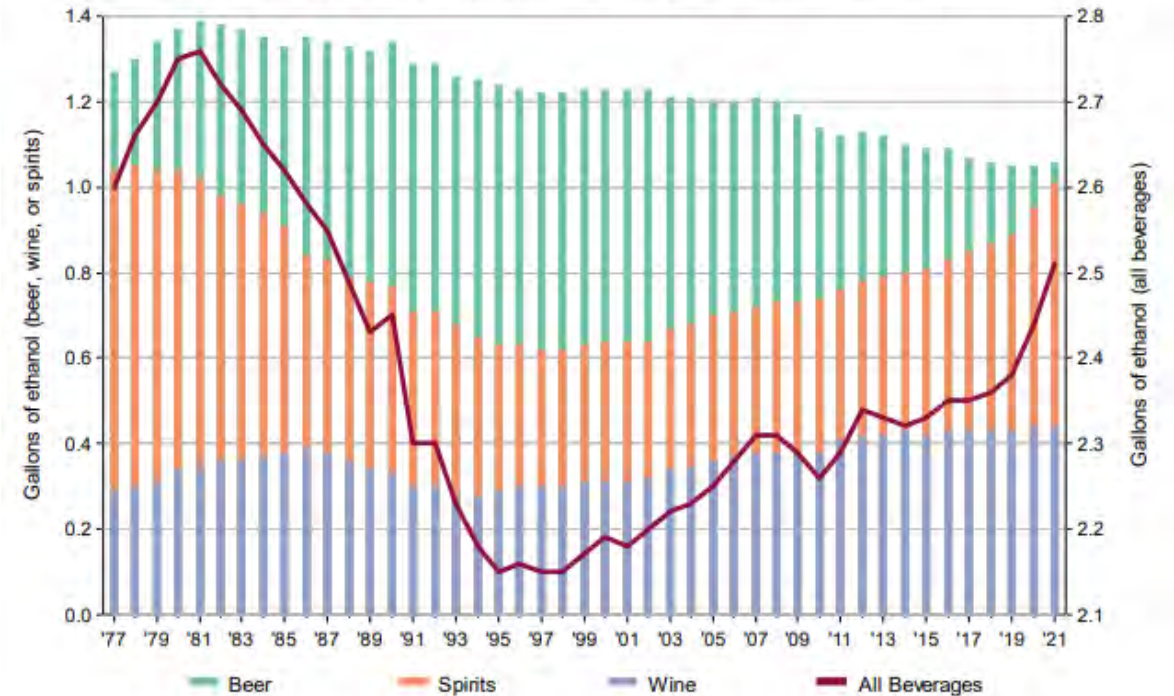
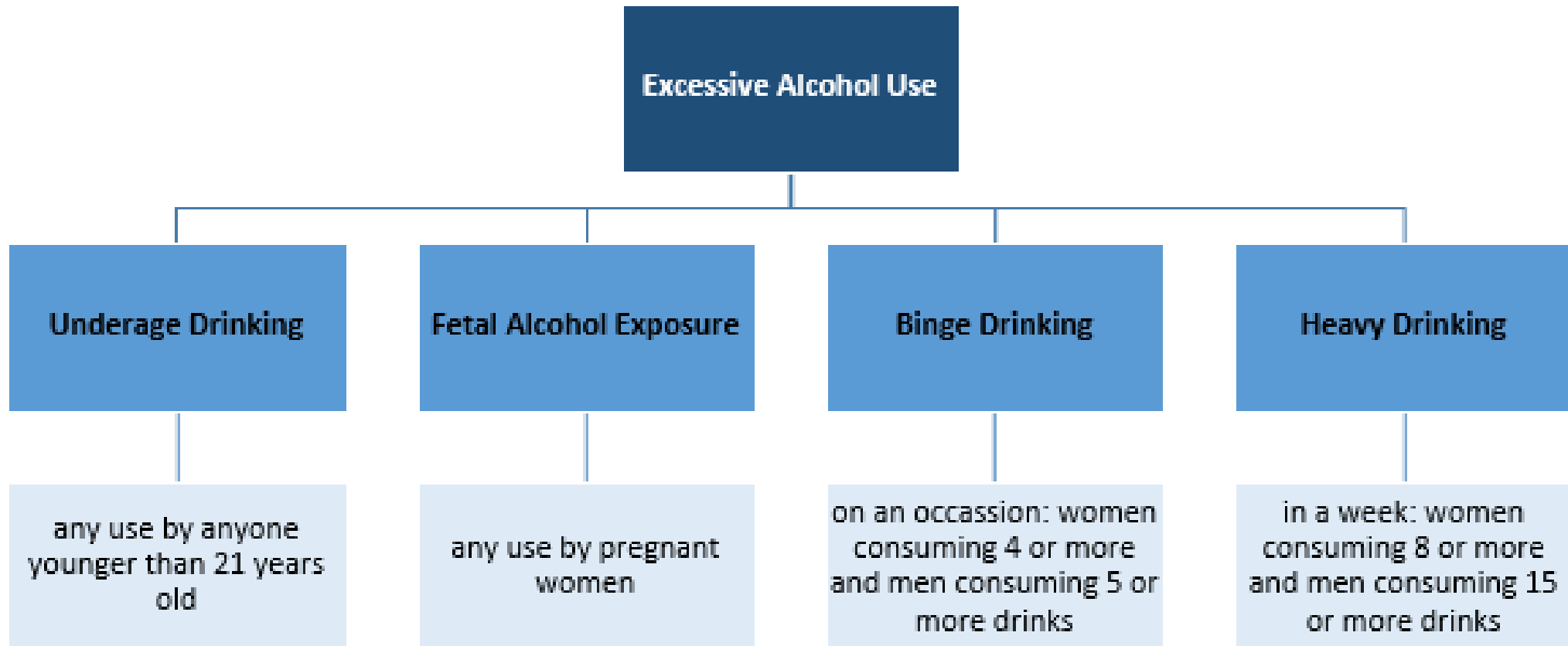


Figure 2. Per capita ethanol consumption by beverage type, United States, 1977–2021

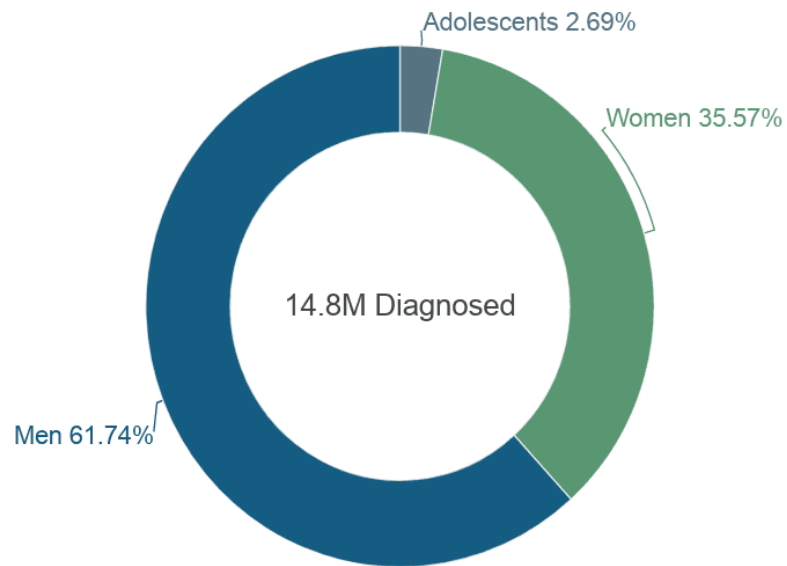


# Centers for Disease Control and Prevention (CDC) Definitions



# Excessive Alcohol Use Trends

## Alcohol Use Disorder in the United States



Virginia has fewer alcohol-related deaths per capita than most other states.

- An average of **3,071 annual deaths in Virginia** are attributable to excessive alcohol use.
- **69.1%** of people who die from excessive alcohol use in Virginia are **male**.
- **57.1%** of excessive alcohol use deaths are from **chronic causes**, such as Alcohol Use Disorder.
- **83.0%** of deaths in Virginia from excessive alcohol use are adults **aged 35 years and older**.
- **3.09%** of people in Virginia who die from excessive alcohol use are **under the age of 21**.

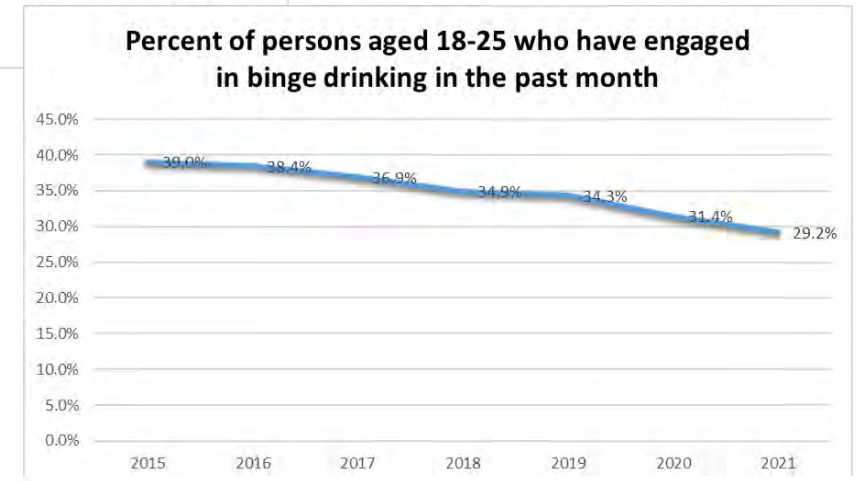
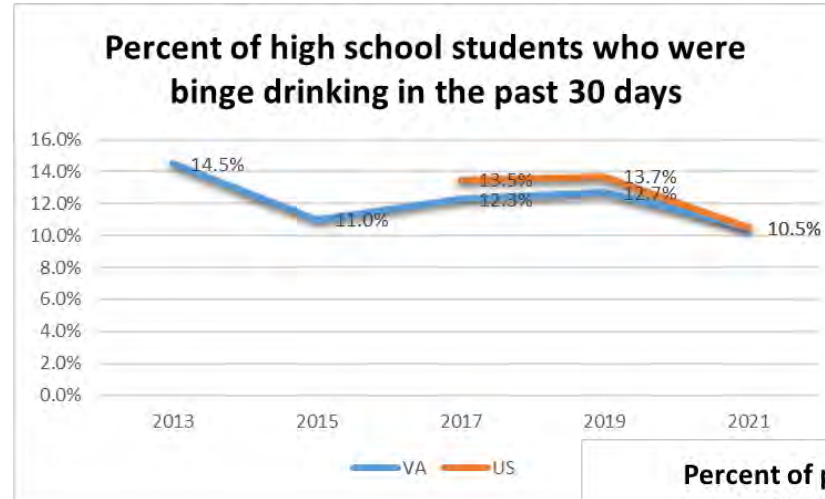
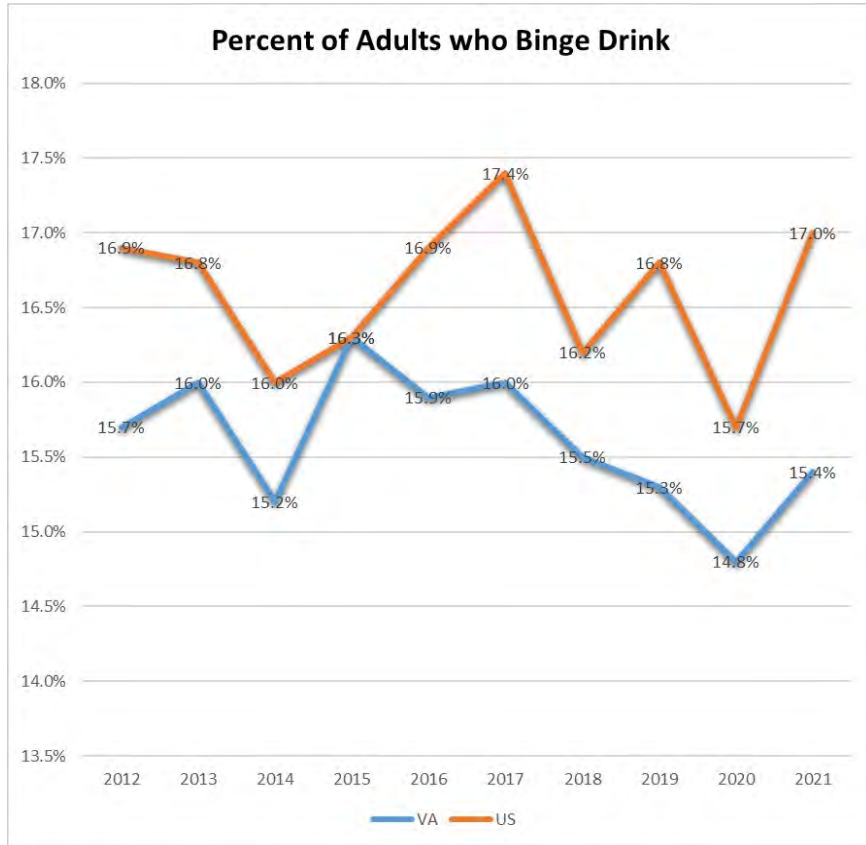
**16.4%** of Virginia adults over 18 binge drink at least once per month.

- The **median** number of drinks **per binge** is **5.5**.
- The **25% most active** drinkers consume a **median 7.2 drinks per binge**.
- Binge drinking adults in Virginia binge a **median 1.6 times monthly**.
- The **25% most active** drinkers binge **3.7 times per month**.

Virginia taxpayers spent **\$6.126 billion** as a result of excessive alcohol use in 2010.

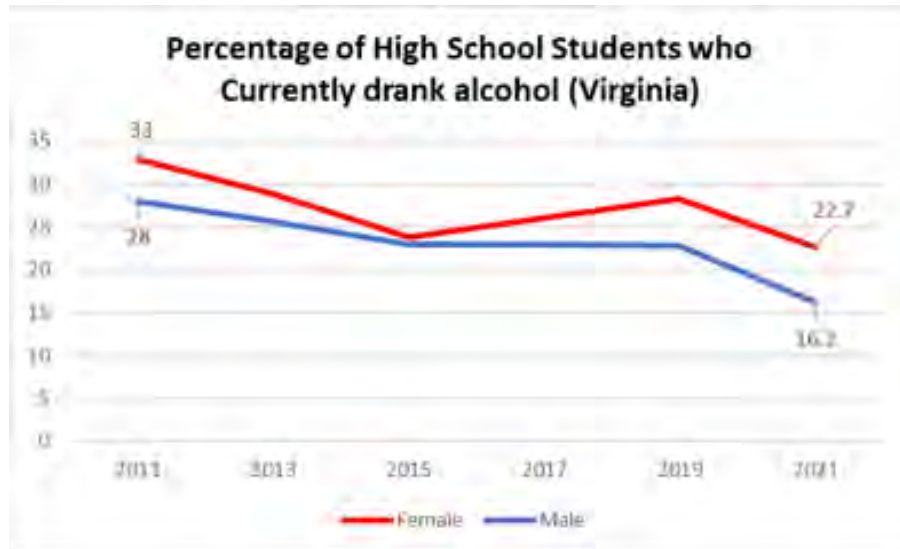


# While binge drinking among adults has been in flux, it is declining among high school and college aged

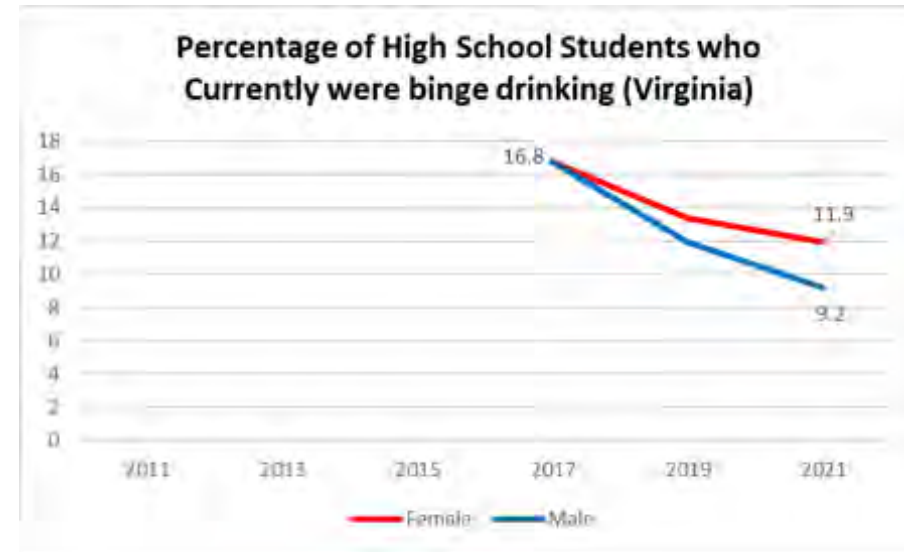


# For the first time, females are drinking more than males

- For nearly a century, women have been closing the gender gap in alcohol consumption, binge drinking and alcohol use disorders. What was **previously a 3-1 ratio for risky drinking habits in men versus women became nearly identical** after a 2016 analysis of several dozen studies.
- In 2019, about **32% of female high school students** consumed alcohol **compared with 26% of male high school students**.
- In 2019, **U.S. women in their teens and early 20s reported drinking and getting drunk at higher rates than their male peers**.



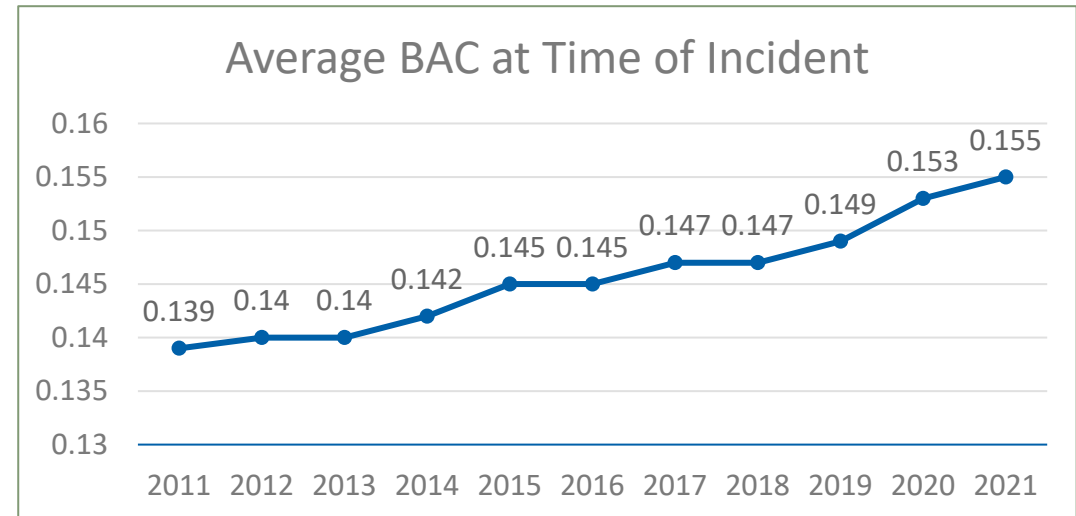
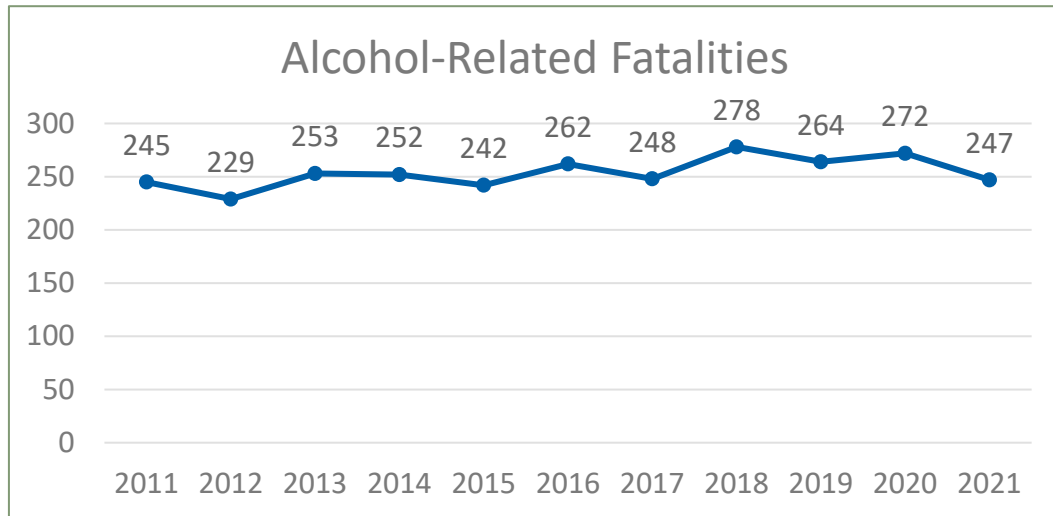
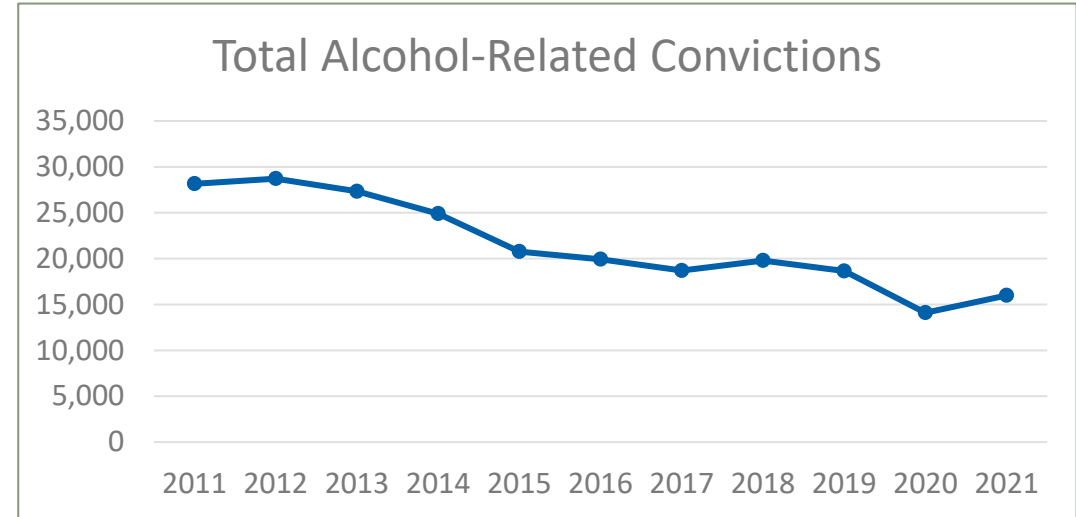
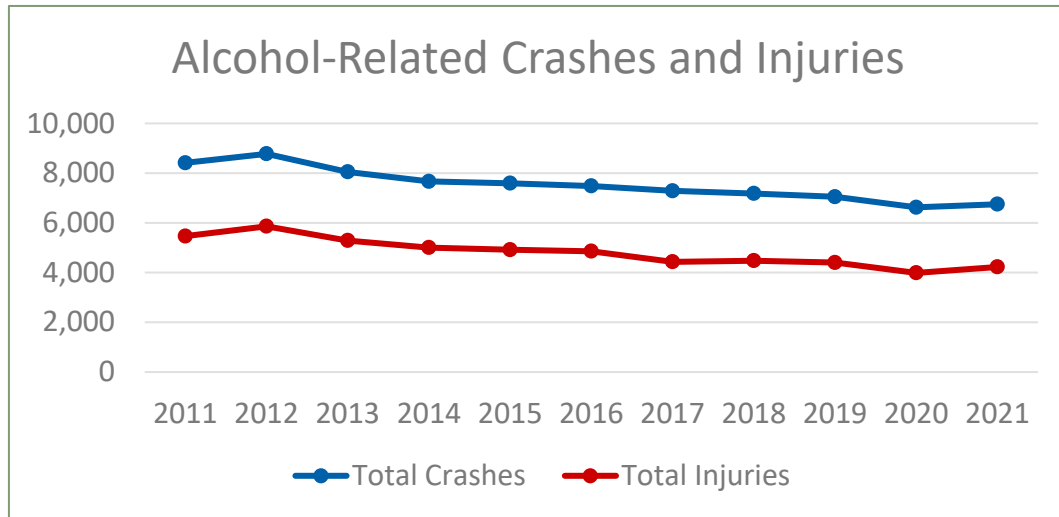
- **Binge drinking is more common among female (15%) than male (13%) high school students.**



- One factor for the increase in drinking among females the increase in alcohol marketing targeted towards females.
  - Recognize stressors that did not exist before and are marketing females the idea that alcohol is the key to **relieving** that **stress**.
  - Diet culture marketing to females that they can drink more because a particular kind of alcohol is **“light”** or **“low calorie”**.
  - **Sweet, fizzy alcoholic beverages**, have become a staple for modern drinkers, especially young females.



# Virginia Alcohol-Related Traffic Safety Trends



# Generational Consumption and Purchasing Trends

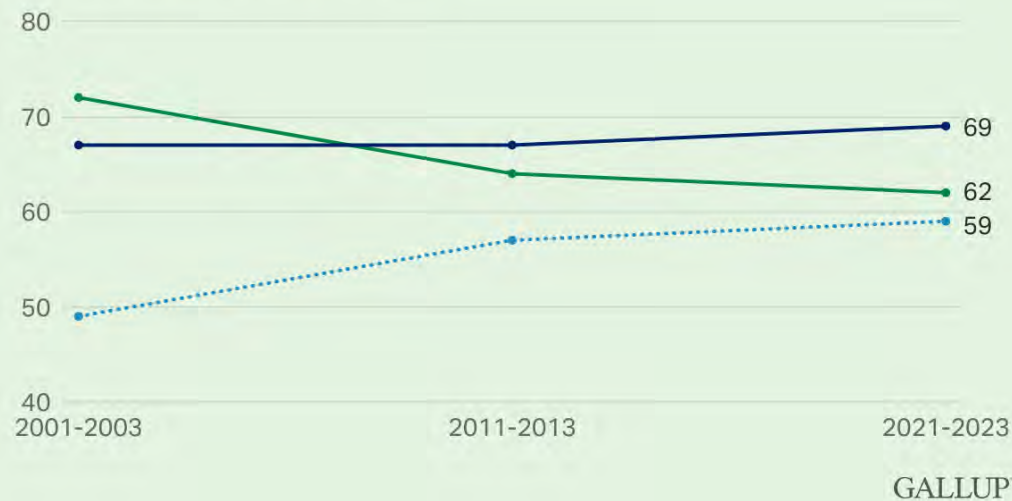
# Gallup Poll finds young adults in U.S. drinking less than in prior decades

## Shifts in Americans' Alcohol Consumption, by Age

Do you have occasion to use alcoholic beverages such as liquor, wine or beer, or are you a total abstainer?

% Yes, drink

— 18 to 34 — 35 to 54 - - - 55 and older



## Decline in Regular Drinking Among Younger Adults

Percentage who drank any kind of alcoholic beverage in the past seven days

	2001-2003	2011-2013	2021-2023	Trend	Change since 2001-2003
<b>Drinkers</b>					
18 to 34	67	64	61	67 → 61	-6
35 to 54	68	66	69	68 → 69	1
55 and older	63	67	69	63 → 69	6
<b>U.S. adults</b>					
18 to 34	49	41	38	49 → 38	-11
35 to 54	45	44	48	45 → 48	3
55 and older	31	38	40	31 → 40	9

GALLUP

# Generational Trend Impact on the Alcohol Industry

- The rise of mindful drinking is driven mostly by younger generations, with youth drinking being in decline across most high-income countries.
- **Gen-Z drink on average 20% less than millennials**, who also drink less than the previous generation, mainly because of an increased awareness of the dangers and effects of alcohol and the rise of health-consciousness as a lifestyle.
- **86% of Gen-Z consumers believe that their mental health is as significant as their physical health when considering drinking alcohol.**
- **The rise of health and wellness** has driven younger consumers to moderate their alcoholic consumption on average and **become more sober curious.**
- The **non-alcoholic category** is expanding thanks to both higher demand and innovation within the space, with volumes **expected to grow by 25% between 2022 and 2026.**
- The **non-alcoholic category surpassed \$11 billion in 2022**, driven by the demand for non-alcoholic beer, wine, spirits and ready-to-drink products.
- IWSR data indicates that **82% of non-alcoholic drinkers also consume alcohol**, highlighting that it is more about moderate consumption rather than complete abstinence.

## Non-alcoholic beverages, by the numbers

**31%** Projected consumption increase of low and no-alcohol beverages internationally by 2024

**3%** No and low-alcohol market share within international beverage alcohol market in 2020

**92%** Beer & cider's share of no and low-alcohol segment internationally

Source: International Wine and Spirit Research report from February 2021

# Consumer Perspective

KNOWLEDGE-BASED PUBLICATION

## WINE & SPIRITS DAILY

NEWS. NUMBERS. MOTIVE.

[My Account](#) 

[Podcasts](#)

[Wine & Spirits Daily Summit](#) [Distributor Productivity Summit](#) [About Us](#) [Meet the Team](#) [Submit Anonymously](#) [Contact Us](#)

 October 10, 2016

### 40% of Consumers Want “Purposeful” Brand, but Can’t Name One

As consumers become less brand loyal (nearly half of US consumers say they would “gladly” switch brands for a coupon), understanding what they want in a product has become increasingly important. With this in mind, Diageo’s Future of Cocktails Report—put together in collaboration with World Class and The Future Laboratory—digs deep into changing consumer values and the inevitable results on cocktail culture around the world. Note, because the report focuses on future trends, more emphasis is placed

**Forbes**

Shutterstock

The digital world and technology have brought vast amounts of information. Every person has an enormous library of data at their fingertips. With this opportunity has come a lot of transformation, including an emerging desire from consumers who are now looking for brands to emphasize social responsibility. In fact, they want to do business with companies that are market leaders in social responsibility.

In 2017, Cone Communications [published a study](#) (registration required) about corporate social responsibility (CSR). In their reporting, they stated, “Companies must now share not only what they stand for, but what they stand up for.”

The key findings from the study included the following:

- 63% of American consumers were looking to businesses to take the lead on social and environmental change.

PROMOTED

# Virginia ABC Community Health & Engagement





# Virginia ABC Community Health & Engagement



## ALCOHOL EDUCATION AND PREVENTION

Provides prevention programming, trainings and resources in order to eliminate underage and high risk drinking by building capacity for communities to educate individual and prevent alcohol misuse.



### YOUTH

Monitors and works to decrease underage drinking in Virginia by planning, developing, implementing, and evaluating statewide alcohol education and prevention programming for youth under 18 years of age involving schools and parents.



### ADULT

Monitors and works to decrease underage and high-risk drinking in Virginia by planning, developing, implementing, and evaluating statewide alcohol education and prevention programming for adults aged 18 years and older including Virginia's institutes of higher education.



### LICENSEE

Monitors and works to increase licensee understanding of alcohol safety and responsibility and increase licensee compliance rates by planning, developing, implementing, and evaluating statewide alcohol education and prevention programming for licensees.



## COMMUNITY ENGAGEMENT

Works to strengthen communication and engagement with the communities we work in by providing a variety of accessible and meaningful ways for employees to engage in their communities and ways for communities to engage with Virginia ABC.



## PUBLIC HEALTH DATA, RESEARCH AND EVALUATION

Increases the quality of the authority's public health and safety work by monitoring alcohol research and trends, measuring the need for new and revised public health and safety programming and ensuring that programming is responsive to current data and science conversations about the dangers and consequences of underage drinking.



## HEALTH COMMUNICATION AND MARKETING

Further the work of the division and the authority's public health communication by ensuring the proper marketing of Virginia ABC's Education and Prevention division and public health and safety programming and we strive to ensure quality resources that are in keeping with health communication best practices are available for internal and external partners to help build their capacity to conduct alcohol education and prevention work.

# Efforts Underway

- Consumer education to address crossover product proliferation and confusing products
- Measure community impact
- Compiling community data for authority-wide decision making
- Community engagement framework
- Community and health data sharing and partnerships
- Identifying regional alcohol-related university research underway
- Evaluate outcomes from legislative efforts (Grain Alcohol, Cocktails to Go, Delivery Training & Product Placement)



# Updates from Office of Legal Counsel

John Daniel





July 7, 2023

Ms. LaTonya D. Hucks-Watkins  
Senior Legal Counsel  
Virginia Alcoholic Beverage Control Authority  
7450 Freight Way  
Mechanicsville, VA 23116

Re: **Virginia ABC Authority: Notices of Intended Regulatory Action (Va. Register of Regulations – May 8, 2023 (pp. 2321-2323))**

Dear Ms. Hucks-Watkins:

On behalf of the Distilled Spirits Council of the United States, a national trade association representing producers and marketers of distilled spirits sold in the United States, we welcome this opportunity to submit our comments in response to the Virginia ABC Authority's (ABC) Notices of Intended Regulatory Action regarding 3VAC5-20 (Advertising), 3VAC5-30 (Tied-House), 3VAC5-50 (Retail Operations), and 3VAC5-60 (Manufacturers and Wholesalers Operations).

We commend the ABC for initiating this important and timely regulatory review. Our recommended changes to the ABC's regulatory scheme are provided below.

**3VAC5-20-60. Advertising; novelties and specialties.**

We urge the ABC to use its authority under Va. Code § 4.1-216(C) to adopt an additional tied-house exception in its current novelties and specialties regulation. (See also 3VAC5-30-80(A) recognizing this authority of the ABC.) Utilizing the federal rule (27 C.F.R. § 6.84) as guidance, the ABC should expressly allow industry members to furnish advertising specialties that are intended to be carried away by consumers. Many other states have adopted this federal rule or a similar tied-house exception.

Consumer advertising specialties are of negligible value and are a traditional, cost-effective means to draw a consumer's attention to a particular brand among the numerous brands available on a retail shelf. Allowing industry members to furnish these types of advertising items is particularly important because of the significant tied house limitations on the overall ability of industry members to advertise and promote their products at retail premises.

**Distilled Spirits Council of the United States**  
101 Constitution Ave. NW, Suite 350 West  
Washington, DC 20001

To enhance clarity and certainty for both industry and regulators, we recommend adopting the illustrative list of consumer advertising specialties in the federal rule, which includes items “such as trading stamps, nonalcoholic mixers, pouring racks, ash trays, bottle or can openers, cork screws, shopping bags, matches, printed recipes, pamphlets, cards, leaflets, blotters, post cards, pencils, shirts, caps, and visors.”

Consistent with TTB and other states, consumer advertising specialties should be required to include conspicuous and substantial advertising material matter about the product or the industry member which is permanently inscribed or securely affixed.

We oppose any dollar or quantity limits on novelties and specialties furnished to retailers by industry members. We believe these limits are unnecessary in light of the nature and value of these items, the compliance burdens that they impose on industry, and the absence of any such limits in the federal rules or in the schemes of many states. If any dollar limit is retained, it should be updated to account for inflation during the years that it has remained unchanged and has lost value. This calculation should be made by applying the change in the Bureau of Labor Statistics’ consumer price index to the current dollar limit since it initially was adopted. To ensure that going forward this limit is kept current on a regular basis, the ABC should add a provision requiring an automatic annual increase based upon the consumer price index.

Further, the practices permitted by 3VAC5-20-60(3) and (6) (*viz.*, to donate items in excess of a \$10 wholesale value to participants/entrants in connection with event sponsorships and to provide retailers with point-of-sale order blanks relating to novelty and specialty items, respectively) should be allowed for all industry members and for all alcohol beverages. No reason exists to limit section (3) to manufacturers or section (6) to beer and wine wholesalers. There also is no basis to discriminate against spirits vis-à-vis beer and wine.

#### **VAC5-20-90. Advertising coupons.**

We urge the ABC to permit instant redeemable rebates to be honored at state stores as well as at retail licensed premises. We respectfully disagree with the statement on the ABC website (at Manufacturer’s Rebates Guidelines) that instant redeemable rebates would be a prohibited payment by a supplier to a retailer. If limited to the face value of the rebate, the retailer is receiving only a reimbursement for incurring the expense of honoring the rebate at the point-of-sale. These rebates are permitted under the federal rule (27 C.F.R. § 6.96(a)) and the trade practice schemes of many states.

Instant redeemable rebates, however, should not be allowed to be offered or placed at a retail premise because of the risk of fraud; subject to exceptions for specific types of these rebates that do not present a similar risk. These exceptions include scan discounts and retailer redemption coupons, each of which is generated automatically from the register when an actual sale to a consumer is made.

We also urge the ABC to add in VAC5-20-90(B)(1) (which expressly allows coupons to be offered via the Internet and electronic mail, as well as print media, direct mail or as part of or attached to the package) that coupons also may be offered via mobile electronic devices. This clarification would bring the rule into sync with the widespread and increasing use of personal devices by consumers in making their purchases and ensure that consumers are aware that this convenience is available to them.

We also recommend revising the requirements under VAC5-20-90(B)(1) that if industry members offer mail-in coupon pads to retailers or if wholesalers attach mail-in coupons to packages, the respective coupon pads or coupons must be offered to “all retail licensees equally.” Absent any consideration of geographic proximity, market areas and/or the types of retailers (e.g., on-premise versus off-premise), this overly broad and burdensome requirement potentially could apply to all retailers in the state, which can have only a chilling effect on industry members’ use of these means of furnishing coupons. We recommend revising each of these requirements by replacing the phrase “all retail licensees equally” with “all similarly situated retailers in the same geographic or market area.” Additionally, any obligation to provide coupons or coupon pads to retailers should be in proportion to the sales of the industry member’s product sold by each retailer. Our proposals ensure that unfair advantage is not given to any retailer or group of retailers, are in sync with competitive marketplace realities, and do not impose an undue burden on suppliers wishing to place mail-in rebates at retail establishments.

Further, we urge the Commission to expressly clarify in the final rule that industry members may provide coupons for consumer purchases at both on-premise and off-premise retailers. This would be consistent with the federal rule (27 C.F.R. § 6.96) and the trade practice schemes of many states.

Finally, the ABC should eliminate the 15-day advance notification requirement for coupons used for purchases of products in state stores. A prior notification requirement is inconsistent with the commercial need to implement promotions in a timely manner in today’s competitive marketplace and is unnecessary in view of the detailed parameters of the permitted activity set forth in this rule. As with coupons for products purchased in licensed retail establishments, we believe the ABC can more efficiently and effectively utilize its resources by deciding whether to investigate and/or take other action based on concerns raised after a promotion occurs. If the ABC decides to retain an advance notification requirement, we request reducing this requirement from 15 days to three business days.

**3VAC5-20-10. Advertising; generally; cooperative advertising; federal laws; cider; restrictions.**

Consistent with the federal rules (27 C.F.R. §§ 6.72 and 6.93) and regulatory schemes of many other states, we urge the ABC to clarify its description of permitted combination packaging in

section (D)(8) (“shall be limited to packaging”) to also allow industry members to package and sell alcohol beverages combined with other alcohol beverages or non-alcohol beverage items.

**3VAC5-20-20. Advertising; interior; retail licensees.**

We urge the ABC to eliminate the prohibition against retailers utilizing advertising materials that are illuminated. Illuminated signs, such as neon signs, are commonly used by retailers throughout the states and are allowed under the federal rules (27 C.F.R. § 6.84(b)(1) permits industry members to furnish signs to retailers that are “electric, mechanical or otherwise”).

Moreover, such a prohibition may violate the protected commercial speech rights of alcohol beverage retailers under the First Amendment. See Michigan Attorney General Opinion No. 7146 (2004) (ban against illuminated advertising of alcohol beverages by certain retail licensees inside their establishments violates the First Amendment to the U.S. Constitution and the similar provision of the Michigan Constitution).

**3VAC5-20-30. Advertising; exterior.**

Sections (5) and (6) of this rule, respectively, prohibit industry members from furnishing outdoor advertising for retailers and reiterate the general prohibition against cooperative advertising in 3VAC5-30-80. Section (A) of the latter rule, however, also expressly recognizes the ABC’s authority under Va. Code § 4.1-216(C)) to provide regulatory exceptions from this prohibition. We urge the ABC to exercise this authority and, as provided in the federal rule (27 C.F.R. § 6.102) and other states, permit industry members to furnish outside signs to retailers. This should be subject to the provisions in the federal rule requiring conspicuous and substantial advertising material matter about the product or the industry member which is permanently inscribed or securely affixed, and prohibiting compensation to the retailer for displaying the signs.

We also support imposing a dollar limit on outside signs furnished by industry members to retailers. We recommend adopting in the ABC’s rule an updated version of the \$400 federal outside sign dollar limit because it has not been changed since 1995. This dollar limit has lost approximately 50% of its value and should be doubled. Similar to our dollar limit discussion regarding the novelties and specialties rule, the ABC also should add a provision requiring an automatic annual increase based upon the consumer price index.

**3VAC5-20-100. Advertising; sponsorship of public events; restrictions and conditions.**

Currently, section (A) allows sponsorship of public events by manufacturers, importers and bottlers, and section (B)(9) allows manufacturers to sponsor public events and wholesalers to cosponsor charitable events. We are aware of no statutory or policy basis for this unequal

treatment of different industry members and request allowing all permitted activities in these sections of the rule by all industry members.

We also would not retain the language in section (B)(5) defining eligible charitable events as being “held for the specific purpose of raising funds.” In addition to this restriction being unnecessary, it may preclude sponsorships of charitable events for other legitimate purposes, such as a charity serving its charitable purpose (e.g., the charity furnishing free dental care for persons in need, introducing itself to the community or recruiting volunteers). We are not aware of any reason to exclude from this rule these or other allowable sponsorships by charities.

Finally, for reasons similar to those we raised in opposing the prior notification requirement for coupons for use at state stores, we propose eliminating the prior notification requirement for sponsorships in section (B)(8). If retained, we request clarifying that such notification is required no more than three business days prior to the event.

**3VAC5-30-10. Rotation and exchange of stocks of retailers by wholesalers; permitted and prohibited acts.**

We urge the ABC to adopt several revisions to this rule to bring it into closer conformity with TTB and other states.

First, industry members should be allowed to furnish retailers a recommended shelf plan or shelf schematic for alcohol beverages (which is allowed pursuant to 27 C.F.R. § 6.99(b)).

Second, 3VAC5-30-10(A)(5) (allowing industry members to create or build product displays for retailers) should be clarified by adding the following terms:

- All product displays must bear conspicuous and substantial advertising matter about the product or the industry member which is permanently inscribed or securely affixed (as provided in 27 C.F.R. § 6.83(c)(2)).
- The furnishing of product displays may be conditioned upon the purchase of the distilled spirits, wine, or beer advertised on those displays in a quantity necessary for the initial completion of such display; and no other condition can be imposed by the industry member on the retailer in order for the retailer to receive or obtain the product display (as provided in 27 C.F.R. § 6.83(c)(3)).

Third, we urge the ABC to add the two following exceptions to the consignment sales

prohibition in 3VAC5-30-10(B)(3):

- Products returned by retailers open only a portion of the year if the alcohol beverages are likely to spoil during the off season (as provided in 27 C.F.R. § 11.39). (This exception typically is identified as applying to beer products; spoilage, however, may be a concern for spirits product if it is made with certain ingredients, such as cream or milk.)
- Products in the possession of a wholesaler at the time of its termination (as provided in 27 C.F.R. § 11.35). (The federal exception also applies to retailers, which our proposal does not include because retailer termination is covered by 3VAC5-30-10(B)(3)(e) (consignment exception for a retailer terminated by operation of law, voluntary surrender or order of the Board).)

**3VAC5-30-60. Inducements to retailers; beer and wine tapping equipment; bottle or can openers; spirits back-bar pedestals; banquet licensees; paper, cardboard or plastic advertising materials; clip-ons and table tents; sanctions and penalties.**

As provided in the federal tied-house exception for equipment and supplies (27 C.F.R. § 6.88) and by other states, we request the ABC to add glassware and similar containers made of other material to the items that an industry member may sell to a retailer under 3VAC5-30-60(B). (Note that Va. Code § 4.1-201(A)(11) allows industry members to sell branded service items, such as glasses, to on-premise retail licensees.)

Further, 3VAC5-30-60(D) should be revised to allow all industry members, and not only wine or beer manufacturers, bottlers or wholesalers, to furnish bottle or can openers upon which brand advertising may appear. No reason exists to exclude spirits industry members or importers of any type of alcohol beverages; a level playing field should be provided for all. There also is no basis to discriminate against spirits vis-à-vis beer and wine. (Note that we also are proposing to expressly list bottle and can openers as permitted consumer advertising specialties under 3VAC5-20-60.)

We also recommend eliminating the requirement in 3VAC5-30-60(G)(4) that industry members furnishing customized advertising materials must make these materials available to all retailers. This is contrary to the federal rules, which allow identifying the retailer on point-of-sale advertising materials and product displays furnished by an industry member, absent any requirement that this be available to other retailers. (27 C.F.R. §§ 6.83(c)(2) and 6.84(c)(1).) If not eliminated, we urge clarifying that this requirement applies only to similarly situated retailers in the same geographic or market area (and not to all retailers).

Regarding the types of customized retailer information allowed on advertising materials, we recommend updating 3VAC5-30-60(G), which permits retailer name, logo, address, and website, to also allow QR code and any point of contact via other digital means of



communication (each of which may include a link or hyperlink to the respective electronic address).

**3VAC5-30-70. Routine business entertainment; definition; permitted activities; conditions.**

We recommend several revisions to this rule. First, “meals and beverages” should be replaced with “food and beverages” as the permitted type of routine business entertainment listed in section (B)(1) of this rule.

Second, museums and national and state historic sites should be added as a category of permitted routine business entertainment in section (B) of this rule.

Third, we recommend updating the \$400 dollar limit for routine business entertainment to account for inflation during the years that it has remained unchanged and, going forward, adding an automatic annual increase (both based upon the consumer price index, as previously discussed regarding novelties and specialties).

**3VAC5-30-80. Advertising materials that may be provided to retailers by manufacturers, importers, bottlers, or wholesalers.**

Pursuant to its authority to provide regulatory tied-house exceptions under Va. Code § 4.1-216(C)), we urge the ABC to allow industry member advertising to reference retailers in two circumstances. (See also 3VAC5-30-80(A) reiterating the ABC’s statutory authority to issue regulatory exceptions to the prohibition against cooperative advertising.) First, as permitted under the federal rule (27 C.F.R. § 6.98), we recommend allowing industry members’ advertisements to list two or more licensed retailers if the advertisement does not contain the retail price of the product, the listing is the only reference to the retailers and is relatively inconspicuous in relation to the entire advertisement and, except for ABC stores, the advertisement does not refer only to one licensed retailer or only to retail establishments controlled by the same licensed retailer. Many other states have adopted this rule or a similar rule.

Second, we urge the ABC to allow an industry member to advertise an event (e.g., consumer tasting) that it holds or conducts at a retail premise. Industry members sponsor and/or participate in these events to provide consumers an opportunity to taste and learn about new products or other products that they may not be familiar with. The ability of an industry member to advertise its own promotional event is integral to the success of the event itself. Prohibiting this type of advertising also may deprive consumers of the opportunity to attend these events and learn about products. A growing number of states (e.g., Michigan, Ohio and Pennsylvania) allow this practice subject to various conditions (e.g., no reference to prices, no industry member payments to retailers, limits on references to the retailer, and/or limited to free social media).

We also would welcome the ABC's support for elimination of the language in Va. Code § 4.1-216.1(A) and (B), which is reiterated in 3VAC5-30-80(B), limiting advertising materials furnished by industry members to "nonilluminated" advertising materials "made of paper, cardboard, canvas, rubber, foam, or plastic." These limits are unnecessary considering the nature and value of advertising materials, the compliance burden they impose upon industry, and the absence of any such limits in the federal rules or in the schemes of many states. Further, as previously discussed concerning 3VAC5-20-20, a prohibition against "illuminated" advertising materials may violate the First Amendment.

In lieu of these current restrictions, we urge the ABC to adopt the illustrative list of point-of-sale advertising materials in the federal rule (27 C.F.R. § 6.84(b)(1)). This includes, but is not limited to, posters, placards, designs, inside signs (electric, mechanical or otherwise), window decorations, trays, coasters, mats, menu cards, meal checks, paper napkins, foam scrapers, back bar mats, thermometers, clocks, calendars, and alcohol beverage lists or menus. This revision is consistent with the rules or laws in many states and would enhance clarity and certainty for both industry and regulators.

If the current list of permitted materials is retained, it should be revised to provide additional flexibility (the current rule would not allow, for example, a coaster made of wood, or a thermometer or clock with a glass cover) by clarifying that this list of permitted materials is illustrative and not exclusive.

For the same reasons previously discussed regarding the dollar limits on novelties and specialties, we also oppose any dollar limits on advertising materials furnished to retailers by industry members. Any dollar limit retained should be updated to account for inflation during the years that it has remained unchanged and, going forward, adding an automatic annual increase (both based upon the consumer price index, as also previously discussed regarding novelties and specialties).

Finally, we recommend eliminating the requirement in 3VAC5-30-80(E) that industry members offering point-of-sale entry blanks for contests and sweepstakes must offer them "equally" to all retailers or all mixed beverage licensees. The federal rule (27 C.F.R. § 6.96(b)) does not impose any such requirement. If not eliminated, we urge clarifying that this requirement applies only to similarly situated retailers or mixed beverage licensees in the same geographic or market area (not to all retailers or mixed beverage licensees). Additionally, any obligation to provide point-of-sale entry blanks for contests and sweepstakes to retailers or mixed beverage licensees should be in proportion to the sales of the industry member's product sold by each retailer or mixed beverage licensee, respectively.

**3VAC5-50-60. Procedures for mixed beverage licensees generally; mixed beverage restaurant licensees; sales of spirits in closed containers.**

We urge the ABC to eliminate outdated restrictions on on-premise retailers and to allow them to engage in responsible serving practices, as follows:

- Add a new exception for ready to drink (RTD) spirits products to the prohibition in section (A)(1) against a mixed beverage restaurant or carrier license serving as one drink the entire contents of an original container of spirits for on-premise consumption. For purposes of this rule, an RTD spirits product is an alcohol beverage not exceeding 15% ABV, includes spirits mixed with other ingredients (including nonalcohol and/or alcohol components), and is served in the original container.
- In section (A)(2), eliminate the prohibition against the sale of any mixed beverage “to which alcohol has been added.” Consumers should be able to order drinks composed of more than one type of alcohol product (e.g., Long Island Iced Tea or Prosecco cocktails), as they can in other states.
- In Section (E), expand the provision allowing a mixed beverage restaurant to serve an entire container of soju for on-premise consumption to at least two patrons, to allow on-premise retailers to serve full containers of any type of spirits (known as “bottle service”) to at least two patrons. The current 375 ml container size limit in this provision also should be eliminated.

**3VAC5-60-80. Solicitation of mixed beverage licensees by representatives of manufacturers, etc., of spirits.**

This rule, in part, allows holders of solicitor permits to engage in many of the same trade practice activities allowed by other rules for the industry member whom they represent. Among other activities, these include furnishing of novelties and specialties, point-of-sale advertising materials and routine business entertainment. (See 3VAC5-20-60, 3VAC5-30-80 and 3VAC5-30-70.) In light of the various types of permitted industry member trade practices addressed throughout the ABC’s rules (including the three rules previously cited in this paragraph as well as in other sections in Chapters 20 and 30), we urge the ABC to add a general statement in 3VAC5-60-80 confirming that solicitors may engage in all trade practice activities permitted for the industry member that they represent.

Consistent with this approach, we also recommend adopting our proposed revisions to 3VAC5-20-60 (novelties and specialties) in 3VAC5-30-80(D)(1) and (D)(3)(d) (describing permitted novelties and specialties).

Ms. LaTonya D. Hucks-Watkins

July 7, 2023

Page 10

Based upon the federal rule (27 C.F.R. § 6.91) and the rules of many other states, the ABC also should revise 3VAC5-60-80(D)(2) to allow representatives of mixed beverage manufacturers or importers to furnish samples up to three liters per brand of spirits to a mixed beverage retailer who has not purchased the product within the last 12 months. This 12-month provision allows a sample to be furnished to a mixed beverage retailer unfamiliar with a brand. There also should be exceptions to (1) the quantity limit to allow the next available larger size when product is not available within the quantity limitation and (2) the 12-month provision when there has been a change in brand ownership. Consistent with the federal rule, we also request elimination of the requirements to mark the sample container (with solicitor permit number and the word "sample").

#### Conclusion

Thank you for the opportunity to share our views regarding this ABC initiative. If you have any questions about our comment and/or otherwise, please do not hesitate to call.

Sincerely,

Andy Deloney

Senior Vice President and Head of State Policy

**1. Commenter: Kevin Robert McNally Esq., Counsel - Virginia Beer Wholesalers Association**  
Chapter 11  
VBWA Supports the Authority's Efforts to Entertain Public Participation

The Virginia Beer Wholesalers Association (“VBWA”) has represented the interests of Virginia’s family owned, independent beer distributors since its founding in 1937. Our members operate some 30 separate facilities throughout the Commonwealth of Virginia employing over 4,000 Virginians. VBWA member companies distribute a countless, ever-growing number of brands of imported and domestic beer, including craft beers brewed both in Virginia and in dozens of other states.

VBWA’s primary mission is the preservation and protection of Virginia’s three-tier system of alcohol distribution. VBWA believes that the three-tier system provides the best method of ensuring distributor and retailer independence, which results in healthier competition, better consumer choice, and a more orderly alcoholic beverage market.

VBWA wishes to commend the Authority for both its efforts to modernize and consolidate its regulations and for its willingness to include stakeholders from every tier in the lengthy review process. VBWA believes that the proposed amendments reflect the consensus opinion of the workgroups and that these changes are a welcomed improvement for our wholesale-tier members.

Given the rapidly-evolving nature of the alcoholic beverage industry, VBWA hopes that the Authority will continue to invite the participation of industry members whenever it considers a reinterpretation or change in existing policy that affects those in the business of manufacturing, distributing, or selling alcoholic beverages.

**2. Commenter: Kevin R. McNally, Esq., Counsel - Virginia Beer Wholesalers Association**  
Chapter 20  
VBWA Supports the Proposed Amendments to the Advertising Regulations

VBWA supports the proposed amendments to the advertising regulations, but urges the Authority consider further clarification of what activities may constitute unlawful "sponsorship," as opposed to permissible "advertising." The distinction has become particularly important in light of the increasing presence of alcoholic beverages and advertising in and around at college sporting events.

**3. Commenter: Tommy Herbert, Virginia Restaurant Lodging and Travel Association**

VRLTA Supports Proposed Change to 3 VAC-5-20-10(C)(8)

To Whom it Will Concern:

The Virginia Restaurant Lodging and Travel Association (VRLTA) was founded to provide a single unified voice for Virginia’s restaurant, hotel-lodging, travel, and hospitality supplier industries. Our mission is to further advocate on behalf of the legislative priorities and interests

of Virginia's restaurants, hotels, attractions, and destinations to Virginia's General Assembly and regulatory agencies.

VRLTA supports the proposed change to 3 VAC-5-20-10(C)(8) to allow ABC licensed restaurants to offer discounted price on food and alcoholic beverage combinations during the permitted hours for happy hours.

If you have any questions regarding this feedback, please do not hesitate to reach out to me at [Tommy@vrlta.org](mailto:Tommy@vrlta.org).

**4. Commenter: Kevin Robert McNally**

Chapter 30

VBWA Supports the Proposed Changes to Tied House Regulations

The Virginia Beer Wholesalers Association supports the proposed amendments to the tied house regulations, but believes that the Authority should consider making explicit that the general prohibition on cooperative advertising and providing “things of value” to retailers is as applicable to those operating in the “digital marketplace” as it is to “brick & mortar” retailers. It hardly seems logical that digital retailers of alcoholic beverages should not be subject to the same tied house constraints as their physical world counterparts.

**5. VRLTA Supports Proposed Change to 3 VAC-5-30-40**

To Whom it Will Concern:

The Virginia Restaurant Lodging and Travel Association (VRLTA) was founded to provide a single unified voice for Virginia’s restaurant, hotel-lodging, travel, and hospitality supplier industries. Our mission is to further advocate on behalf of the legislative priorities and interests of Virginia's restaurants, hotels, attractions, and destinations to Virginia's General Assembly and regulatory agencies.

VRLTA supports the proposed change to 3 VAC-5-30-40 to repeal the outdated requirement to impose minimum deposit requirements for kegs.

If you have any questions regarding this feedback, please do not hesitate to reach out to me at [Tommy@vrlta.org](mailto:Tommy@vrlta.org).

**6. Commenter: Thomas Lisk representing Diageo North America**

Proposed Changes to 3 VAC 5-50

Diageo North America (“Diageo”) supports the proposed change to 3 VAC-5-50-60(A)(1) to allow ABC mixed beverage licensed restaurants to sell and serve Ready-to-Drink (RTD) cocktails to customers in a full container that is no greater than 16 ounces with an ABV no greater than 15%.

In addition, Diageo supports the proposed change to 3 VAC-5-50-60(B)(4) to allow ABC mixed beverage licensed restaurants to serve limited flights of mixed beverages.

7. **Commenter: Tommy Herbert, Virginia Restaurant Lodging and Travel Association**
8. **VRLTA Comment on Proposed Changes to 3 VAC-5-50**

To Whom it Will Concern:

The Virginia Restaurant Lodging and Travel Association (VRLTA) was founded to provide a single unified voice for Virginia's restaurant, hotel-lodging, travel, and hospitality supplier industries. Our mission is to advocate on behalf of the legislative priorities and interests of Virginia's restaurants, hotels, attractions, and destinations to Virginia's General Assembly and regulatory agencies.

VRLTA supports the proposed change to 3 VAC-5-50-50 to allow ABC licensed restaurant employees 18 years of age or older to serve beer for on-premises consumption from behind a counter, but further asks that the ABC Authority modify the language to allow for the service of "wine or beer" under the same circumstances.

VRLTA also supports the proposed change to 3 VAC-5-50-60(A)(1) to allow ABC mixed beverage licensed restaurants to sell and serve Ready-to-Drink (RTD) cocktails to customers in a full container that is no greater than 16 ounces with an ABV no greater than 15%.

Finally, VRLTA supports the proposed change to 3 VAC-5-50-110(A) to clarify the definitions of "meal" and "preparation" in recognition of contemporary standards in the restaurant industry and the proposed changes to 3 VAC-5-50-100(C)(1)&(3) which changes also recognizes the evolution in food service within contemporary restaurants.

If you have any questions regarding this feedback, please do not hesitate to reach out to me at [Tommy@vrlta.org](mailto:Tommy@vrlta.org).

9. **Commenter: Tommy Herbert, Virginia Restaurant Lodging and Travel Association**

VRLTA Supports Proposed Change to 3 VAC-5-60-90

To Whom it Will Concern:

The Virginia Restaurant Lodging and Travel Association (VRLTA) was founded to provide a single unified voice for Virginia's restaurant, hotel-lodging, travel, and hospitality supplier industries. Our mission is to advocate on behalf of the legislative priorities and interests of Virginia's restaurants, hotels, attractions, and destinations to Virginia's General Assembly and regulatory agencies.

VRLTA supports the proposed change to 3 VAC-5-60-90 to repeal the outdated prohibition against Sunday deliveries of wine and beer by wholesalers.

If you have any questions regarding this feedback, please do not hesitate to reach out to me at [Tommy@vrlta.org](mailto:Tommy@vrlta.org).

10. Commenter: Virginia Spirits Association

Comments on 3-VAC-5-60-10

The Virginia Spirits Association (VSA) commends the Virginia Alcoholic Beverage Control Authority's staff for their diligence in conducting the 2022 regulatory reform effort of Title 3 of the Virginia Administrative Code. This effort required the participation of both internal Authority staff along with industry stakeholders over several months. VSA recognizes that it is no easy task to bring such a diverse stakeholder group to the table with the goal of removing outdated language from the regulations along with making regulatory modifications needed to ensure administrative code clarity, and modernization, as well as eliminating any conflicts within the Administrative Code and the Code of Virginia.

VSA and its broker, importer and distiller member companies are proud of our long-standing partnership with the Commonwealth. Our member companies currently represent approximately 96% of the distilled spirits sold in Virginia. This enables our member brands to consistently be major contributors to the General Fund through ABC disbursements and tax revenue. In 2022, that was \$538 million. We will continue to work with the Authority and other industry stakeholders on regulatory reforms and policies that seek to modernize the industry and delivery of spirits from the Authority to consumers.

VSA seeks to promote efforts to eliminate the regulatory burdens on the spirits industry by streamlining processes, which support its commitment to continue to maximize revenues to the Commonwealth. In this vein, VSA requests a change in the proposed text to 3-VAC-5-60-10, which regulates how spirits sales representatives may obtain sample product to introduce to a mixed beverage licensee by conducting a sample serving. At the present time, Chapter 60, Section 5-60-10, paragraph J.2 requires a mixed beverage solicitor salesman to purchase any spirits product at an ABC government store and limits the purchase to a container of 375 milliliters. This current regulatory burden means that:

- On-premises sales reps in the Virginia control-state environment are effectively sales reps for ABC. Unlike beer and wine representatives who can pull samples from their own inventory remitting only taxes on the sample to the Commonwealth, spirits sales representatives are required to purchase their product at full retail price plus associated taxes.
- VSA estimates that approximately \$100,000 has been spent by industry representatives from ABC at retail cost to buy these samples in the last 12 months.
- The process of purchasing product at an ABC store is not only very expensive but is also time consuming and product limiting. VSA members cannot currently obtain product samples from ABC's warehouse and cannot obtain sample product that is not bottled in 375 milliliter containers.



VSA requests minor language changes that will not only reduce the regulatory and financial burden on VSA member companies but will also create opportunities to increase revenue for the Authority thus the Commonwealth of Virginia. These changes would:

- Provide opportunities for the Authority to sell more premium+ spirits with broader exposure to licensees of these products. VSA estimates that at least 8-10 new placements could be made from sampling one - 750ml.
- Place Virginia in a competitive posture within among the 17 Control States and Northern Virginia's neighboring Montgomery County, MD:
  - 12 markets are permitted to pull samples from bailment or a warehouse at cost.
  - Open states can pull samples from their distributors.

VSA requests that the proposed language to 50-60-10, be amended to permit:

- A requested sample brand not packaged in a 375-milliliter container to then be made accessible in next available size not to exceed 1 liter. This modification will allow products that are not currently exposed to licensees through sample servings to have equal sampling benefits.
- The salesperson to request sample containers twice per month from bailment inventory of a supplier housed at the Authority's wholesale liquor provider's warehouse or at a government store using a discount code equal to the cost of bailment inventory price.
- VSA recommends a code modernization changing "salesman" to "salesperson". Please feel free to contact our Executive Director, Don Tierney at [director@vaspiritsassn.org](mailto:director@vaspiritsassn.org) to discuss this request in further detail. We look forward to continuing to work with the Virginia Alcoholic Beverage Control Authority and to providing a consistent, steady revenue source to the Commonwealth.

**\*Note: There were no comments to the following Chapters:**

Chapter 10: Procedural Rules for the Conduct of Hearings Before the Board and Its Hearing Officers

Chapter 40: Requirements for Product Approval

Chapter 70: Other Provisions



July 7, 2023

Virginia Alcoholic Beverage Control Authority  
Attn: LaTonya Hucks-Watkins, Senior Legal Counsel  
7450 Freight Way  
Mechanicsville, VA 23116

Re: Notice of Intended Regulatory Action - Chapter 20 Regulatory Reform and Periodic Review of the VA ABC Board Regulations (3VAC5-20)

Dear Ms. Hucks-Watkins:

I write on behalf of The Looma Project, Inc. (Looma) to submit these comments in response to the Virginia Alcoholic Beverage Control Authority's (ABC Board) Notice of Intended Regulatory Action regarding Chapter 20 reform. Looma appreciates the opportunity to comment on these important regulations.

Looma operates an in-store media platform focused on storytelling and education. Our network of digital screens connects shoppers to the people and stories behind their products.

We support the ABC Board's efforts to ensure that Chapter 20's regulations comport with the alcohol industry's current advertising practices. To protect consumers' ability to make informed decisions and keep pace with modern trade practices, we urge the ABC Board to clarify in the final amendments to Chapter 20 that retail licensees may use dynamic interior digital screens to inform shoppers about their products.

### **Shoppers Desire Transparency, Storytelling, and Dynamic Product Information in Navigating Increased Product Selection in the Alcohol Industry**

As the number of new products in the alcohol industry continues to grow, shoppers have more choice than ever before. Shoppers crave authentic and transparent information to help them make informed decisions. Marketing technology has improved significantly since the adoption of the existing regulations. The blanket prohibition on illuminated advertising materials in proposed regulation 3VAC5-20-10(E) is out-of-step with modern industry practices in nearly all other states and would unnecessarily restrict retailers from informing and educating shoppers via dynamic, video-based content.



## **Digital Screens Help Shoppers, Increase Competition, & Reduce Waste**

Digital screens promote informed consumer choice and industry competition by helping shoppers differentiate among existing products and learn about new products and market entrants. Unlike blinking or neon illuminated signs that merely bombard shoppers with trade names, logos and/or slogans, digital screens promote informed consumer choice when it matters most: at the point of decision.

Notably, digital screens empower retailer licensees to educate shoppers about the growing number of small, local craft producers of beer, wine and spirits. With digital screens, retailers can choose to feature the stories that most interest and resonate with their shoppers, including stories about lesser-known and local brands. In this regard, digital screens can help level the playing field among industry participants through technology.

In addition, digital screens don't need to be replaced for each new advertisement. In this way, digital screens promote sustainability by creating less waste than antiquated advertising materials like paper, cardboard, rubber, foam or plastic advertising materials.

### **Requested Clarification**

For the foregoing reasons, we request that proposed regulation 3VAC5-20-10(E) be clarified as follows (suggested revisions in italics):

“ E. Interior advertising materials may not be illuminated, except for *(i)* back bar pedestals upon which advertising regarding spirits may appear *and (ii) dynamic digital screens that display images or videos that advertise alcohol beverages with a total area of less than 500 square inches.*”

We believe this clarification ensures that the regulations comport with current industry practices and empowers shoppers to make more informed decisions about the alcohol products they consume.

Sincerely,

Cole Johnson  
Chief Executive Officer  
The Looma Project, Inc.



# Chief Reports

GAO – John Daniel

CBDO – Vida Williams

CLEO – Tom Kirby

CROO – Mark Dunham

CAO – David Alfano

CIO – Paul Williams

CEO – Travis Hill

# GAO Report – John Daniel

Legislative Update

Legal Update

Hearings Summary

FOIA Requests



# Hearings and Appeals Caseload

<b>Total number of new referrals from Enforcement</b>	<b>111</b>
<b>Expedited Consent</b>	
Number of expedited consents offered	91
Number of expedited consents accepted/completed	76
Collected <u>\$160,500</u> in civil penalties	
Collected <u>eight (8)</u> suspensions	
<b>Pre-Hearing Conference and Formal Hearing Notice &amp; Opportunity to Negotiate/Mediate Notice</b>	
Number of Notices sent	32
Number of Pre-Hearing Conferences held	33
Number of cases to Formal Hearing held	22
<b>Negotiated Settlements</b>	
Number of negotiated cases executed	17
Collected <u>\$28,750</u> in civil penalties	
Collected <u>two (2)</u> suspensions	
Collected <u>one (1)</u> revocation & <u>one (1)</u> surrender	
<b>Franchise Matters</b>	
Number of active franchise matters	
1 – SanTan Brewing Co. v. Ferment Nation, LLC – ALJ Richardson	
2 – Brew Hub, LLC v. Ferment Nation, LLC – ALJ Richardson	
3 – Azienda Ag. Emiliano/Cennatoio Wines v. Siema Wines, LLC – ALJ Richardson	
4 – Jeff Welburn Selections / Domaine Isle Saint Pierre v. Vinifrance Imports Inc. – ALJ Page	4



# Hearings and Appeals Caseload Page Two

<b>Appeals to the Board</b>	
Number of initial decisions appealed to the Board	
1 – Premium Distributors of VA, LLC & Blue Ridge Beverage Company v. The Boston Beer Co.	
2 – Sweetwater	
3 – Cities Bar & Grill	3
Number of cases resolved after initial hearing and before appeal hearing	0
<b>Stays Issued</b>	
	0
<b>Cases on appeal from Board to Circuit Courts</b>	
1 – The Food Group Inc., t/a Hard Times Cafe v. VA ABC	
2 – 4 Cyber Café	2
<b>Cases on appeal from Circuit Court to Court of Appeal</b>	
	0
<b>Mediated Cases</b>	
Number of cases to mediation	1
Number of cases settled by mediation	0
<b>Summary Suspensions</b>	
WR Brews #750585 – Roanoke	1



# Successful Negotiations

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
James Charles Winery & Vineyard, LLC t/a James Charles Winery & Vineyard	087695	On May 27, 2023, at approximately 1325 hours, the licensee sold alcoholic beverages to a person whom the licensee knew, or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b and 4.1-304 A of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	Compliance	7/6/2023
Edinburg 104, LLC t/a Family Convenience Store	13345237	1. The applicant, a person not licensed under the VA ABC Act to sell alcoholic beverages, is selling (sold) alcoholic beverages while the application is (was) pending. REF: Sections 4.1-222 1.n. and/or 4.1-302 of the Code of Virginia. 2. The applicant, a person not licensed under the VA ABC Act, is/has keeping (kept) or is/has allowing (allowed) to be kept alcoholic beverages upon the applicant premises while the application is (was) pending. REF: Sections 4.1-222 1.n. and 4.1-315 of the Code of Virginia.	1. \$1,250 civil penalty 2. \$750 civil penalty	3	7/14/2023
7 Eleven, Inc. & Zubair Enterprises, Inc. t/a 7 Eleven Store 21937A	081260	On September 24, 2022, at approximately 12:37 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3VAC5-50-10 and 3 VAC5-50-20.	\$2,500 civil penalty	8	7/19/2023
Bone Fire Smokehouse Brands, Inc. t/a Bone Fire Smokehouse	079790	On April 8, 2023, at approximately 11:48 a.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	1	7/21/2023
Rio de Brazil, LLC t/a Rio Brazil Steakhouse	13291613	On May 13, 2023, at approximately 12:13 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	6	7/21/2023
Botanical Fare, LLC t/a Botanical Bar	13336890	The applicant, a person not licensed under the ABC Act, is/has keeping (kept) or is/has allowing (allowed) to be kept alcoholic beverages upon the applicant premises while the application is (was) pending. REF.: Sections 4.1-222 1.n. and 4.1-315 of the Code of Virginia.	\$750 civil penalty	9	8/1/2023
Mid Atlantic Wings, LLC t/a Wing Stop	095419	On June 3, 2023, at approximately 1:51 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	25-day suspension	8	8/2/2023



# Successful Negotiations: Page 2

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
King George Pizzeria, Inc. t/a Vinnys Italian Grill	029270	On May 30, 2023, at approximately 3:10 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	5	8/2/2023
Sevenstars, LLC t/a The Virginian Market	092142	On June 28, 2023 at approximately 1:26 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	1	8/9/2023
Corned Beef and Company, Inc. t/a Corned Beef & Co. Bar & Grill	053833	1. On January 7, 2023 between 12:55 a.m. and 1:00 a.m., the licensee allowed the consumption of alcoholic beverages upon the licensed premises by two persons who the licensee knew or had reason to believe were intoxicated, in violation of Sections 4.1-202, 4.1-225 1.b., 4.1-225 1.j. and 4.1-305 of the Code of Virginia and 3 VAC 5-50-10. 2. On January 7, 2023, at approximately 12:55 a.m., the licensee sold alcoholid beverages to two persons who the licensee knew or had reason at the time to believe were intoxicated, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3VAC 5-50-10.	\$2,000 civil penalty for charge 1; \$2,000 civil penalty for charge 2 + have any/all employees complete RSVP/MART training within 60 days of the signed agreement and any new staff will be trained within 60 days of their hire date	1	8/14/2023
Evercore Business Group, Inc. t/a Food Maxx International Foods	751096	On July 12, 2023, at approximately 1430 hours, the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than 21 years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	9	8/14/2023
Hoo Burger, LLC t/a Boylan Heights	751321	The characteristics of the food business conducted upon the licensed premises are such that the establishment ceases to qualify as a "restaurant" within the meaning of Sections 4.1-100, 4.1-206.3 A.1. and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-110 A., 3 VAC 5-50-110 C., and 3 VAC 5-50-110 D.	\$250 civil penalty	9	8/15/2023
Francescos Ristorante Italiano, Inc. t/a Francescos Ristorante Italiano	050359	On Tuesday, May 30, 2023, at approximately 4:27 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty	7	8/15/2023
Champion Brewing Company, LLC t/a Champion Brewing Company, LLC	095016	On April 20, 2023, at approximately 6:00 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202,4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	Surrender license	9	8/15/2023
Parkers Poppa, LLC t/a Red Bones Raw Bar	69386	On October 25, 2022, the licensee purchased alcoholic beverages from the Board other than by cash paid, in that the licensee issued a check which was dishonored upon presentation to the bank, in violation of Sections 4.1-119 H., 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-30-30.	\$500 civil penalty	8	8/15/2023
OHM Shree Sai Nath, LLC t/a Saimart 2	754157	On June 21, 2023, at approximately 3:16 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.	\$2,500 civil penalty to be paid in installments of \$1,500 due at signing; \$500 on September 22, 2023 and \$500 on October 20, 2023	1	8/18/2023



# Successful Negotiations: Page 3

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
Idrees Inc. t/a Sunrise Mart 2	755127	<p>1. On August 20, 2022 at approximately 9:04 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.</p> <p>2. On August 20, 2022, at approximately 10:13 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than twenty-one years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.</p>	<p>1. \$6,000 civil penalty (\$3,000 per violation)</p> <p>2. \$500 in investigative costs</p> <p>3. 25-day suspension to begin on September 5, 2023</p> <p>4. 15 hours of community service at a registered non-profit within 60 days of this agreement (up to 10 of those hours may be performed by the licensee's employees in his stead). Proof of community service will be provided to ABC after completion of the hours.</p>	2	8/22/2023
Arif Skyline Cafe, LLC t/a Arif Skyline Cafe	86496	<p>1. On May 8, 2023, the licensee failed or had failed, to obliterate the mixed beverage stamps immediately when containers of alcoholic beverages were emptied, in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-60 B.3.</p> <p>2. On May 7, 2023, the licensee sold alcoholic beverages for consumption upon the licensed premises between the hours of 2:00 a.m. and 6:00 a.m., in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-30 A.1.</p> <p>3. The licensee refilled or partially refilled bottles or containers of alcoholic beverages or otherwise tampered with the contents of bottles or containers of alcoholic beverages, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-325 A.7. of the Code of Virginia.</p> <p>4. On May 7, 2023, the licensee or an employee of the licensee consumed alcoholic beverages while on duty in a position involved in the selling or serving of alcoholic beverages to customers or allowed the consumption of alcoholic beverages by an employee on duty and in a position involved in the selling or serving of alcoholic beverages, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-325 A.14. of the Code of Virginia.</p>	<p>1. BLE withdraws charge 1 with prejudice</p> <p>2. \$1,000 civil penalty for charge 2</p> <p>3. \$500 civil penalty for charge 3</p> <p>4. \$750 civil penalty for charge 4</p> <p>5. BLE withdraws charge 5 with prejudice</p> <p>6. \$1,000 civil penalty for charge 6</p> <p>7. BLE withdraws charge 7 with prejudice</p> <p>8. \$500 civil penalty for charge 8</p> <p>9. BLE withdraws charge 9 with prejudice</p> <p>10. Licensee agrees to cease all operations, turn its lights off, and completely close its business between the hours of 2:00 a.m. and 6:00 a.m. daily</p>	4	8/22/2023
Arif Skyline Cafe, LLC t/a Arif Skyline Cafe-cont'd.		<p>5. On May 8, 2023, the licensee kept at the place described in the license alcoholic beverages not bearing mixed beverage stamps, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-325 A.4. of the Code of Virginia and 3 VAC 5-50-60 B.1.</p> <p>6. On May 7, 2023, the licensee permitted the consumption of alcoholic beverages upon the licensed premises between the hours of 2:00 a.m. and 6:00 a.m., in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-30 A.1.</p> <p>7. The licensee has advertised about or concerning happy hour contrary to the rules and regulations of the Board, in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-160.</p> <p>8. The licensee failed to keep complete, accurate, and separate records at the place of business and available for inspection by special agents of the Board, in violation of Sections 4.1-202, 4.1-204 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-70-90 and 3 VAC 5-70-180.</p> <p>9. The licensee conducted a happy hour contrary to the regulations of the Board, in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3 VAC 5-50-160.</p>	<p>Total civil penalties: \$ 42,250.00                  Total costs of investigation paid: \$ 500                  Total days of suspension: 50 days                  Licensees providing certified training: 1                  12-month probationary period: 0                  Surrendered license: 1                  15 hours of community service at a non-profit: 1                  Cease all operations from 2-6 a.m.: 1</p>		
The Pancake House Virginia, Inc. t/a The Pancake House & Grill	94987	<p>On April 25, 2023, at approximately 2:25 p.m., the licensee sold alcoholic beverages to a person who the licensee knew or had reason at the time to believe was less than 21 years of age, in violation of Sections 4.1-202, 4.1-225 1.b. and 4.1-304 A. of the Code of Virginia and 3 VAC 5-50-10 and 3 VAC 5-50-20.</p>	\$2,500 civil penalty	8	8/24/2023



# Negotiations Accepted

LICENSEE NAME	ABC LICENSE #	VIOLATION DATE	DISPOSITION DATE	CIVIL PENALTY (\$)	SUSPENSION / OTHER
SMILE THAI CUISINE	078901	5/13/2023	7/10/2023		25 days
JAMES CHARLES WINERY & VINEYARD	087695	5/27/2023	7/14/2023	\$2,500	
ROOSKY'S BAR & GRILL {SUMMARY SUSPENSION}	13223103	4/29/2023	7/17/2023		See Below
FAMILY CONVENIENCE STORE	013345237	6/14/2023	7/20/2023	\$2,000	
BONE FIRE SMOKEHOUSE	079790	4/8/2023	7/21/2023	\$2,500	
RIO BRAZIL STEAKHOUSE	013291613	5/13/2023	7/24/2023	\$2,500	
BOTANICAL BAR	013336890	6/26/2023	8/3/2023	\$750	
WING STOP	095419	6/3/2023	8/7/2023		25 days
7 ELEVEN STORE 21937 A	081260	9/24/2022	8/9/2023	\$2,500	
VINNYS ITALIAN GRILL	029270	5/30/2023	8/9/2023	\$2,500	
CHAMPION BREWING COMPANY	095016	4/20/2023	8/16/2023		Surrendered
CORNED BEEF & CO BAR & GRILL	053833	1/7/2023	8/21/2023	\$4,000	
RED BONES RAW BAR	069386	10/25/2022	8/23/2023	\$500	
SAIMART 2	754157	6/21/2023	8/23/2023	\$2,500	
ARIF SKYLINE CAFÉ	086496	5/7/2023	8/24/2023	\$3,750	
BOYLAN HEIGHTS	751321	8/2/2023	8/25/2023	\$250	
THE PANCAKE HOUSE & GRILL	094987	4/25/2023	8/28/2023	\$2,500	
			TOTAL	\$28,750	



# Negotiations Accepted: Page Two

ROOSKY'S BAR & GRILL # 13223103 {SUMMARY SUSPENSION}

- 1) On or before May 5, 2023, the licensee shall install additional lighting in the parking lot to improve visibility. The licensee shall engage Martinsville Police Department ("MPD") and Enforcement to assess and approve the additional lighting.
- 2) The licensee shall install and maintain a video monitoring system at the licensed establishment on or before May 12, 2023. The video monitoring system shall cover the interior and exterior areas, and the footage shall be made available to law enforcement upon request. All ABC managers shall be trained and have the ability to access this footage upon request from law enforcement.
- 3) The licensee shall stop all sales and service of any and all alcohol beverages at 9:30 p.m. each evening. The licensed establishment shall close completely no later than 10:00 p.m. each evening.
- 4) The licensee shall have at least two (2) Department of Criminal Justice Services (DOS) certified security personnel on duty from 8:00 p.m. until 11:00 p.m. every Friday and Saturday night and any night that the licensee is hosting a special event (i.e. karaoke). There shall be one DOS certified personnel responsible for monitoring the parking lot during that time. The DCJS certified personnel will be responsible for a security screen of each person entering or re-entering the establishment to include bag searches and the use of a wand device.
- 5) The licensee shall limit maximum capacity for the establishment at no more than one-hundred seventy (170) people.
- 6) The licensee shall have at least one (1) off-duty uniformed sworn law enforcement personnel on duty at the establishment from 8:00 p.m. until 11:00 p.m. every Friday and Saturday night. The licensee shall also engage with the Martinsville Police Department to coordinate walkthroughs on busy nights at the establishment.
- 7) The licensee shall not allow any DJs to provide entertainment at the establishment Friday through Sunday.
- 8) The licensee shall take all necessary steps to ensure the business license for the establishment is current and up-to-date.
- 9) The licensee shall ensure that he is current on his meals tax and/or any current repayment plan.
- 10) Within thirty days of executing this agreement, the licensee shall create and/or revise his current employee policies to include rules that instruct employees when and how to call the police and require all current and future employees to read and sign the policy.
- 11) The licensee shall create and maintain a Documentation Log that shall include a ban list, drink cut-offs, list of intoxicated patrons, or patrons cited for unruly conduct.
- 12) The licensee shall require all employees involved in the sales and service of alcohol to take Responsible Sellers & Servers: Virginia's Program (RSVP) training within ten (10) days of this agreement. The licensee and all ABC managers shall take Managers' Alcohol Responsibility Training (MART) training within ten (10) days of this agreement. All newly hired employees shall take the required RSVP or MART training within twenty (20) days of hire.
- 13) The licensee agrees that the licenses shall not be reinstated until such time as the licensee can demonstrate that the provisions herein have been completed.
- 14) If the licensee is found by the Bureau of Law Enforcement to be in violation of any of the restrictions stated herein or any other violation of the ABC Act or Board regulations, the licensee agrees to voluntarily surrender both licenses until such time as BLE can conclude an investigation of the alleged violation and the conclusion of any resulting administrative proceedings.



# Expedited Consent Orders (ECOs)

Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Date Order Received	Region
MANHATTAN PIZZA	086920	UAB		25	7/10/2023	CHARLOTTESVILLE
INGLES MARKET 503	000995	UAB	\$2,500		7/10/2023	ROANOKE
LOCKE STORE	099902	UAB	\$2,500		7/10/2023	STAUNTON
BENNY MELETOS	093129	UAB		25	7/11/2023	STAUNTON
JUICY KING CRAB HOUSE	751537	UAB	\$2,500		7/11/2023	HAMPTON
JOY MART	091231	UAB	\$2,500		7/12/2023	ROANOKE
SALEM & SONS LLC	033938	Bad Check	\$500		7/13/2023	RICHMOND
SPARETIMES	004993	UAB	\$2,500		7/13/2023	HAMPTON
COMFORT INN SUITES	754179	UAB	\$2,500		7/14/2023	STAUNTON
MAZARO	753820	UAB	\$2,500		7/14/2023	ALEXANDRIA
DOLLAR GENERAL STORE 392	084248	UAB	\$2,500		7/14/2023	LYNCHBURG
BROOK STORE III	013144846	UAB	\$2,500		7/17/2023	STAUNTON
EXXON	088527	UAB	\$2,500		7/18/2023	LYNCHBURG
HOMESPUN SHAKES & BURGERS	756141	UAB	\$2,500		7/18/2023	STAUNTON
CHILIS GRILL & BAR	060654	UAB	\$2,500		7/19/2023	CHESAPEAKE
OYUMMY SUSHI	753935	UAB	\$2,500		7/20/2023	CHESAPEAKE
OLD CITY BARBEQUE	092134	UAB	\$2,500		7/24/2023	HAMPTON
THE HUNTSMAN'S GRILL	083455	UAB	\$2,500		7/24/2023	HAMPTON
		UAB				
VA BEACH PIER GRILL & OCEAN EDDIES	071004		\$2,500		7/24/2023	CHESAPEAKE
7 ELEVEN STORE 39845 A	093038	UAB	\$2,500		7/25/2023	STAUNTON
7 ELEVEN STORE 32356 B	069533	UAB	\$2,500		7/25/2023	STAUNTON
GRAPES LOUNGE	752597	Bad Check	\$500		7/25/2023	ALEXANDRIA
SHOP IN	093701	UAB	\$2,500		7/26/2023	LYNCHBURG
MITCHELLS STORE	096285	UAB	\$2,500		7/26/2023	ROANOKE
CARRABBAS ITALIAN GRILL 9710	057114	UAB	\$2,500		7/26/2023	HAMPTON
COMMUNITY STORE	753538	UAB	\$2,500		7/26/2023	STAUNTON
FOLTZ STORE LLC	099162	UAB		25	7/28/2023	STAUNTON
COUNTRY CONVENIENCE STORE	081572	UAB	\$2,500		7/28/2023	STAUNTON
		UAB				
LINDO AMANECER LATINO MARKET	066373		\$2,500		7/28/2023	RICHMOND
ELDEN ST EXXON	751196	UAB	\$2,500		7/28/2023	ALEXANDRIA
THE VALLEY CORK	753249	Bad Checks	\$1,000		7/31/2023	STAUNTON
EAST COAST CONVENIENCE LLC	094151	UAB	\$2,500		7/31/2023	STAUNTON
EXXON NINE MILE RD	038611	UAB	\$2,500		7/31/2023	RICHMOND
DOLLAR GENERAL STORE 16078	090188	UAB	\$2,500		7/31/2023	STAUNTON
DOLLAR GENERAL STORE 17919	093567	UAB	\$2,500		7/31/2023	LYNCHBURG



# ECOs Page two

Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Date Order Received	Region
Z EXPRESS	046552	UAB	\$2,500		7/31/2023	RICHMOND
BOS BELLY BARN	047738	1. UAB 2. Manager not on duty	\$3,250		8/1/2023	STAUNTON
ALDI INC 54	086002	UAB	\$2,500		8/2/2023	ALEXANDRIA
7 ELEVEN STORE 39727 A	085075	UAB	\$2,500		8/2/2023	RICHMOND
REDWOOD EXPRESS MARKET	750856	UAB	\$2,500		8/2/2023	ROANOKE
BLACK DIAMOND SELF SERVE 4	053140	UAB	\$2,500		8/8/2023	ROANOKE
QUINNS	090299	Bad Check	\$500		8/8/2023	ALEXANDRIA
CASTAS RUM BAR	013280816	Kept alcoholic beverages not bearing MB stamp	\$750		8/8/2023	RICHMOND
7 ELEVEN STORE 10725 B	079773	UAB	\$2,500		8/8/2023	ALEXANDRIA
CVS PHARMACY 11229	754272	UAB	\$2,500		8/8/2023	ALEXANDRIA
7 ELEVEN STORE 2554 10780 T	003727	UAB	\$2,500		8/9/2023	ALEXANDRIA
RALLY MART #1	014008	UAB	\$2,500		8/10/2023	ABINGDON
ROBERTS BESTWAY	040630	UAB	\$2,500		8/11/2023	ROANOKE
SWEET MAGNOLIA	089307	UAB		25	8/11/2023	LYNCHBURG
THE VIRGINIAN MARKET	092142	UAB	\$2,500		8/14/2023	ROANOKE
WISE CHOICE INC.	096483	UAB	\$2,500		8/14/2023	FREDERICKSBURG
DOLLAR GENERAL STORE 22332	756218	UAB	\$2,500		8/14/2023	ROANOKE
FOOD LION 478	009706	UAB	\$2,500		8/16/2023	RICHMOND
ALDI INC.	753910	UAB	\$2,500		8/16/2023	ALEXANDRIA
SUPERIOR LATIN MARKET	088282	UAB		25	8/17/2023	FREDERICKSBURG
FAMILY DOLLAR 21160	750114	UAB	\$2,500		8/22/2023	STAUNTON
GAS MART #16	056041	UAB	\$2,500		8/22/2023	RICHMOND
CVS PHARMACY 1819	042573	UAB	\$2,500		8/22/2023	STAUNTON
RICKS MINI MART	095180	UAB	\$2,500		8/22/2023	LYNCHBURG
7 ELEVEN 39200 A	753732	UAB	\$2,500		8/22/2023	STAUNTON
HANSON SUNOCO	038473	UAB	\$2,500		8/22/2023	FREDERICKSBURG
ROYAL FARMS 335	755379	UAB	\$2,500		8/22/2023	FREDERICKSBURG
ALDI INC	08057	UAB	\$4,000		8/22/2023	STAUNTON
KROGER # 228	077981	UAB	\$2,500		8/23/2023	STAUNTON
SPEEDWAY 4647	089021	UAB	\$2,500		8/23/2023	STAUNTON
ALDI FOODS 5	045907	UAB	\$2,500		8/23/2023	FREDERICKSBURG
HARRIS TEETER 23	017107	UAB	\$2,500		8/23/2023	ALEXANDRIA
FAS MART EVERYDAY SHOP 3548	083173	UAB	\$4,000		8/24/2023	STAUNTON
QUATE EXXON	013375360	UAB	\$2,500		8/25/2023	ALEXANDRIA





# ECOs Page three

Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Date Order Received	Region
AMERICANA GROCERY INC	028941	UAB	\$2,500		8/25/2023	ALEXANDRIA
THE BLUE LAGOON BAR AND GRILL	755041	2nd UAB	\$500		8/28/2023	CHESAPEAKE
208 GAS AND CHECK CASHING	040667	UAB	\$2,500		8/29/2023	FREDERICKSBURG
SAFeway 764	086098	UAB	\$2,500		8/29/2023	ALEXANDRIA
VA YAMA SUSHI	088902	UAB		25	8/29/2023	CHESAPEAKE
CARNICERIA 2 TOROS MEAT MARKET	754238	1. Designated Manager not posted 2. UAB 3. License not posted		35	8/29/2023	ROANOKE
MAHAL MART	086947	1. UAB 2. Manager not on duty		30	8/29/2023	LYNCHBURG



# OLC Status

Style of Case	Court	Charges/Violations/ Complaint	Status of Case	Parties/Opposing Counsel Involved	Decision
Commonwealth v. Vinoshipper.com	Virginia Court of Appeals	Out-of-state wine shipper shipping from unlicensed locations	The court issued its decision on August 15, 2023 reversing the circuit court’s decision and agreeing with the Board’s ruling; cut off to note an appeal to SCV is <b>September 14, 2023; no new filing with the Supreme Court or Court of Appeals as of 8/28/2023</b>	Mark Shuford-licensee/Rachel Yates, Maureen Mshar-ABC	N/A
Sadler Brothers Oil Company, et al v. Commonwealth	Greensville County Circuit Court	Skill games	A pre-trial motion was filed by 10/20 and 11/13/2023 by the parties;  <b>A conference call has been scheduled with the court for September 14, 2023; trial has been scheduled for December 18, 19 and 20, 2023</b>	William Stanley-licensee/Jim Flaherty, Erin O’Neil, Calvin Brown-AG’s office (Tonya Hucks-Watkins support counsel)	N/A
Falu Patel v. Commonwealth	City of Roanoke Circuit Court	Skill games	Last filing was transfer of matter from Roanoke County to Roanoke City on 1/13/2022; no service listed on court website; <b>no new filing as of 8/28/2023</b>	Stephen Heretick-licensee/Defendants listed as Commonwealth of VA, Mark Herring, and Donald Caldwell (no attorney information showing) (Tonya Hucks-Watkins support counsel)	N/A
Olivier Daubresse and Vinifrance vs. VA ABC	Fairfax Circuit Court	Appeal of a franchise matter from ABC	On August 11, 2023, court ruled for ABC, affirmed ABC Board (final order entered after hearing on August 11, 2023); <b>Vinifrance has 30 days to note an appeal to the CAV (9/11/2023); nothing has been filed as of 8/28/23</b>	Tyler Roth with McClanahan Powers, PLLC, for plaintiff;  Maureen Mshar for ABC	N/A
The Food Group, Inc. t/a Hard Times	Fredericksburg City Circuit Court	Appeal of Board Order	Counsel for plaintiff filed a Motion to Reinstate the case on 6/26/2023; Maureen Mshar has been in discussions with counsel re drafting a scheduling order; Counsel alerted MM that new attorney, Dennis McCarthy, is coming on the case. MM has discussed possible settlement options and needs to contact McCarthy again. <b>No new action filed in the court as of 8/28/2023</b>	Dennis McCarthy for plaintiff;  Maureen Mshar for ABC	N/A



# OLC Status: Page two

Style of Case	Court	Charges/Violations/ Complaint	Status of Case	Parties/Opposing Counsel Involved	Decision
4Cyber Café	Richmond Circuit Court (CL23003178-00)	Appeal of Board Order	Licensee filed pro se notice of appeal on July 3, 2023; HHG spoke with the clerk’s office on 8/14/2023, the plaintiff has not requested issuance of service and has not filed anything beyond a notice of appeal; ABCs record has been transmitted; ABC filed a Motion to Dismiss on <b>8/28/23</b> ; <b>No new filing from petitioner as of 8/28/2023</b>	Pro Se appellant; Maureen Mshar for ABC	N/A

# Administrative Hearings

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
7 Eleven Store 33603A (Portsmouth)	UAB	PHC – 4/3/23 @ 11am HR – 4/10/23 @ 11am  HR rescheduled to 5/15/23 @ 1pm	Chesapeake	ALJ – Griffin	Substantiated 7/26/2023
7 Eleven Store 16170D (Norfolk)	UAB	PHC – 4/3/23 @ 1pm HR – 4/10/23 @ 1pm HR rescheduled to 5/15/23 @ 2pm	Chesapeake	ALJ – Griffin	Substantiated 7/25/2023
Crewe Tobacco & Gas (Crewe)	UAB	PHC – 5/23/23 @ 1pm HR – 5/30/23 @ 1pm	Hanover	ALJ – Griffin	Substantiated 7/25/2023
Radford Travel Center (Christiansburg)	UAB	PHC – 5/25/23 @ 11am HR – 6/1/23 @ 11am	Roanoke	ALJ – Griffin	Substantiated 7/10/2023
Boones Mill - Franklin County Distilleries (Boones Mill)	UAB	PHC – 5/25/23 @ 1pm HR – 6/1/23 @ 1pm	Roanoke	ALJ – Griffin	Substantiated 7/11/2023
460 Community Market (Prospect)	UAB	PHC – 6/6/23 @ 2pm HR – 6/13/23 @ 2pm	Lynchburg	ALJ – Page	Substantiated 6/29/2023
Residence Inn (Chesapeake)	UAB	PHC – 6/7/23 @ 10am HR – 6/14/23 @ 10am	Chesapeake	ALJ – Griffin	Substantiated 7/6/2023
La Tapatia (Virginia Beach)	UAB	PHC – 6/7/23 @ 11am HR – 6/14/23 @ 11am	Chesapeake	ALJ – Griffin	Substantiated 7/6/2023
Sheetz 775 (Richmond)	1 – Number of licenses in existent 2 – So situated – residential	PHC – 6/5/23 @ 9am HR – 6/16/23 @ 9am	Hanover	ALJ – Page	Granted 7/13/2023
Cities Bar & Grill (Henrico)	1 – Qualification to retain MB license 2 – Delivered MB bottle to consumer 3 – Failed to submit MBAR	PHC – 6/9/23 @ 9am HR – 6/16/23 @ 9am  RSCH to HR – 6/27/23 @ 9am	Hanover	ALJ – Page OLC – Mshar	1 – Substantiated 2 – Not substantiated 3 – Substantiated 8/1/23
Memos Wings, LLC (Elkton)	1 – So situated with respect to residence	PHC – 6/21/23 @ 10am HR – 6/28/23 @ 10am	Staunton	ALJ – Page	Granted with restrictions 7/24/2023

# Administrative Hearings Page Two

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Corner Mart (Chester)	UAB	PHC – 6/22/23 @ 9am HR – 6/29/23 @ 9am	Hanover	ALJ – Richardson	<b>Withdrawn</b>
El Rinconcito Bar Rest. (Fredericksburg)	UAB	PHC – 6/22/23 @ 10am HR – 6/29/23 @ 10am	Hanover	ALJ – Richardson	<b>Substantiated</b> 7/19/2023
Apocalypse Cidery & Winery (Forest)	UAB	PHC – 6/28/23 @ 11am HR – 7/5/23 @ 11am	Lynchburg	ALJ – Griffin	
Pis Cucina Italian Restaurant (Spotsylvania)	UAB	PHC – 7/3/23 @ 9am HR – 7/10/23 @ 10am	Hanover	ALJ – Page	<b>Charges withdrawn</b> <b>Hearing canceled</b> 7/6/2023
City Limits Convenience (Mechanicsville)	1 – Consumption of unauthorized alcoholic beverage 2 – Failed to take reasonable measures to prevent an act of violence 3 – Kept unauthorized alcoholic beverages 4 – Consumption of alcoholic beverage on the premises of an off premises license 5 – Gambling 6 – Failed to keep records	PHC – 7/7/23 @ 9am HR – 7/14/23 @ 9am  5/8/23 – Counsel requested continuance, OLC agreed to a continuance, ALJ granted continuance	Hanover	ALJ – Maxey  OLC – Mshar  Reiner Smith, Esq. for licensee	<b>Charge 1 – not substantiated</b> <b>Charges 2 – 6 – Substantiated</b> 8/16/2023
<b>Public Safety</b>					
JV Restaurant (Falls Church)	UAB	PHC – 7/12/23 @ 10am HR – 7/19/23 @ 10am	Alexandria	AJ – Griffin	<b>Substantiated</b> 8/25/2023
Smile Thai Cuisine (Chantilly)	UAB	PHC – 7/12/23 @ 11am HR – 7/19/23 @ 11am	Alexandria	AJ – Griffin	<b>Resolved through negotiations</b>
Sweetwater Tavern (Falls Church)	UAB	PHC – 7/12/23 @ 12pm HR – 7/19/23 @ 12pm	Alexandria	AJ – Griffin	<b>Substantiated</b> 8/25/2023
Messicks Farm Market (Bealeton)	UAB	PHC – 7/17/23 @ 10am HR – 7/24/23 @ 10am	Charlottesville	ALJ – Griffin	
Sauce & Toss (Richmond)	UAB	PHC – 7/18/23 @ 10am HR – 7/25/23 @ 10am	Hanover	ALJ – Griffin	
Rio Brazil Steakhouse (Glen Allen)	UAB	PHC – 7/18/23 @ 11am HR – 7/25/23 @ 11am	Hanover	ALJ – Griffin	<b>Resolved through negotiations</b>
Bone Fire Smokehouse (Abingdon)	UAB	PHC – 7/20/23 @ 10am HR – 7/27/23 @ 12pm	Abingdon	ALJ – Griffin	<b>Resolved through negotiations</b>



# Administrative Hearings Page Three

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
James Charles Winery & Vineyard (Winchester)	UAB	PHC – 7/26/23 @ 11am HR – 8/2/23 @ 11am	Staunton	ALJ – Richardson	Resolved through negotiations
Raceway 6791 (Newport News)	UAB	PHC – 7/31/23 @ 10am HR – 8/7/23 @ 10am	Hampton	ALJ – Page	Substantiated 8/18/2023
El Tropi 2 LLC (Chesterfield)  <b>Public Safety</b>	1 – Kept unauthorized alcoholic beverage 2 – Sale of alcoholic beverage in unauthorized manner 3 – Failed to keep records 4 – MBAR 5 – Qualification to retain MB 6 – Qualification to retain wine & beer license – Restaurant 7 – Purchase of wine/beer other than from wholesaler	PHC – 6/26/23 @ 9am HR – 8/7/23 @ 9am  6/13/23 – ALJ granted cont. due to licensee being out of country for family emergency	Hanover	ALJ – Maxey	
To Do Café (Tappahannock)	UAB	PHC – 8/3/23 @ 9am HR – 8/10/23 @ 10am	Hanover	ALJ – Richardson	
Five 14 Wine & Paint Bar Art Studio (Alexandria)	1 – Fails to qualify as a restaurant 2 – Fails to qualify as a restaurant	PHC – 8/9/23 @ 10am HR – 8/16/23 @ 10am	Alexandria	ALJ – Richardson	Resolved through negotiations
Vinnys Italian Grill (Aylett)	UAB	PHC – 8/10/23 @ 10am HR – 8/17/23 @ 10am	Hanover	ALJ – Maxey	Resolved through negotiations
Nayeli Salvadorian & Mexfood (Fredericksburg)	UAB	PHC – 8/10/23 @ 11am HR – 8/17/23 @ 11am	Hanover	ALJ – Maxey	
Family Convenience Store (Edinburg)	1 – Sold alcoholic beverage while application is pending 2 – Kept alcoholic beverage while application is pending	PHC – 8/11/23 @ 10am HR – 8/18/23 @ 11am	Staunton	ALJ – Richardson	Resolved through negotiations
Corned Beef Bar & Grill (Roanoke)	1 – Consumption of AB by intoxicated persons 2 – Sale of AB to intoxicated persons	PHC – 8/14/23 @ 11am HR – 8/21/23 @ 11am	Roanoke	ALJ – Page OLC - Yates	Resolved through negotiations
TJs (Dublin)	UAB	PHC – 8/14/23 @ 2pm HR – 8/21/23 @ 2pm	Roanoke	ALJ - Page	
The Virginian Market (Troutville)	UAB	PHC – 8/14/23 @ 3pm HR – 8/21/23 @ 3pm	Roanoke	ALJ - Page	Resolved through negotiations
Leonore Restaurant (Roanoke)	UAB	PHC – 8/14/23 @ 3pm HR – 8/21/23 @ 3pm	Roanoke	ALJ - Page	Resolved through negotiations
Botanical Bar (Crozet)	1 – Violated provisions of ABC Act while application is pending	PHC – 8/14/23 @ 10am HR – 8/21/23 @ 10am	Charlottesville	ALJ – Richardson	Resolved through negotiations



# Administrative Hearings Page Four

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Champion Brewing Co. (Charlottesville)	UAB	PHC – 8/14/23 @ 1pm HR – 8/21/23 @ 1pm	Charlottesville	ALJ – Richardson	Resolved through negotiations
Saimart 2 (Barren Springs)	UAB	PHC – 8/18/23 @ 1pm HR – 8/25/23 @ 1pm	Abingdon	ALJ – Griffin	
JK Mart (Roanoke)	UAB	PHC – 8/25/23 @ 12pm HR – 9/1/23 @ 12pm	Roanoke	ALJ – Richardson	
Red Bones Raw Bar (Chesapeake)	Bad Check	PHC – 8/29/23 @ 10am HR – 9/5/23 @ 10am	Chesapeake	ALJ – Griffin	Resolved through negotiations
The Pancake House & Grill (Norfolk)	UAB	PHC – 8/29/23 @ 11am HR – 9/5/23 @ 11am	Chesapeake	ALJ – Griffin	Resolved through negotiations
Arif Skyline Café (Falls Church)	1 – Failed to obliterate MB stamp 2 – After hours sale of MB 3 – Refilled bottles 4 – Employee consuming AB 5 – Kept MB not bearing MB stamp 6 – After hours consumption 7 – Advertising – happy hour 8 – Failed to keep records 9 – Conduct happy hour	PHC – 8/30/23 @ 10am HR – 9/6/23 @ 10am	Alexandria	ALJ – Maxey	Resolved through negotiations
Happy Shopper (Roanoke)	UAB	PHC – 8/25/23 @ 11am HR – 9/12/23 @ 11am	Roanoke	ALJ – Richardson	
American Pride (South Boston)	UAB	PHC – 9/7/23 @ 10am HR – 9/14/23 @ 10am	Lynchburg	ALJ – Griffin	
Red Bank Counting Corner (Lynchburg)	UAB	PHC – 9/7/23 @ 11am HR – 9/14/23 @ 11am	Lynchburg	ALJ – Griffin	
Sunrise Mart 2 (Danville)	UAB	PHC – 9/6/23 @ 1pm HR – 9/14/23 @ 1pm	Lynchburg	ALJ – Griffin	Resolved through negotiations
Ricks Mini Mart (Meherrin)	UAB	PHC – 9/7/23 @ 3pm HR – 9/14/23 @ 3pm	Lynchburg	ALJ – Griffin	
Wing Stop (Hampton)	UAB	PHC – 9/8/23 @ 10am HR – 9/15/23 @ 10am	Hampton	ALJ – Griffin	Resolved through negotiations
Francesco’s Ristorante Italiano (Williamsburg)	UAB	PHC – 9/8/23 @ 11am HR – 9/15/23 @ 12am	Hampton	ALJ – Griffin	



# Administrative Hearings Page Five

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Malakhi Lounge and Jamaican Restaurant (Manassas)	Fail to comply with a Board order	PHC – 9/13/23 @ 10am HR – 9/20/23 @ 10am	Alexandria	ALJ – Richardson	
Botanical (Charlottesville)	1 – Removal of MB from premises 2 – Stored AB in unauthorized place	PHC – 9/14/23 @ 10am HR – 9/21/23 @ 10am	Charlottesville	ALJ – Richardson	
Hoo Burger (Charlottesville)	Qualification to retain MB license	PHC – 9/14/23 @ 1pm HR – 9/21/23 @ 1pm	Charlottesville	ALJ – Richardson	Resolved through negotiations
Trove (Chesterfield)	UAB	PHC – 9/15/23 @ 9am HR – 9/22/23 @ 9am	Hanover	ALJ – Page	
Town Hall Tavern (Richmond)	1, 2 & 3 – Qualification to retain MB	PHC – 9/15/23 @ 10am HR – 9/22/23 @ 10am	Hanover	ALJ – Page	
Scissors & Scotch Ballstone (Arlington)	1 – Qualification to retain MB license 2 – Qualification to retain WB license	PHC – 9/18/23 @ 10am HR – 9/22/23 @ 10am	Alexandria	ALJ – Maxey	
Big Als (Front Royal)	UAB	PHC – 9/18/23 @10am HR – 9/26/23 @10am	Staunton	ALJ – Griffin OLC – Yates Mark Dycio, Esq.	
Food Maxx Int. (Harrisonburg)	UAB	PHC – 9/18/23 @11am HR – 9/26/23 @11am	Staunton	ALJ – Griffin	
Royal Station 5 (Staunton)	UAB	PHC – 9/18/23 @1pm HR – 9/26/23 @1pm	Staunton	ALJ – Griffin	
Mass Bay Brewing Co. (Massachusetts)	Failed to comply with ABC law/regs (Dunkin Spiked Mocha Iced Coffee)	PHC – 9/19/23 @11am HR – 9/27/23 @ 10am	Hanover	ALJ – Page	Request for Hearing withdrawn
7-Eleven 37155 B (Hampton) <i>Public Safety</i>	Failed to take reasonable measures to prevent an act of violence causing death	PHC – 9/22/23 @ 10am HR – 9/28/23 @ 10am	Hampton	OLC – Yates ALJ – Richardson Kraig Jennett, Esq.	
Aura Bar & Grill (Richmond)	1 – Bad Checks to Board 2 – Financial Responsibility	PHC – 9/25/23 @ 9am HR – 10/2/23 @ 9am	Hanover	ALJ – Maxey OLC – Yates	
Express Foodmart (Fredericksburg)	UAB	PHC – 9/28/23 @ 9am HR – 10/5/23 @ 9am	Hanover	ALJ – Griffin	
The Blue Lagoon (Portsmouth)	Bad Check	PHC – 9/29/23 @ 10am HR – 10/6/23 @ 10am	Chesapeake	ALJ – Griffin	Resolved through negotiations



# Administrative Hearings Page Six

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
El Rancho (Broadway)	MBAR	PHC – 9/29/23 @ 11am HR – 10/6/23 @ 11am	Staunton	ALJ – Page	
Piedmont Market (Leesburg)	UAB	PHC – 10/4/23 @ 10am HR – 10/11/23 @ 11am	Alexandria	ALJ – Griffin	
Germanna Market (Lignum)	1 – Failed to keep records 2 – Qualification to retain W/B	PHC – 10/23/23 @ 10a HR – 10/30/23 @ 10am	Charlottesville	ALJ – Richardson	
Scissors and Scotch (Reston)	1 – Qualification to retain MB 2 – Failed to submit MBAR 3 – Qualification to retain W/B	PHC – 9/15/23 @ 1pm HR – 9/20/23 @ 1pm Cont. Granted HR – 11/14/23 @ 10am	Alexandria	ALJ – Maxey Lafayette for licensee	

**FRANCHISE**

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Premium Distributors of Virginia and Blue Ridge Beverage Company v. The Boston Beer Company	Distribution matter “Dual distribution”	Hearing held May 25, 2023 <a href="#">BOARD APPEAL FILED August 25, 2023</a>	Hanover	<b>ALJ – Maxey</b>  Kevin McNally, Esq. for Premium Distributors & Blue Ridge Beverage  Brian Wainger, Esq. w/ Kaleo Legal for Boston Beer Company	<b>7/26/2023</b>
SanTan Brewing Co., Inc v. Ferment Nation, LLC	Termination of agreement - default Failure to pay undisputed monies & Complaint	2/17/23 – Initial teleconference Stay extended to 3/27/23 petitioner requested a 10-day extension on March 17, 2023. The petitioner informed the ALJ that the opposing party indicated that it was mailing a check that same day. The purpose of the extension was to confirm receipt of payment. On 3/28/23 – Stay extended six (6) weeks; On May 11, 2023, the Stay was granted for an additional four weeks. 6/9/2023 SanTan’s allegations concerning alleged non-payment will move forward. An order dismissing the request for a good cause determination will be prepared. As Ferment Nation released the brand rights. <a href="#">Scheduled for hearing 9/7/23</a>		<b>ALJ – Richardson</b>  Thomas Lisk, Esq. for SanTan Brewing Co.	



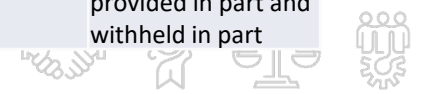


# Administrative Hearings Page Seven

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved
Brew Hub, LLC v. Ferment Nation, LLC	Termination of Agreement	<p>Teleconference – 3/27/23 @ 2pm</p> <p>On April 5, 2023, the parties requested that proceedings be postponed. They requested 8 weeks to get the dispute resolved.</p> <p>6/9/23 No resolution reached. The request for a good cause determination will move forward. A scheduling order to be prepared and disseminated.</p> <p><a href="#">Scheduled for hearing 10/10/23</a></p>		<p>ALJ – Richardson</p> <p>Thomas Lisk, Esq. for Brew Hub</p>
Cennatoio Wines v. Siema Wines LLC	Termination of Agreement	<p>Tentative Hearing Date October 10, 2023</p> <p>As of May 17, 2023 - Siema wishes to move forward with the hearings process. The ALJ provided 120 days to attempt private negotiations and or attempt to mediate.</p> <p><a href="#">7/24/23 – parties advised they are in “serious” negotiations and mediation may not be necessary</a></p>		<p>ALJ – Richardson</p> <p>Craig Franco, Esq. for Siema Wines</p>
Jeff Welburn Selections v. Vinifrance Imports	Termination of Agreement	<p>6/15/23 – Virtual pre-hearing conference</p> <p>6/12/23 Vinifrance submitted a Motion regarding the agreement between the winery and the wholesaler</p> <p><a href="#">Scheduled for hearing 9/18/23</a></p>		ALJ – Page
International Cellars, LLC & Lanterna Distribution, Inc. v. Bodega Valduero	Termination of Agreement	<a href="#">9/6/26 – Teleconference</a>	ALJ - Maxey	

# FOIA Report: Page 1

Date Received	Requestor Name	Subject	Status
Fri 7/7/23	Thomas Aruanno	<p>I am request all emails sent or received from Elizabeth Chu, Vida Williams, Mark Dunham, Dave Alfano, John Singleton and John Daniel between the dates of May 4 2023 and July 6 2023 if reference to the following topics</p> <ul style="list-style-type: none"> <li>• -----redacted pursuant to Va. Code 2.2-3705.1(1)-----</li> <li>• -----redacted pursuant to Va. Code 2.2-3705.1(1)-----</li> <li>• Placing Tim Nixon and or Casey Usmani into the Assistant Director of retail operations position or Retail Operations manager position.</li> <li>• Adding a new position of "Retail Operations manager"</li> <li>• Creating 3 "Area Manager" Positions</li> <li>• Eliminating or reducing the SSA Positions (Senior Sales Associate)</li> <li>• Transitioning SSAs (Senior Sales Associate) to the ASM ( Assistant Manager) position</li> </ul> <p>I am also requesting all material shared with the District manager team on the July 3 2023 District manager "Teams Call"</p> <p>I am also requesting all emails sent or received from Tim Nixon, Casey Usmani, Mark Dunham, Dave Alfano, John Singleton and John Daniel between the dates of May 15 2023 and July 6 2023 in reference to reducing labor hours in the stores.</p>	Completed: responsive records provided in part and withheld in part
Fri 7/7/23	Thomas Aruanno	<p>I am requesting all emails sent or received from David Waltenbaugh, Jonathan Kuhn, Mark Dunham, David Alfano, Elizibeth Chu, Vida Williams, Mike Berman and Paul Williams between the dates of May 1 2023 and July 7 2023 on the following topic</p> <ul style="list-style-type: none"> <li>• Star</li> <li>• Compass</li> <li>• Matrix</li> </ul> <p>I am also requesting a copy of all the contracts that includes the scope of work for David Waltenbaugh and Jonathan Kuhn to work on "STAR", "Compass" and or the "The Matrix". I am also requesting any emails referencing the contract to work on STAR, Compass or the matrix, sent or received from Melissa Watts, David Waltenbaugh, Jonathan Kuhn, Mark Dunham, David Alfano, Elizibeth Chu, Vida Williams, Mike Berman and Paul Williams between the dates of March 15 2023 and July 6 2023</p> <p>I am also requesting any emails sent or received from Melissa Watts, David Waltenbaugh, Jonathan Kuhn, Mark Dunham, David Alfano, Elizibeth Chu, Vida Williams, Mike Berman and Paul Williams referencing the scope of work for David Waltenbaugh between the dates of March 15 2023 and July 6 2023. The emails will be in refrence to working on "retail programs", "Tools", "KPMs" and/or Retail reporting.</p>	Withdrawn in accordance with Va. Code 2.2-3704(F)
Fri 7/7/23	Thomas Aruanno	<p>I am requesting all emails sent or received from Mark Dunham, Dave Alfano, John Singleton and John Daniel between the dates of May 9 2023 and May 31 2023 with the key words of</p> <ul style="list-style-type: none"> <li>- Retail realignment, restructure, retail structure and/or Transition plan.</li> </ul>	Completed: responsive records provided
Fri 7/7/23	Thomas Aruanno	<p>I am requesting all emails sent or received from Mark Dunham, Dave Alfano, John Singleton and John Daniel between the dates of June 1 2023 to June 30 2023 with the key words of</p> <ul style="list-style-type: none"> <li>- Retail realignment, restructure, retail structure and/or Transition plan.</li> </ul>	Completed: responsive records provided in part and withheld in part



# FOIA Report: Page 2

Date Received	Requestor Name	Subject	Status
Fri 7/7/23	Thomas Aruanno	am requesting all emails sent or received from Mark Dunham, Dave Alfano, John Singleton and John Daniel between the dates of July 1 2023 and July 6 2023 with the key words of - Retail realignment, restructure, retail structure and/or Transition plan	Completed: responsive records provided
Fri 7/7/23	Thomas Aruanno	I am requesting all emails sent or received from Mark Dunham, Dave Alfano, John Singelton and John Daniel between the dates of May 9 2023 and May 31 2023 with the topic being - Filling, replacing or eliminating the position of "Assistant Director of retail operations"	Completed: no responsive records
Fri 7/7/23	Thomas Aruanno	I am requesting all emails sent or received from Mark Dunham, Dave Alfano, John Singelton and John Daniel between the dates of June 1 2023 and June 30 2023 with the topic being - Filling, replacing or eliminating the position of "Assistant Director of retail operations"	Completed: no responsive records
Fri 7/7/23	Thomas Aruanno	I am requesting all emails sent or received from Mark Dunham, Dave Alfano, John Singelton and John Daniel between the dates of July 1 2023 and July 6 2023 with the topic being - Filling, replacing or eliminating the position of "Assistant Director of retail operations"	Completed: no responsive records
Fri 7/7/23	Anthony M. Russell (Partner, MichieHamlett)	All existing records and documents concerning Cedar's Management Group, Inc. which does business as Shishka Mediterranean Grill and Hookah Bar (ABC License #84450), 112 Campbell Avenue, S.E., Roanoke, VA 24011.	Completed: responsive records provided
Mon 7/10/23	Ari Perlman	Inventory snapshot for all allocated spirits by store and including warehouses as of 7/10/23 or the date on which the analysis is performed. Including: - All stores in the state of Virginia - The delivery date, store number, and quantities of any SKUs that are considered limited availability by the VABC; nominally that means the items on this page, but also includes Stagg Jr. (021540), Heaven Hill Heritage Collection St. Corn Whiskey (024759), Michter's 20 year Bourbon (019878), Michter's 10 Year Bourbon (019876), Parker's Heritage Collection 16th Edition (022390), Old Fitzgerald 19 [may be in the database as Old Fitzgerald Bottled in Bond Decanter] (016379) just to name some notable omissions from the linked page	Completed: responsive records provided
Tue 7/11/23	Zareen Farhad	I am writing to request copies of the liquor license applications of the following properties: 1. The Alexandrian Old Town Alexandria, Autograph Collection 480 King St, Alexandria, VA 22314 2. Morrison House Old Town Alexandria, Autograph Collection 116 S Alfred St, Alexandria, VA 22314 Specifically, I request digital copies of the following: • Original license application, including all attachments. • Any updates and amendments filed in association with the license, specifically the most recent submitted version of any report of changes that include: - Change of Officers, Directors, Partners - Change of Ownership - Change Corporate Name - Update Licensee Contact Information	Completed: responsive records provided

# FOIA Report: Page 3

Date Received	Requestor Name	Subject	Status
Tue 7/11/23	John Haskew	Please provide an image of the unredacted driver license given by VABC to Politico: <a href="https://www.politico.com/story/2016/12/trump-drivers-license-height-232948">https://www.politico.com/story/2016/12/trump-drivers-license-height-232948</a>	Withdrawn: no legal Virginia address provided
Wed 7/12/23	Rebecca Lovelace	Decision/final order for Malakhi Lounge & Jamaican Restaurant, ABC License # 93734. The hearing was held November 9, 2022.	Completed: responsive records provided
Fri 7/14/23	Thomas Aruanno	I am requesting the following salaries for the following employees on the dates listed for each. Please include the employees name, the employees title as of the date listed, and the annual salary as of the date listed David walker for 4/1/2023 and 7/12/2023 Shelley Dodson for 4/1/2023 and 7/12/2023 Kumar Desai for 4/1/2023 and 2/1/2023	Completed: responsive records provided
Fri 7/14/23	Thomas Aruanno	I am requesting the annual salaries and titles of all full-time employees for the following fiscal years. 2020, 2021, 2022, 2023, 2024 salaries and titles after most recent annual increases Please send each year on a separate tab and include in each Name, Title, Annual salary	Completed: responsive records provided
Mon 7/17/23	Sam Block (LiquorLicense.com)	1. Can you please send an excel of all of the retail alcohol licenses both on premise and off premise to me with the following columns: Entity Name, DBA, License Type, License Number, License Status, Business Address, Mailing Address, Principals / officers/ owners names, contact phone, mobile phone, email 2. A list of all of the people who have completed alcohol training in the last 5 years with First name, Middle Name, Last Name, Mailing Address, Training Provider, Certificate Expiration date, Email and phone number 3. A month by month breakdown of the number of people who have completed alcohol server training for the last 2 years. For example the number of completed courses in January 2022, Feb 2022, March 2022 and so on.	Withdrawn: no legal Virginia address provided
Wed 7/19/23	Aubrey Nelson (Underwriter, Auto Owners Insurance)	Violation history for The Spot on Kirk, License #752560.	Completed: no responsive records
Thu 7/20/23	Mark Dycio (Attorney, Dycio & Biggs)	All evidence pertaining to LMYA,LC d/b/a Big Al's, 10 South Street, Front Royal, VA 22630-22000; license Number: 038372; Incident No.: 013378476	Completed: responsive records provided
Tue 7/25/23	Justin K. Jahn (Paralegal, Poole Brooke Plumlee)	Christopher Feeny v. Paul A. Power and Kelly's, Inc. d/b/a Kelly's Tavern Date of Accident: 6/28/2022 request: copy of all Virginia ABC violations, records, and enforcement information regarding Kelly's Tavern located at 1936 Laskin Road, Virginia Beach from January 1, 2010 through present.	Completed: responsive records provided

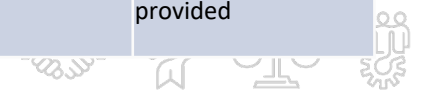
# FOIA Report: Page 4

Date Received	Requestor Name	Subject	Status
Wed 7/26/23	Tyler Englander (Capitol Reporter, WRIC)	<ul style="list-style-type: none"> <li>Records of all thefts/shoplifting incidents at Virginia ABC stores from 1/1/2023 through 6/30/2023</li> <li>Detailed breakdown of all thefts at Virginia ABC stores from 1/1/2023 through 6/30/2023 including dates, store locations, addresses, items stolen, and estimated cost of items stolen</li> </ul>	Completed: responsive records provided
Thu 7/27/23	Abigail McCaleb (Underwriter, Auto Owners Insurance)	Violation history at Skyland Lakes Golf Club #013153635	Completed: responsive records provided
Tue 8/1/23	Aubrey Nelson (Underwriter, Auto Owners Insurance)	Violation history at ABC license #91207, retail specialty establishment	Completed: no responsive records
Wed 8/2/23	David L Hoath	A. The total number of sworn Agents/Officers employed as of July 1 2023 B. The total amount of sworn Agents/Officer positions authorized for the department as of July 1 2023. C. The current pay step plan as it applies to all sworn positions, Lieutenant, Sergeant, , Corporal, Agent.	Completed: responsive records provided
Wed 8/2/23	Cole Barefoot	Re: the Virginia business entity know as "Two Feet Inc" also known as "Footers Sports Pub." <ul style="list-style-type: none"> <li>The MBAR reports filed by this organization for the following years: 2019, 2020, 2021, 2022, and 2023.</li> <li>The original application and letter of approval that the company filed to receive its Mixed Beverage License.</li> <li>If possible any documentation that signifies when Margaret Lynn Jennings became a part owner of the organization.</li> </ul>	Withdrawn: no legal Virginia address provided
Wed 8/2/23	Colt Riley (Underwriter, Auto Owners Insurance)	Violation history at The Mansion, #67944	Completed: responsive records provided
Thu 8/3/23	Thomas Aruanno	I am requesting the annual salaries of all full-time employees, excluding enforcement. Annual salaries as of today Please include <ul style="list-style-type: none"> <li>Employee Name</li> <li>If possible, employee title, but only if it does not increase the cost of the FIOA request.</li> <li>Current annual salary</li> </ul>	Completed: responsive records provided
Thu 8/3/23	Ashley Dalton (Underwriter, Auto Owners Insurance)	Violation history at ABC license #23134 (Mas) and ABC license #44517 (Ten).	Completed: no responsive records
Thu 8/3/23	Abigail McCaleb (Underwriter, Auto Owners Insurance)	Violation history at 46 Old Dairy Rd., Warm Springs, Virginia, ABC license #85784	Completed: responsive records provided
Mon 8/7/23	Thomas Aruanno	I am requesting all final Waste and Abuse reports prepared by ABC's Internal Audit department since 5/1/2023 based on reports/issues sent from the Virginia Waste and Abuse reporting system "Office of Inspector General".	Completed: responsive records provided



# FOIA Report: Page 5

Date Received	Requestor Name	Subject	Status
Mon 8/7/23	Thomas Aruanno	<p>I am requesting the annual salaries of all full-time employees, excluding enforcement and employees based in stores.</p> <p>Annual salaries as of July 15, 2022, or a different date that is more accessible post The beginning of July 2022. Please note if a different date is used, and if different what date was used.</p> <p>Please include</p> <ul style="list-style-type: none"> <li>• Employee Name</li> <li>• If possible, employee title, but only if it does not increase the cost of the FIOA request.</li> <li>• Annual salary as of the date used</li> </ul>	Completed: responsive records provided
Mon 8/7/23	Thomas Lisk (Attorney, Cozen O'Connor)	Licensee files (including any agent files) relating to XL Sideline Richmond (ABC License No. 83309).	Completed: responsive records provided
Wed 8/9/23	Abigail McCaleb (Underwriter, Auto Owners Insurance)	Violation history at ABC license #62340 and #79068	Completed: no responsive records
Wed 8/9/23	Aubrey Nelson (Underwriter, Auto Owners Insurance)	Violation history at ABC License #80562, Hondos	Completed: no responsive records
Wed 8/9/23	Aubrey Nelson (Underwriter, Auto Owners Insurance)	Violation history at ABC license #83351 + #754227	Completed: responsive records provided
Fri 8/11/23	Matt Diem	I would like to see the inside video from the last allocation drop. Time stamp 4:45pm - 5:15pm from store 362. Specifically the people in line to buy the bottles. I do not need any of the video of your general inventory.	Withdrawn: no reply to request to provide legal Virginia address
Mon 8/14/23	Thomas Lisk (Attorney, Cozen O'Connor)	Request the opportunity to review the licensee files (including any Regional Office and Special Agent files) relating to Colonial Downs Group LLC (ABC license no. 750147). In addition, requests the opportunity to review any records reflecting any sponsorships by alcoholic beverage manufacturers, wholesalers or brokers (including but not limited to The Woodford Reserve Distillery and Brown Forman) in relation to The Colonial Downs Racetrack in New Kent County, VA.	Completed: responsive records provided
Mon 8/14/23	Kevin Gerow (Attorney, Christopoulos Law Group, LLC)	<p>Please accept this FOIA request for the administrative ruling / order in the matter of Premium and Blue Ridge distributors versus Boston Beer Company.</p> <p>I believe the order was entered in July 2023, and that the administrative judge granted summary judgment in favor of the distributors. I am seeking a copy of that order please</p>	Completed: responsive records provided
Mon 8/14/23	Matthew Cherry (Senior Counsel, Office of General Counsel, Texas Alcoholic Beverage Commission)	A copy of the initial decision recently issued in Premium Distributors, LLC & Blue Ridge Beverage, Inc. v. The Boston Beer Company, Inc.	Completed: responsive records provided



# FOIA Report: Page 6

Date Received	Requestor Name	Subject	Status
Mon 8/14/23	Alice Minium	<p>(1) Sworn Officer Roster (w/FY 2023 Salaries &amp; OT Pay): I request a roster of all sworn law enforcement employees on payroll as of today's date including the following facts for each: Last Name; First Name; Middle Initial; Suffix; Gender; Race; Rank/Title; Unit/Precinct/Sector/Squad; Date of First Agency Hire; Date of Current Hire; Base Annual Pay (Fiscal Year 2023 Actual Earnings); Overtime &amp; Bonus Pay (Fiscal Year 2023 Actual Earnings). (Spreadsheet/XLSx format for rosters is greatly appreciated and strongly preferred. If you absolutely must send records as PDFs, I request that they please contain machine-readable text.)</p> <p>(2) Recent Lawsuits &amp; Settlement Data: I request copies of reports, lists, or databases detailing total number, case title, dates, court jurisdiction, parties involved, nature of suit, settlement sums/costs, and status/outcome of all lawsuits filed or pending in 2022-23 against your law enforcement agency. This includes requests for, or documentation of, funds used to cover settlement agreements, court costs, other expenses related to lawsuits, and these total amounts. This request should be construed to include any document submitted to, compiled by, or in any way maintained by your agency that lists lawsuits during the years 2022-23. If a document exists that contains the requested information for some, but not all of the above mentioned years, please include these document(s).</p> <p>(3.) Recent Firearm Discharges &amp; Law Enforcement Vehicle Crashes: I request records or reports summarizing or containing data on all firearm discharges by law enforcement employees during the years 2022-23, including type of incident &amp; disposition, location of incident, the units involved, victim(s) and/or injuries if any, date of incident, and time of event. I also request records indicating the total number of accidents or crashes involving department vehicles during 2022-23 annotated with similar data points, including the cost of damages from the incident annotated for each.</p>	Completed: responsive records provided
Tue 8/15/23	Samantha Crow	I am requesting a copy of The Pier 's application - #754836. Please include any notice of change of ownership they may have filed.	Completed: responsive records provided
Thu 8/17/23	Jonathan Gerlach (Attorney, Gerlach Law Firm, PLC)	<p>Please provide me with a copy of all ABC mixed beverage licenses granted since January 1, 2018 to corporations or associations operating a performing arts facility under VA Code 4.1-206.3(A)(7)(a):</p> <p>7. Annual mixed beverage performing arts facility licenses ... may be granted to the following: ... a. Corporations or associations operating a performing arts facility, provided the performing arts facility (i) is owned by a governmental entity; (ii) is occupied by a for-profit entity under a bona fide lease, the original term of which was for more than one year's duration; and (iii) has been rehabilitated in accordance with historic preservation standards;</p> <p>Also, please provide me with a copy of all ABC on-and-off premises wine and beer licenses granted since January 1, 2018 to historic cinema houses under VA Code 4.1-206.3(B)(8):</p> <p>8. Historic cinema houses, which shall authorize the licensee to sell wine and beer, either with or without meals, during any showing of a motion picture to patrons to whom alcoholic beverages may be lawfully sold, for on-premises consumption or in closed containers for off-premises consumption. The privileges of this license shall be limited to the premises of the historic cinema house regularly occupied and utilized as such.</p>	Completed: responsive records provided
Fri 8/18/23	Justin Kendall (Reporter, Brew Bound Publications)	A copy of the initial decision recently issued in Premium Distributors, LLC & Blue Ridge Beverage, Inc. v. The Boston Beer Company, Inc.	Completed: responsive records provided
Fri 8/18/23	Martha Moore (Senior VP, Governmental Relations, Farm Bureau Federation)	I would like to know the manufacturer and type of scanners that Virginia ABC stores utilized.	Completed: responsive records provided



# FOIA Report: Page 7

Date Received	Requestor Name	Subject	Status
Fri 8/18/23	Clint Tobias (Underwriter, Auto Owners Insurance)	Violation history at ABC license #755858, Southside Coffee and Gifts	Completed: responsive records provided
Mon 8/21/23	Laura R. Welch (Legal Secretary/Paralegal, Pillsbury Winthrop Shaw Pittman, LLP)	FOIA request on behalf of Steven D. Ryan for a copy of the Decision served on the parties on July 26, 2023, in the matter of Premium Distributors, LLC and Blue Ridge Beverage, Inc. v. The Boston Beer Company Inc.	Completed: responsive records provided
Tue 8/22/23	Ally Orr (Paralegal, Goodman Allen Donnelly)	I am filling out a license for the facility listed in licenses 754205/754260 for a planned acquisition. I was hoping it would be possible to acquire copies of both licenses as well as the most recent licensing applications (with necessary redactions for personally identifiable information/SSNs)?	Completed: responsive records provided
Tue 8/22/23	Meghan McIntyre (Reporter, Virginia Mercury)	I would like to file a request under the Freedom of Information Act for a letter sent from Governor Glenn Youngkin to Bill Eullie, Mark Rubin and Greg Holland regarding ABC's FY 24 budget sent between July 20, 2023 and August 21, 2023.	Completed: responsive records withheld in full
Tue 8/22/23	Justin Jahn (Paralegal, Poole Brooke Plumlee)	ABC application for ABC license #53917, Kellys Tavern located at 1936 Laskin Road, Virginia Beach, Virginia.	Completed: responsive records provided
Wed 8/23/23	Meghan Strickler (Attorney, Williams & Strickler, PLC)	<ul style="list-style-type: none"> <li>• All documents concerning, regarding, and or pertaining to the registration of skills games to be used/used at businesses located in Carroll County, Virginia between January 1, 2020 through the present.</li> <li>• All documents concerning, regarding, and/or pertaining to taxes paid on skill games operating/operated in Carroll County, Virginia between January 1, 2020 through the present.</li> <li>• All correspondence between the Virginia Alcoholic Beverage Control Authority, the Carroll County Sheriff's Office, and/or the Carroll County Commonwealth Attorney's Office between January 1, 2020 through the present concerning, regarding, and/or pertaining to skills games in Carroll County.</li> <li>• All correspondence, guidance documents, legal opinions, or other documents that explain and/or discuss the statutory framework for the operation of skills games in the Commonwealth of Virginia from January 1, 2020 through the present, and/or the legality or illegality of the operation of skills games in the Commonwealth of Virginia at any time during this period.</li> </ul>	Pending
Thu 8/24/23	Ashley Dalton (Underwriter, Auto Owners Insurance)	Violation history at ABC license #89245	Completed: responsive records provided
Thu 8/24/23	Ashley Dalton (Underwriter, Auto Owners Insurance)	Violation history at ABC license #96744	Completed: no responsive records



# FOIA Report: Page 8

Date Received	Requestor Name	Subject	Status
Thu 8/24/23	Aubrey Nelson (Underwriter, Auto Owners Insurance)	La Cabana Mexican Grill, ABC license #752786	Completed: responsive records provided
Fri 8/25/23	Vi Nguyen	<p>I'm looking for the following information regarding wine retail in Virginia grocery stores. I believe what I'm requesting is public information. My requests are listed below:</p> <ol style="list-style-type: none"> <li>1. From what year has wine been allowed for sale in grocery stores in the state? If the period has been less than 24 months, please provide information for the following requests from the changeover date until present where applicable.</li> <li>2. What is the max. ABV wine allowed for sale in grocery stores?</li> <li>3. What is the number of licensed liquor/package stores in the 2 years preceding the switch to grocery store sales, and the 2 years after the switch?</li> <li>4. What is the number of grocery stores licensed to sell wine in the 2 years after the switch?</li> <li>5. What are the liquor store sales in the 2 years before and after the switch?</li> </ol> <p>The period for the request is January 01, 2000, through August 24, 2023.</p>	Completed: no reply to request to provide legal Virginia address
Fri 8/25/23	Ashley Dalton (Underwriter, Auto Owners Insurance)	Violation history at Eagles Aerie 824, ABC license #4826	Completed: no responsive records
Mon 8/28/23	Maura Walsh-Copeland (Walsh-Copeland Consulting)	<ol style="list-style-type: none"> <li>1. VaABC Inspection Report(s) for for Limited Breweries, Limited Distilleries and Virginia Farm Wineries for               <ol style="list-style-type: none"> <li>a. initial applications and</li> <li>b. annual review inspections</li> </ol> </li> <li>2. VaABC procedure guidelines relating to ABC officer field enforcement for               <ol style="list-style-type: none"> <li>a. the most current versions of the following documents or their equivalents, originally signed by Shawn P. Walker in 2014                   <ul style="list-style-type: none"> <li>General Order 100 Series                       <ul style="list-style-type: none"> <li>Organizational Philosophy, General Order 100</li> <li>Organizational Structure, duties and Responsibilities, General Order 101</li> </ul> </li> <li>General Order 500 Series                       <ul style="list-style-type: none"> <li>Under Age Buyer Operations, General Order 500</li> <li>Licensee Inspection, General Order 501</li> <li>Alcoholic Beverage License Application, General Order 502</li> <li>Banquet/Special Event Application, General Order 503</li> </ul> </li> </ul> </li> <li>b. any revised or new procedures as of the July 1, 2023 enforcement of SB 983 for Code of VA § 4.1-206.1</li> </ol> </li> <li>3. Report or sample letter/notice sent to local County Attorney Office and Sheriff offices as notice, request for information, review or confirmation for new VaABC license applications for Limited Breweries, Limited Distilleries and Virginia Farm Wineries.</li> </ol>	Pending
Mon 8/28/23	Kraig D. Jennett (Attorney, Clark Hill)	All internal data, reports, analytics, etc. regarding liquor sales and theft from Store 244 and all stores within 10 miles	Pending



# FOIA Report: Page 9

Date Received	Requestor Name	Subject	Status
Tue 8/29/23	Vanessa Lazo (Community Manager, Community Management Corporation, an Associa Company)	I am writing to request the following documentation for the following business: Reston Brewing LLC – dba Lake Anne Brew House, Address: 11424 Washington Plaza W, Reston VA 20190 We are requesting the original application identifying the property area submitted to ABC for approval for consumption of alcohol; as well as any subsequent modifications to that license. If a map was provided, we would like to review that as well. We are specifically looking for the outside area of the unit in which the business operates as all areas outside of the unit are not owned by Reston Brewing, but owned by Lake Anne of Reston, A Condominium. This is a condominium association; and all areas outside of the unit are common area and permission must be obtained by the Board of Directors to utilize common area. We are also requesting any approval provided by the Lake Anne of Reston, A Condominium Board of Directors, identifying the area requested that is outside the unit. We would also like any records specifying the type of alcohol permitted to be sold by the applicant – for example, they serve wine and beer – is that part of their license as a brewery?	Completed: responsive records provided
Tue 8/29/23	Michelle E. Hoffer (Associate, Whiteford, Taylor & Preston LP)	1. Any and all applications, licenses, permits, complaints and other communications related to RRA II LLC, a Virginia limited liability company from January 1, 2020 through August 28, 2023. 2. Any and all applications, licenses, permits, complaints and other communications related to “The Club House Lounge” located at 304 W. Broad St., Richmond, Virginia 23220 from January 1, 2020 through August 28, 2023. 3. Any and all applications, licenses, permits, complaints and other communications related to the real property located at 304 W. Broad St., Richmond, Virginia 23220 from January 1, 2020 through August 28, 2023	Completed: no responsive records
Wed 8/30/23	Melissa Watts	I am writing to request all emails, spreadsheets, proposed recipients and amounts and final bonus amounts paid for all VAL/Accela projects from January 1, 2020 to present.	Pending
Thu 8/31/23	Lindsay Bennett (Underwriter, Auto Owners Ins.)	Violation history of Old Dutch #3 and Old Dutch Supermarket #4, ABC license #27065 + #31360	Completed: responsive records provided
Fri 9/1/23	Lindsay Bennett (Underwriter, Auto Owners Ins.)	the violation history at Corner Kitchen, ABC license #88063.	Completed: responsive records provided
Fri 9/1/23	Aubrey Nelson (Underwriter, Auto Owners Insurance)	violation history at 8 Chains North Winery, ABC license #756616 #64781 and #013275910.	Completed: responsive records provided
Fri 9/1/23	Aubrey Nelson (Underwriter, Auto Owners Insurance)	violation history at The Stadium Inn, ABC license #013347046.	Completed: no responsive records

# CDBO Report – Vida Williams

New Organizational Structure

Press Releases

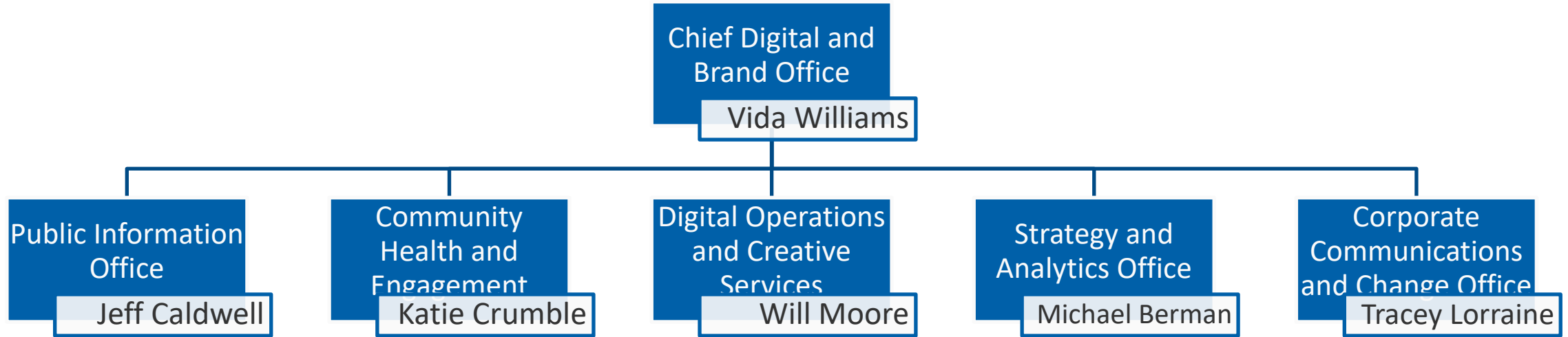
PMO Update

# New Organizational Structure

Chief Digital and Branding Office



# Organizational Structure



# Divisional Mission

<b>Public Information Office</b> <i>Jeff Caldwell</i>	<b>Corporate Communications and Change Officer</b> <i>Tracey Lorraine</i>	<b>Creative Services and Digital Operations</b> <i>Will Moore</i>	<b>Strategy and Analytics</b> <i>Mike Berman</i>	<b>Community Health and Engagement</b> <i>Katie Crumble</i>
<p><b>Vision:</b> The PIO is dedicated to communicating the values and work of the Virginia ABC to the commonwealth and beyond.</p> <p><b>Objective</b> of the PIO is to promote a positive image for the Virginia ABC and serve as a transparent and effective information link between the Authority, various governmental agencies, media, and Virginia community.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Serve as the communications link between the Authority and its communities, customers, and stakeholders</li> <li>• Promote Virginia ABC’s goals, initiatives, programs and services</li> <li>• Ensure that the media has timely and accurate information to dispatch to our mutual audiences.</li> </ul>	<p><b>Vision:</b> The CCCO is committed to ensuring the ABC internal workforce is well-informed and well-equipped to partner and deliver on the authority’s strategic priorities.</p> <p><b>Objectives</b> of the CCCO are to provide timely, relevant, and transparent communications across the authority, as well as equip its workforce to understand, embrace and be prepared to implement and sustain change.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Serve as the single source of truth for current and emerging internal communications to ensure business and workforce success</li> <li>• Provide ongoing context and tools for remaining connected to each other and the highest priorities of the authority and commonwealth</li> <li>• Model the brand and values of Virginia ABC in all forms of communication and connectivity</li> </ul>	<p><b>Vision:</b> CSDO support profitable business growth and customer engagement through the strategic development of digital channels and effective content marketing and design.</p> <p><b>Objectives</b> of the CSDO include designing customer experiences using best practices that reflect the Authority’s brand and values.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Create consistent brand experiences across communications and sales channels.</li> <li>• Assure a relevant, integrated and accessible customer experience in stores and online.</li> <li>• Maximize ROI for digital engagement and ecommerce.</li> <li>• Create scalable and flexible solutions for digital engagement and ecommerce that deliver core customer experiences, resist disruption and allow future innovation.</li> </ul>	<p><b>Vision:</b> S&amp;A endeavors to drive strategic thought and processes that enable the Authority to effectively and efficiently transform; build out analytical capabilities, tools, and processes that associates can seamlessly utilize or engage in to consistently make data driven decisions; and partner with other divisions to deliver strategic initiatives that collaboratively enables sustainable change.</p> <p><b>Objective</b> of the SAO is to provide expert and data-oriented analysis to gauge Authority progress of the strategic action plans across the Authority.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Implement a monitoring program that drives accountability and ongoing buy in for strategic plan via monitoring, communicating, adapting, and ongoing training opportunities</li> <li>• Develop and implement tools and reporting needed to help drive forward the North Star priority to Improve Retail Operational Performance, in partnership with various impacted divisions</li> <li>• Accelerate adoption and effective usage of self-service repeatable reporting options like PowerBI that are directly and seamlessly linked into internal data, in partnership with IT</li> </ul>	<p><b>Vision:</b> The CHEO will develop corporate responsible activities build on the community engagement experience.</p> <p><b>Objectives</b> of the CHEO provide VA ABC, its stakeholders and its communities thought leadership, knowledge repository and increased capacity for the responsible retailing and consumption of alcohol.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Launch community engagement framework inclusive of community health data with Retail &amp; Enforcement and consult on community health best practices</li> <li>• Create a public health and safety alcohol impact data repository for the Commonwealth and authority decision making including the launch of Virginia ABC's Alcohol Health and Safety Community Dashboards</li> <li>• Ensure all employees and customers understand the benefits of the control state model and the breadth and impact of community health and engagement services offered by Virginia ABC</li> </ul>



# Press Releases

Date released	Topic	Distribution	Approved By
August 31	Virginia Spirits Month & Virginia Spirits Sale-A-Bration <i>Developed with the Virginia Spirits Board and the Virginia Department of Agriculture and Consumer Services.</i>	Press Release statewide	Mark Dunham
August 30	Virginia ABC adjusting store hours <i>Published by WRIC, WJHL, WRVA, Virginian-Review, Henrico Citizen, Williamsburg-Yorktown Daily and Augusta Free Press.</i>	Press Release statewide	Mark Dunham
August 29	Tito's Handmade Vodka tops Virginia ABC yearly sales (again) *New tactic: Split press releases to highlight finances, top-selling spirits <i>Published by Richmond Times-Dispatch, Axios Richmond, WTOP, Washington Business Journal, Virginia Business, Arlington Now, Roanoke Times, Henrico Citizen and others.</i>	Press Release statewide	Mark Dunham
August 22	Virginia ABC's Fiscal Year 2023 Revenue Increases <i>Published by Virginia Business, WTOP, WRIC, WAVY, WFXR, CBS 19, WSVN, Williamsburg-Yorktown Daily, Gloucester-Mathews Gazette-Journal and Augusta Free Press.</i>	Press Release statewide	Travis Hill
August 16	Virginia ABC Awards Grants to Support Youth Leadership Efforts to Prevent Substance Use	Press Release statewide	Katie Crumble

# Project Management Office

- **Project Progress**

- 4 Active (*Sitecore Upgrade, Electronic Payments (for Licensees only), WOLO LA; Inventory and Order Needs Assessments*)
- 2 completed (*VAL for licensees and PDH*)

- **2 Senior Project Managers and PMO Director Onboarded**

- **PMO Progression**

- Framing commencing for new work/project request mechanism for proper prioritization and visibility
- Focus on PMO tools, templates, and processes that standardize PMO engagement
- Weekly meeting with Divisions engaged with the PMO to ensure communication, awareness and prioritization of outstanding needs and requests



Total # Projects	Total Budget	Total # Resources
3	2,536,032	36



### ON-SCHEDULE

**OVERALL PROJECT PROGRESS**

- Not Started
- In Progress
- Completed

3

**PROJECT PHASES**

Execution: 3

**PROJECT % COMPLETE**

0-25%	0
26-50%	0
51-75%	0
76-100%	4

### ON-BUDGET

**BUDGET vs ACTUAL**

- Actual Spent
- Approved Budget

1,652,760 (Actual Spent) vs 2,536,032 (Approved Budget)

**BUDGET SPENT**

Donut chart showing budget spent vs approved budget.

**BUDGET PHASE**

Unknown, 1

Approved, 2

### ON-SCOPE

**CURRENT PROJECT HEALTH**

Green circle indicating overall project health.

**RISK COUNTS**

- Risk Count (H)
- Risk Count (M)
- Risk Count (L)

2 (Risk Count (M))

**ISSUE COUNTS**

- Issue Count (H)
- Issue Count (M)
- Issue Count (L)


0 (Issue Count (H)), 0 (Issue Count (M)), 0 (Issue Count (L))



Agency Virginia ABC  
Date of Review August 2023

### 3. Major Initiatives for the Month

**Status**  
 On track   
 Some issues   
 On-hold 

Initiative Name	What Problem is the Initiative Solving	Description of the initiative Impact	Initiative Owner	Start Date	End Date	Status
PDH	<ul style="list-style-type: none"> <li>The Digital/eCommerce program is foundational for Virginia ABC to transform from a split, multi-channel retail environment to a real-time, omnichannel retail environment. This transformation not only provides Virginia ABC with increased operational efficiency and revenue opportunities, but also provides for the best possible customer experience. Currently Online Ordering and Product Data initiatives are in flight.</li> </ul>	<ul style="list-style-type: none"> <li>The Product Data Hub Implementation project is intended to begin the process of moving product data out of MIPS and into a dedicated data management platform. The primary benefactor in this first phase—and thus the focus of implementation efforts—will be e-commerce and the digital team with the explicit intent of improving data quality, governance, and availability for digital and marketing ops.</li> </ul>	<ul style="list-style-type: none"> <li>Vida Williams</li> </ul>	<ul style="list-style-type: none"> <li>4/1/2022</li> </ul>	<ul style="list-style-type: none"> <li>8/30/2023</li> </ul>	
WOLO LA	<ul style="list-style-type: none"> <li>The Digital/eCommerce program is foundational for Virginia ABC to transform from a split, multi-channel retail environment to a real-time, omnichannel retail environment. This transformation not only provides Virginia ABC with increased operational efficiency and revenue opportunities, but also provides for the best possible customer experience. Currently Online Ordering and Product Data initiatives are in flight.</li> </ul>	<ul style="list-style-type: none"> <li>WOLO LA leverages the Ship-to-Store functionality to allow online ordering of Limited Availability (LA) products. This will resolve equity issues, address public safety concerns, and increase efficiency. These products are currently available in-store only. With implementation of this project, the Lottery and Online Drops process becomes a web-based solution, enhanced automation and tighter management controls.</li> </ul>	<ul style="list-style-type: none"> <li>Vida Williams</li> </ul>	<ul style="list-style-type: none"> <li>01/01/2022</li> </ul>	<ul style="list-style-type: none"> <li>3/30/2024</li> </ul>	
VAL SaaS Migration	<ul style="list-style-type: none"> <li>In 2021, Virginia ABC decided not to continue with the on-premises model and migrate to Accela's SaaS solution. It is a stated strategic goal of IT to migrate to SaaS models where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>Virginia ABC is running version 20.2.0 of the Accela Civic Platform on Virginia ABC managed infrastructure- end-of-life (EOL) Oracle 12c database and Windows 2012 servers nearing their end of support</li> </ul>	<ul style="list-style-type: none"> <li>David Kuti</li> </ul>	<ul style="list-style-type: none"> <li>11/14/2022</li> </ul>	<ul style="list-style-type: none"> <li>10/30/2023</li> </ul>	



# CLEO Report – Chief Tom Kirby

BLE Quarterly Report



VIRGINIA ALCOHOLIC BEVERAGE CONTROL  
**BUREAU OF LAW ENFORCEMENT**



**QUARTERLY REPORT**

2nd Quarter - 2023  
April 1<sup>st</sup> through June 30<sup>th</sup>

# CONTENT

<u>Subject</u>	<u>Page</u>
Executive Summary	2
Arrests	3
Regulatory Violations	5
Field Contacts	6
Planned Operations Executed	7
Use of Force Incidents	7
Internal Investigations	8
License Activity	9
Inspections	10
Observations	10
Underage Buyer Programs	11
Training	12
Accreditation	13

# Executive Summary

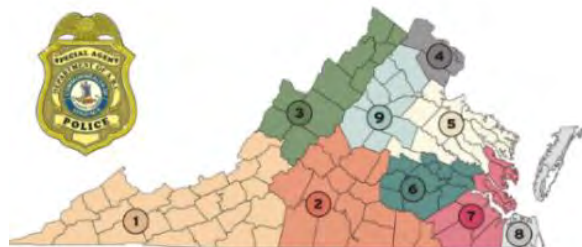
---

The Governor’s Expert Panel gave clear directions on the content of this quarterly report. This report follows those basic guidelines. Listed below is a synopsis of the data reported in each of those areas:

1. **Criminal Violations** – There were 143 charges placed this quarter with 123 (86%) charges related to alcohol violations. Last quarter there were 183 charges placed with 40 (22%) charges being alcohol related. Arrests are down 22% compared to last quarter.
2. **Regulatory violations** – This quarter saw a 17% increase in violations brought to hearings and a 7% increase in written warnings when compared to 1Q 2023. There was an 18% decrease in regulatory charges adjudicated in hearings with 233 in 1Q 2022 and 191 in 2Q 2023.
3. **Field Contacts** – There were no field contacts made this quarter.
4. **Planned Operations** – There were 17 planned Operations – 14 that ABC controlled and 3 where we assisted local Law Enforcement agencies..
5. **Use of Force Reports** – There were no reported Use of Force incidents this quarter.
6. **Internal Investigations** – There are currently two open Internal Investigations. There were no informal complaints assigned to the field.
7. **License Activity** – Retail approvals are down 5% for the second quarter of 2023 compared to the previous quarter. Retail license approvals are down 13% when compared to the second quarter of 2022. Banquet license approvals show a 42% increase when compared to the previous quarter and a 4% increase when compared to the second quarter of 2022.
8. **Inspections/Observations** – Inspections showed an increase of 6% when comparing second quarter of 2023 to first quarter of 2023, and a 94% increase when compared to the second quarter of 2022. Observations are up 29% when comparing second quarter 2023 to the previous quarter.
9. **Underage Buyer** -There were 861 Alcohol checks made and 98 Tobacco checks. The compliance rate for all Alcohol checks for the quarter is 86% and the compliance rate for Tobacco checks is 80%. Last quarter the compliance rate for Alcohol checks was 82% and for Tobacco checks it was 83%.
10. **Training and Community Outreach** – ABC presented over 814 hours of training to law enforcement, licensees, and the general public this quarter. This included MART, RSVP, and training conducted during initial on-site inspections. There were 708 hours of training received by ABC agents. These agents also attended over 832 hours of community outreach meetings.
11. **Accreditation** – The Virginia ABC Authority Bureau of Law Enforcement is a State Accredited Law Enforcement Agency under the authority of the Virginia Law Enforcement Professional Standards Commission, (VLEPSC) . VLEPSC Re-accreditation, (second award) was formally awarded on January 9th, 2020. A new reaccreditation Term began on November 1, 2019 and will end on October 31 , 2023. There are a total of 190 standards that must be met for each term of the four-year accreditation cycle, with numerous proofs required for each standard. All 190 standards have completed proofs.

Most of the above data will be broken down by region. The map below outlines Virginia by region:

Region 1-Roanoke, Region 2-Lynchburg, Region 3-Stauanton, Region 4-Alexandria, Region 5-Fredricksburg, Region 6-Richmond, Region 7-Hampton,  
Region 8-Chesapeake, Region 9-Charlottesville



# Arrests

## Criminal Charges

This table reflects the total and type of criminal charges that were placed by ABC enforcement personnel between April 1st through June 30<sup>th</sup> (second quarter 2023), and totals for the year.

ARREST CHARGES 2023											
CHARGE	REGION – Q2									Compl.	Total
	1	2	3	4	5	6	7	8	9		
Alcohol Related Charges *See Chart Below for Individual Charges	26	10	18	20	15	8	10	10	6	0	123
Assault	0	0	0	0	0	0	0	0	0	0	0
Larceny	0	0	0	0	0	0	0	0	0	0	0
Shoplifting	0	0	0	0	0	0	0	0	0	0	0
Fraud / Forgery	0	0	0	0	0	0	0	0	0	0	0
Traffic Violations	0	0	0	0	0	0	0	0	0	0	0
Contribute to the Delinquency of Minor	0	0	0	0	0	0	0	0	0	0	0
Embezzlement	0	0	0	0	0	0	0	1	0	0	1
Firearms Violations	0	0	0	0	0	0	0	0	0	0	0
Tobacco Violations	3	2	2	0	0	4	3	4	1	0	19
Other	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>29</b>	<b>12</b>	<b>20</b>	<b>20</b>	<b>15</b>	<b>12</b>	<b>13</b>	<b>15</b>	<b>7</b>	<b>0</b>	<b>143</b>

\* The charges of larceny, shoplifting, embezzlement and fraud are primarily related to our retail stores.

*4.1 ALCOHOL RELATED CHARGES	REGION – Q2										
	1	2	3	4	5	6	7	8	9	Compl.	Total
Sale of Alcoholic Beverage -Underage	26	10	18	20	15	8	10	10	6	0	123
Unlicensed Distilling Apparatus	0	0	0	0	0	0	0	0	0	0	0
Illegal Sale of Alcohol	0	0	0	0	0	0	0	0	0	0	0
Possess Illegally acquired Alcohol	0	0	0	0	0	0	0	0	0	0	0
Illegal Manufacture of Alcohol	0	0	0	0	0	0	0	0	0	0	0
Aid and Abet Alcohol Law Violations	0	0	0	0	0	0	0	0	0	0	0
Maintain Common Nuisance	0	0	0	0	0	0	0	0	0	0	0
Drinking in Public	0	0	0	0	0	0	0	0	0	0	0
Use False ID to purchase	0	0	0	0	0	0	0	0	0	0	0
Underage purchase of Alcohol	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>26</b>	<b>10</b>	<b>18</b>	<b>20</b>	<b>15</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>6</b>	<b>0</b>	<b>123</b>



### Arrests by Region

This table breaks down the total criminal arrests - by region where the offense took place, comparing the percentage change from arrests in the first quarter of 2023 to arrests in the second quarter of 2023 and total for the year.

**Note:** These are arrest figures involving the three types of reportable arrests; In-custody, Released on a Summons and Warrant. These numbers may differ from the number of charges placed by ABC Enforcement.

<b>ARRESTS BY REGION</b>				
<b>REGION</b>	<b>1Q 2023 Arrests</b>	<b>2Q 2023 Arrests</b>	<b>% Change</b>	<b>YTD 2023</b>
Region 1 - ROANOKE	32	29	-9%	61
Region 2 - LYNCHBURG	43	12	-72%	55
Region 3 - STAUNTON	23	20	-13%	43
Region 4 - ALEXANDRIA	22	20	-9%	42
Region 5 - FREDERICKSBURG	13	15	15%	28
Region 6 - RICHMOND	15	12	-20%	27
Region 7 - HAMPTON	5	13	160%	18
Region 8 - CHESAPEAKE	16	14	-13%	30
Region 9 - CHARLOTTESVILLE	14	7	-50%	21
Compliance	0	1	N/A	1
<b>TOTAL</b>	<b>183</b>	<b>143</b>	<b>-22%</b>	<b>326</b>

### Arrest by Type and Race

This table reflects the race of arrested individuals in the second quarter of 2023. The data is broken down into the three types of arrests (On-View - Taken into Custody, Released on a Summons and Warrant - Taken Into Custody)

<b>ARRESTS BY TYPE AND RACE</b>				
<b>2Q - 2023</b>				
<b>Race</b>	<b>On-View</b>	<b>Summons</b>	<b>In-Custody</b>	<b>Total</b>
White	0	78	1	79
Black	0	22	0	22
Hispanic	0	25	0	25
Asian	0	6	0	6
Middle Easter	0	3	0	3
Indian	0	1	0	1
Unknown	0	7	0	7
<b>Total</b>	<b>0</b>	<b>142</b>	<b>1</b>	<b>143</b>

### Arrest by Age and Gender

This table reflects a breakdown by gender and age of all adults that have been arrested in the second quarter of 2023. This includes all types of arrests - (in-custody, released on summons and warrant).

ARREST BY GENDER AND AGE – 2Q - 2023													
Gender	Juvenile	18-20	21-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65 & Over	Total
Male	0	7	8	11	7	6	5	3	4	2	3	5	61
Female	0	10	11	18	5	9	7	9	3	6	3	1	82
<b>TOTAL</b>	<b>0</b>	<b>17</b>	<b>19</b>	<b>29</b>	<b>12</b>	<b>15</b>	<b>12</b>	<b>12</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>143</b>

## Regulatory Violations

A large portion of the work performed by Virginia ABC Special Agents involves the enforcement of rules and regulations applicable to ABC licensees. Violations can be dealt with by issuing a written warning or by presenting a violation case to the ABC Hearings Division. These violations can be punishable by fines, suspension or revocation of the ABC license.

### Regulatory Charges Placed by Region

This table represents the total number of regulatory actions that were placed by enforcement personnel in the second quarter of 2023. Violations were routed to the hearings division for later adjudication while warnings were noted in the licensee file.

REGULATORY CHARGES PLACED - BY REGION*				
REGION	2Q		YTD 2023	
	# Hearing Violations	# Written Warnings	# Hearing Violations	# Written Warnings
Region 1 - ROANOKE	13	36	26	78
Region 2 - LYNCHBURG	6	28	24	58
Region 3 - STAUNTON	20	18	30	25
Region 4 - ALEXANDRIA	52	59	86	152
Region 5 - FREDERICKSBURG	0	5	3	17
Region 6 - RICHMOND	23	30	49	55
Region 7 - HAMPTON	29	54	38	101
Region 8 - CHESAPEAKE	26	28	39	51
Region 9 - CHARLOTTESVILLE	1	7	8	10
Compliance	1	2	14	11
License Records Management**	0	471	0	870
<b>Total</b>	<b>171</b>	<b>738</b>	<b>317</b>	<b>1428</b>

\*Count of individual charges

\*\*License Records Management consists of system-generated warnings for late MBAR violations.

## Regulatory Charges Adjudicated in Hearings

This table represents the total number and type of charges that were adjudicated by the ABC hearings division in this quarter as a result of the regulatory charges previously placed by ABC agents.

REGULATORY CHARGES ADJUDICATED IN HEARINGS DIVISION 2Q-2023											
CHARGES	REGIONS										TOTAL
	1	2	3	4	5	6	7	8	9	Comp	
UAB	23	18	13	14	9	7	12	7	7	3	113
FAIL TO SUBMIT MBAR	1	1	0	0	0	1	0	2	0	0	5
MBAR VIOLATIONS	0	0	0	0	0	0	0	0	0	0	0
BAD CHECKS	0	0	4	1	3	12	1	0	0	0	21
FAILED TO COMPLY WITH REGULATIONS	0	0	0	1	0	2	2	2	0	1	8
UNAUTHORIZED ALCOHOL	0	0	0	5	0	4	0	3	0	0	12
PUBLIC SAFETY	1	0	0	0	0	0	0	1	0	0	2
EMPLOYEE WITH CRIMINAL BACKGROUND	2	0	0	0	1	0	0	0	0	0	3
CONSUMPTION BY LICENSEE/EMPLOYEE ON DUTY	0	0	0	0	0	0	0	0	0	0	0
ESTABLISHMENT SO LOCATED	1	0	0	0	0	2	1	0	0	0	4
CAUSE EXISTS	0	0	0	0	0	0	0	0	0	0	0
FAIL TO COMPLY WITH WHOLESALER REGULATIONS	0	0	0	0	0	0	0	0	0	1	1
FAILS TO QUALIFY/FINANCIAL RESPONSIBILITY	0	0	1	0	0	4	0	1	0	1	7
MANAGER NOT ON DUTY or NOT POSTED	0	0	0	3	0	0	0	0	0	0	3
SALE TO INTOXICATED	1	0	0	0	0	0	0	0	0	0	1
DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
APPLICANT MISREPRESENTED/FALSE INFO	1	0	0	1	0	0	1	0	0	0	3
LOAN OR GIFT	0	0	0	0	0	0	0	0	0	0	0
OTHER	2	0	1	2	0	3	0	0	0	0	8
Sub Totals	32	19	19	27	13	35	17	16	7	6	191

## Field Contacts

A field contact is when an agent engages a citizen and conducts a brief interview. When an arrest does not occur as a result of a field interview, agents report the stop in a “Field Contact” report. This report documents the reason for the stop as well as identifying information about the individual. Scrutiny of these types of encounters enables law enforcement executives as well as citizens to monitor police/citizen interactions to guard against biased-based policing practices.

FIELD CONTACTS BY REGION WITH DEMOGRAPHICS -2Q 2023											
REGION	White		Black		Hispanic		Asian		Middle Eastern		Total
	M	F	M	F	M	F	M	F	M	F	
Region 1 - ROANOKE	0	0	0	0	0	0	0	0	0	0	0
Region 2 - LYNCHBURG	0	0	0	0	0	0	0	0	0	0	0
Region 3 - STAUNTON	0	0	0	0	0	0	0	0	0	0	0
Region 4 - ALEXANDRIA	0	0	0	0	0	0	0	0	0	0	0
Region 5 - FREDERICKSBURG	0	0	0	0	0	0	0	0	0	0	0
Region 6 - RICHMOND	0	0	0	0	0	0	0	0	0	0	0
Region 7 - HAMPTON	0	0	0	0	0	0	0	0	0	0	0
Region 8 - CHESAPEAKE	0	0	0	0	0	0	0	0	0	0	0
Region 9 - CHARLOTTESVILLE	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

# Planned Operations Executed

An “Operational Plan” is submitted for all structured, pre-planned operations/observations for which enforcement action is anticipated, (i.e.: any undercover operation, most search warrant executions, and any enforcement operation involving five (5) or more sworn personnel), prior to any Bureau sponsored special event, or where Bureau personnel are utilized by an outside agency for undercover activity.

This table is a summary of the planned operations that took place in second quarter of 2023.

OPERATIONAL PLANS APR - JUN 2023					
DATE	REGION	TYPE	TOTAL STAFFING	ASST. OTHER LE	AGENCY ASSISTED
4/27/2023	Region 1 - Roanoke	E Commerce - Public Safety	1ASAC / 3 SA / 1 UAB	No	
4/28/2023	Region 8 - Chesapeake	ABC Store Security	1 SAC / 1 ASAC / 6 SA	No	
4/28/2023	Region 8 - Chesapeake	ABC Store Security	1 ASAC / 6 SA	No	
4/28/2023	Region 8 - Chesapeake	Public Safety	1 SAC / 3 SA	No	
4/28/2023	Region 8 - Chesapeake	Public Safety	2 ASAC / 3 SA	No	
4/29/2023	Region 8 - Chesapeake	ABC Store Security	1 SAC / 1 ASAC / 5 SA	No	
4/29/2023	Region 8 - Chesapeake	ABC Store Security	1 ASAC / 6 SA	No	
4/29/2023	Region 8 - Chesapeake	Public Safety	1 SAC / 3 SA	No	
4/29/2023	Region 8 - Chesapeake	Public Safety	2 ASAC / 3 SA	No	
5/4/2023	Region 1 - Roanoke	E Commerce - Public Safety	1ASAC / 3 SA / 1 UAB	No	
5/10/2023	Region 8 - Chesapeake	Larceny	1 SAC / 1 ASAC / 1 SA	Yes	Virginia Beach PD
5/12/2023	Region 9 - Charlottesville	Observation	1 SAC / 6 SA	Yes	UVA PD
5/17/2023	Region 6 - Richmond	E Commerce	1ASAC / 5 SA / 1 UAB	No	
5/24/2023	Region 6 - Richmond	E Commerce	1 ASAC / 5 SA / 1 UAB	No	
5/27/2023	Region 8 - Chesapeake	Observation	1 ASAC / 3 SA	Yes	Virginia Beach PD
6/23/2023	Region 8 - Chesapeake	ABC Store Security / Public Safety	1 SAC / 6 SA	No	
6/24/2023	Region 8 - Chesapeake	ABC Store Security / Public Safety	1 ASAC / 6 SA	No	

SAC – Special Agent in Charge  
 ASAC – Assistant Special Agent in Charge  
 SSA – Senior Special Agent  
 SA – Special Agent

# Use of Force Incidents

The Bureau considers any amount of effort required by an agent to compel compliance by an unwilling subject that exceeds normal restraint or handcuffing to be a “Use of Force”; which requires a supervisor be notified and a Use of Force report completed.

USE OF FORCE INCIDENTS - REPORTED 2Q – 2023											
General Information			Agent Information					Offender Information			
Date	Type of Force	Level of Resistance	Region	Race	Sex	Age	Injury	Race	Sex	Age	Injury
<b>NO USE OF FORCE INCIDENTS REPORTS FOR THIS QUARTER</b>											

# Internal Investigations

Any complaint alleging improper action or improper conduct by an employee, if job-related or in violation of the Standards of Conduct, other policies of the Bureau, Department of Human Resource Management, the ABC Policy and Procedures Manual, or criminal law, will generate an administrative internal investigation. There are two types of internal investigations that are conducted by the Bureau; Formal and Informal (the difference is explained below). Both types of investigations are documented and reported through the chain of command.

## Formal Complaint(s)

Formal complaints involve allegations that are investigated by trained Internal Affairs investigators and, if substantiated, can lead to formal and significant disciplinary action.

Active Formal Complaints								
Date Received	FILE#	REGION	ALLEGATION(S)	Date Assigned	Date Due	Status	Date Completed	Disposition
5/15/2023	23-02	Charlottesville	Improper Conduct	5/26/2023	7/10/2023	Open	N/A	Pending
6/12/2023	23-03	Alexandria	Improper Conduct	6/14/2023	7/29/2023	Open	N/A	Pending

## Informal Complaint(s)

Informal complaints are minor allegations of infractions investigated by mid-level regional supervisors and the complainant is satisfied with the resolution offered and only wishes the matter to be handled informally by the supervisor.

INFORMAL COMPLAINT(S)						
Date Received	Date Assigned	File #	Region	Allegation(s)	Date Closed	Disposition
<b>NO INFORMAL COMPLAINTS THIS QUARTER</b>						

# License Activity Totals

A significant amount of an agent’s time is committed to the approval process of both retail and “one day” banquet licenses. This process involves background investigations, venue/establishment inspections and training.

## Retail License Approvals

Retail Application approvals, sometimes tied to economic conditions, decreased 4.6% for the second quarter of 2023 when compared to the previous quarter. In 2Q of 2022 there were 576 retail license approvals compared to 500 in 2Q of 2023 reflecting a 13% decrease in approvals.

APPROVED RETAIL LICENSES											
3Q 2022			4Q 2022			1Q 2023			2Q 2023		
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
171	200	188	174	159	143	189	154	181	148	195	157
559			476			524			500		

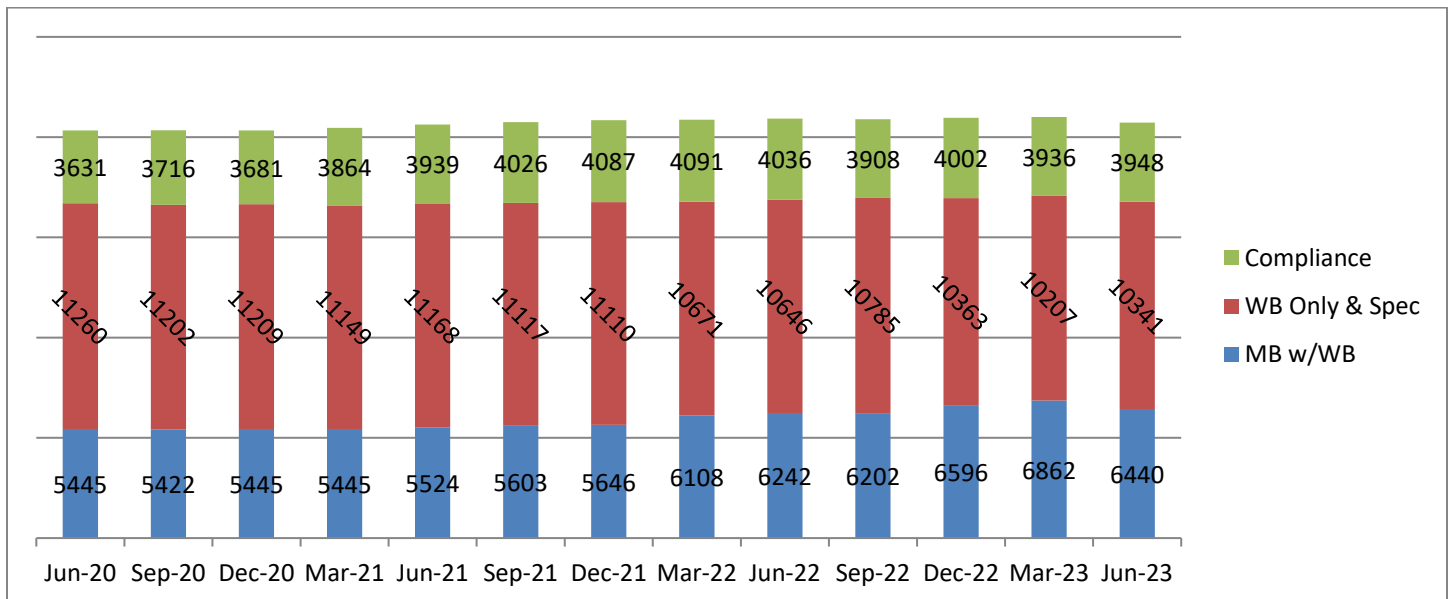
## Banquet Licenses Approvals

Banquet License approvals, which follow seasonal trends, increased 42% in the second quarter when compared to the previous quarter. In 2Q of 2022 there were 5966 banquet license approvals compared to 6189 in 2Q of 2023 reflecting a 4% increase in activity compared to the second quarter of the previous year.

APPROVED BANQUET LICENSES											
3Q 2022			4Q 2022			1Q 2023			2Q 2023		
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
1713	2274	2374	2030	1473	1007	1196	1269	1893	2092	2173	1924
6361			4510			4358			6189		

## Total Retail Licenses

Total Retail Licenses in the state has shown steady incremental growth.



# Inspections / Observations

## Licensee Inspections Completed

All ABC licensed establishments are subject to inspection by ABC agents. These inspections are overt; the agent will inspect the premises for compliance with regulatory requirements, meet with the owner or manager to review business receipts and purchasing records, review previously submitted MBARs and answer any questions business employees may have about ABC laws and requirements.

2022 - 2023 LICENSE INSPECTIONS - BY REGION AND QUARTER							
REGION	2022 3Q	2022 4Q	2023 1Q	2023 2Q	TOTALS	TOTAL LICENSES**	% LICENSES INSPECTED
1 - Roanoke	527	502	408	376	1813	2034	89%
2 - Lynchburg	481	336	297	426	1540	1218	126%
3 - Staunton	271	435	336	402	1444	1210	119%
4 - Alexandria	471	1488	1022	901	3882	4039	96%
5 - Fredericksburg	104	323	238	260	925	1133	82%
6 - Richmond	235	1282	368	354	2239	2509	89%
7 - Hampton	171	882	429	491	1973	1468	134%
8 - Chesapeake	239	606	378	460	1683	2228	76%
9 - Charlottesville	166	353	84	184	787	942	84%
Compliance	37	319	238	170	764	2022	38%
<b>TOTALS</b>	<b>2500</b>	<b>6526</b>	<b>3798</b>	<b>4024</b>	<b>16848</b>	<b>18803</b>	<b>90%</b>

\*\*Records system only allows for a snapshot of the total license count. Total licenses do not include 1926 out-of-state licenses. License totals include Wine & Beer Off Premise Licensees which are only inspected every two years, thus the percentage of licensees inspected is not expected to be 100% for a one-year cycle.

## Observations Completed

Agents also conduct unannounced, covert, plain-clothes observations of ABC establishments to ensure licensees are following all ABC laws and regulations. Many of these observations are follow-up investigations initiated by citizen complaints.

FY 2022-23 OBSERVATIONS COMPLETED					
REGION	2022 3Q	2022 4Q	2023 1Q	2023 2Q	TOTALS
1 - Roanoke	1	35	15	32	83
2 - Lynchburg	12	19	21	2	54
3 - Staunton	2	5	3	18	28
4 - Alexandria	4	2	10	2	18
5 - Fredericksburg	5	5	8	6	24
6 - Richmond	20	6	1	7	34
7 - Hampton	5	4	1	4	14
8 - Chesapeake	3	3	8	9	23
9 - Charlottesville	5	0	1	7	13
Compliance	1	0	0	1	2
<b>TOTALS</b>	<b>58</b>	<b>79</b>	<b>68</b>	<b>88</b>	<b>293</b>

# Underage Buyer Totals

The Underage Buyer (UAB) program is an ongoing effort by Virginia ABC to visit alcohol and tobacco retailers throughout the Commonwealth to verify compliance with the state age requirements which are 21 for tobacco and 21 for alcohol sales. Special Agents accompany underage operatives during attempts to purchase cigarettes or alcohol at grocery stores, convenience stores, restaurants, and other businesses, including Virginia ABC stores.

## Underage Buyer Program Checks – Alcohol

UAB ALCOHOL CHECKS COMPLETED - CY 2023						
REGION	2Q			2023 Totals		
	# Checks Made	# Sales Made	Compliance Rate	# Checks Made	# Sales Made	Compliance Rate
Region 1 - ROANOKE	100	22	78%	302	65	78%
Region 2 - LYNCHBURG	120	9	93%	261	39	85%
Region 3 - STAUNTON	68	16	76%	193	44	77%
Region 4 - ALEXANDRIA	139	20	86%	291	41	86%
Region 5 - FREDERICKSBURG	70	15	79%	126	28	78%
Region 6 - RICHMOND	107	6	94%	207	22	89%
Region 7 - HAMPTON	78	16	79%	164	30	82%
Region 8 - CHESAPEAKE	76	1	99%	220	16	93%
Region 9 - CHARLOTTESVILLE	58	7	88%	104	16	85%
Compliance	45	8	82%	45	8	82%
<b>Total</b>	<b>861</b>	<b>120</b>	<b>86%</b>	<b>1913</b>	<b>309</b>	<b>84%</b>

## Underage Buyer Program Checks – Tobacco

UAB TOBACCO CHECKS COMPLETED -2Q - 2023			
REGION	# Checks Made	# Sales Made	Compliance Rate
Region 1 - ROANOKE	15	3	80%
Region 2 - LYNCHBURG	6	2	67%
Region 3 - STAUNTON	15	2	87%
Region 4 - ALEXANDRIA	0	0	N/A
Region 5 - FREDERICKSBURG	9	2	78%
Region 6 - RICHMOND	24	4	83%
Region 7 - HAMPTON	25	7	72%
Region 8 - CHESAPEAKE	1	0	100%
Region 9 - CHARLOTTESVILLE	3	0	100%
Compliance	0	0	N/A
<b>Total</b>	<b>98</b>	<b>20</b>	<b>80%</b>



# Training

Virginia ABC Enforcement is committed to continuously improving the knowledge base and understanding of our Agents, our fellow law enforcement agencies, our licensees and the community. To this end, this quarter agents presented over 814 hours of training to law enforcement, licensees, and the general public. There were over 708 hours of training received by ABC agents. These agents also attended over 832 hours of community outreach meetings.

<b>TRAINING AND COMMUNITY INVOLVEMENT - 2Q 2023 (Hours)</b>									
	<b>Meetings</b>			<b>Training Instructed</b>			<b>Training Received</b>		
<b>REGION</b>	<b>ABC Store</b>	<b>Licensee</b>	<b>Public/ Community</b>	<b>Law Enforcement</b>	<b>Licensee</b>	<b>Public</b>	<b>In-House</b>	<b>Outside</b>	<b>Totals</b>
REG1 - Roanoke	31.12	96.35	30.18	27.48	28.72	0.00	95.97	31.52	<b>341.34</b>
REG2 - Lynchburg	18.80	20.15	12.03	152.10	25.97	0.67	28.48	7.37	<b>265.57</b>
REG3 - Staunton	4.93	81.90	20.07	49.43	45.70	0.00	25.88	2.15	<b>230.06</b>
REG4 - Alexandria	11.37	34.95	3.88	6.15	51.12	1.98	80.12	12.70	<b>202.27</b>
REG5 - Fredericksburg	9.47	43.38	4.95	3.75	3.42	0.00	19.22	2.47	<b>86.66</b>
REG6 - Richmond	40.68	95.72	20.97	145.90	0.00	0.00	200.95	3.00	<b>507.22</b>
REG7 - Hampton	49.98	41.05	6.58	137.58	12.92	0.00	102.00	2.00	<b>352.11</b>
REG8 - Chesapeake	18.32	33.63	13.98	8.50	45.48	6.23	26.00	2.07	<b>154.21</b>
REG9 - Charlottesville	6.60	47.93	25.10	32.48	0.00	5.97	55.43	6.45	<b>179.96</b>
Compliance Office	0.00	6.43	1.98	0.00	0.00	0.00	3.00	1.48	<b>12.89</b>
Training Office	0.00	0.00	0.00	22.73	0.00	0.00	0.00	0.00	<b>22.73</b>
<b>Totals</b>	<b>191.27</b>	<b>501.49</b>	<b>139.72</b>	<b>586.10</b>	<b>213.33</b>	<b>14.85</b>	<b>637.05</b>	<b>71.21</b>	<b>2355.02</b>
			<b>832.48</b>			<b>814.28</b>		<b>708.26</b>	

# Accreditation

The Virginia ABC Authority Bureau of Law Enforcement is a State Accredited Law Enforcement Agency under the authority of the Virginia Law Enforcement Professional Standards Commission, (VLEPSC) . VLEPSC Re-accreditation, (second award) was formally awarded on January 9th, 2020. A new reaccreditation Term began on November 1, 2019 and will end on October 31, 2023. There are a total of 190 standards that must be met for each term of the four-year accreditation cycle, with numerous proofs required for each standard. All 190 standards have completed proofs

<b>ACCREDITATION ACTIVITIES</b>			
<b>Mandated Activities</b>	<b>Required</b>	<b>In progress</b>	<b>Completed</b>
<b>Quarterly</b>			
Regional Change Funds	11	0	11
Asset Forfeiture Funds	11	0	11
Evidence Room Inspection	19	0	19
Employee Benefit Fund	1	0	1
<b>Semi-Annual/Term</b>			
Vehicle/Equipment	157	0	157
Unannounced Evidence Inspections	19	0	19
Annual Evidence Audits	10	0	10
<b>Yearly</b>			
Standards	190	36	154
Proofs	606	116	490

# Retail Operations Update

Retail Sales Summary

Out of Stocks

Distribution Center

Marketing

Real Estate



# Retail Sales Summary

## Weekly cumulative sales and bottles sold as August 26<sup>th</sup>

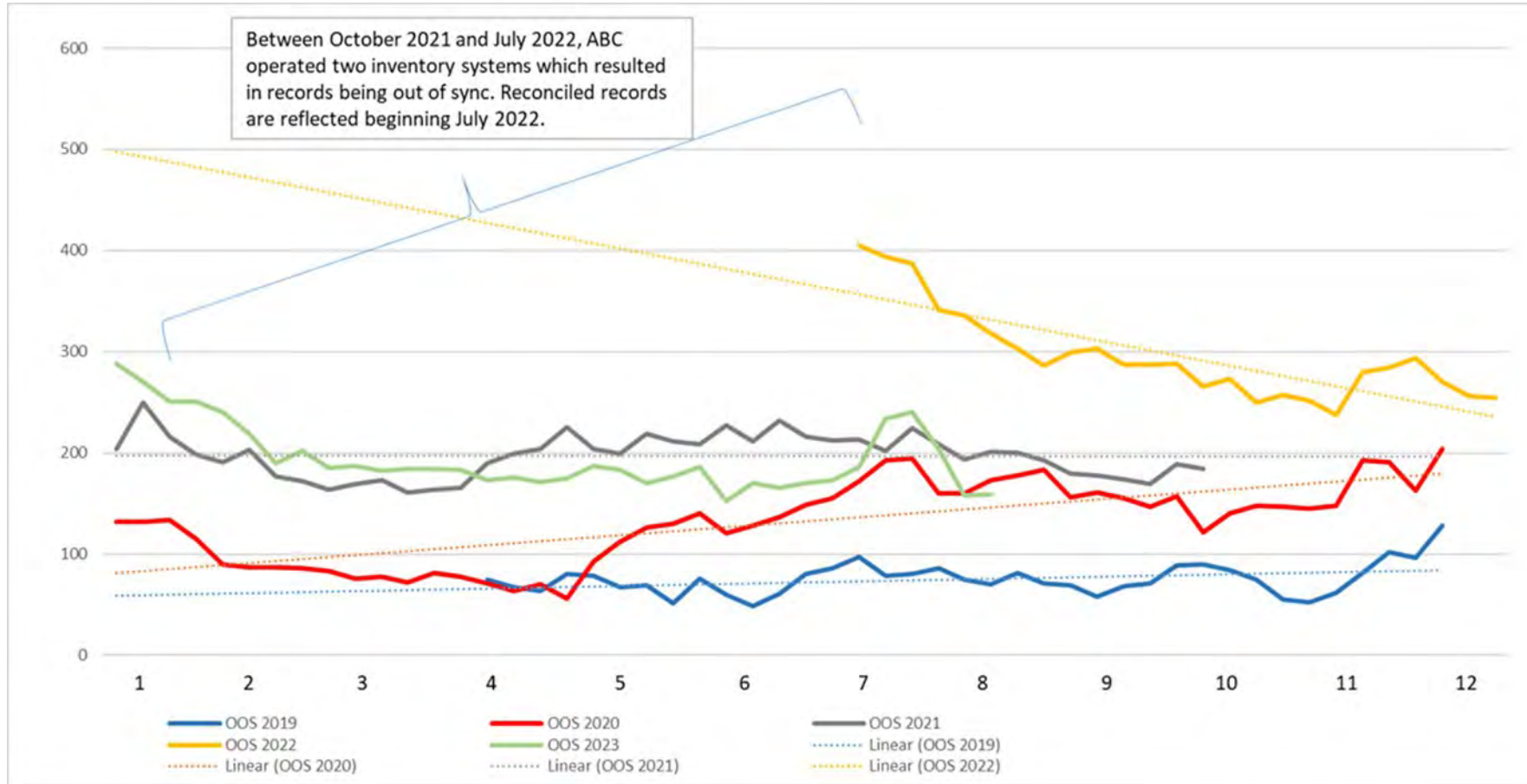
Sales totaling \$221,331,867 increased \$544,564 or 0.2% when compared to last year and are down \$3,657,992 or 1.6% below the \$224,989,858 target. The weekly cumulative comparison includes 57 sales days this year to 58 last year (1 additional Friday last year (avg. sales \$6.3M)). There are currently 399 stores open this year, there were 396 stores open last year. Four new stores opened in FY2023, 521 in Grayson opened on September 24, 2022; 522 in Winchester opened October 26, 2022; 524 in Roanoke opened January 24, 2023; and 523 in Fairfax opened February 26, 2023.

## To date bottles sold

Total number of bottles sold increased 0.5% and retail bottles sold increased 0.2%. Mixed beverage licensee bottles sold increased 0.5%. Mixed beverage licensee dollars represent 18.1% of total sales, up from last year with 17.8% of total sales.

# Distribution Center Out of Stocks

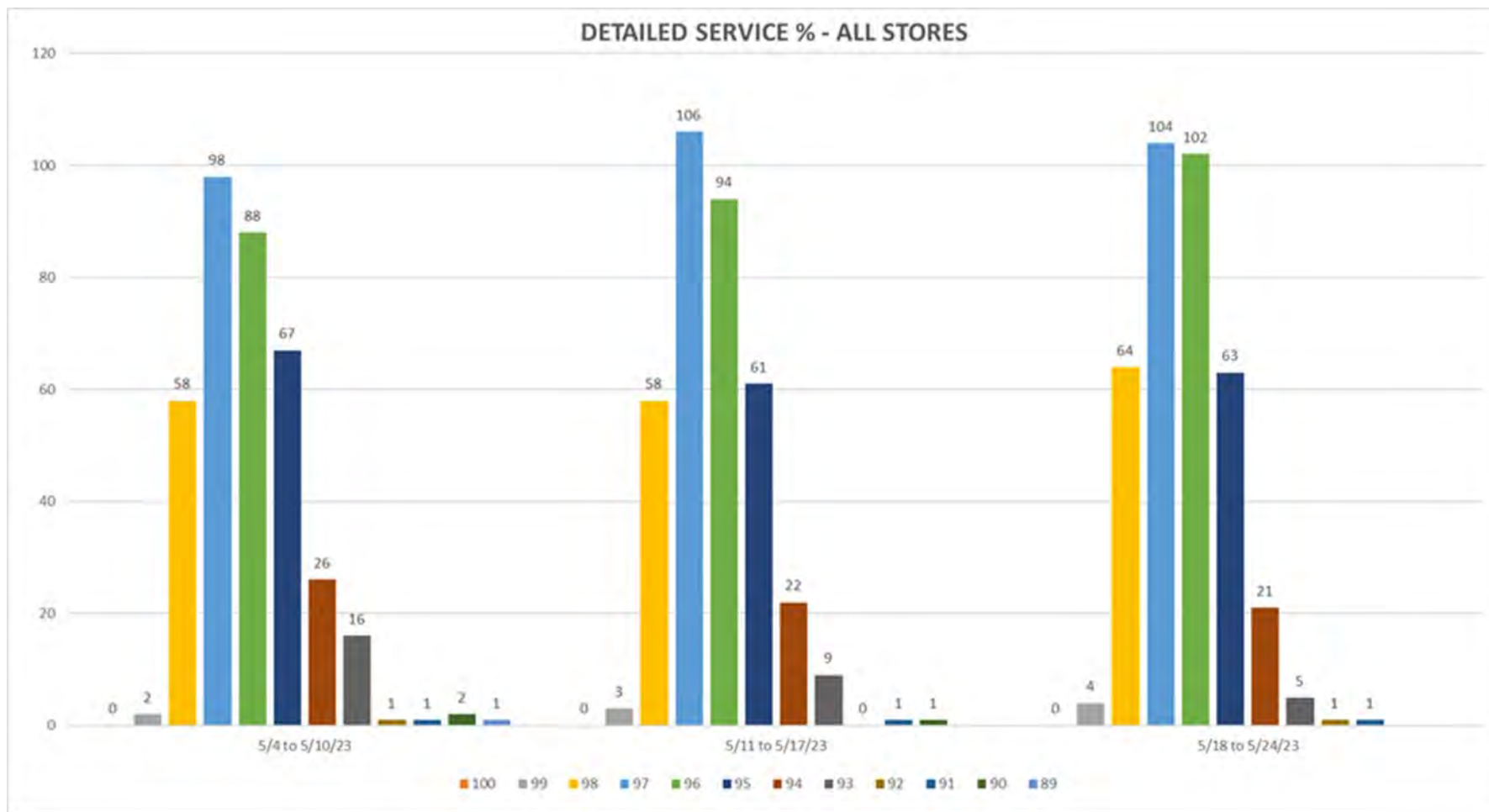
We have 93.52% of standard items in stock in the warehouse. Currently, we have 158 standard products out of stock; no change versus last week.



# Retail Store Out of Stocks

Retail Store In-stock – August

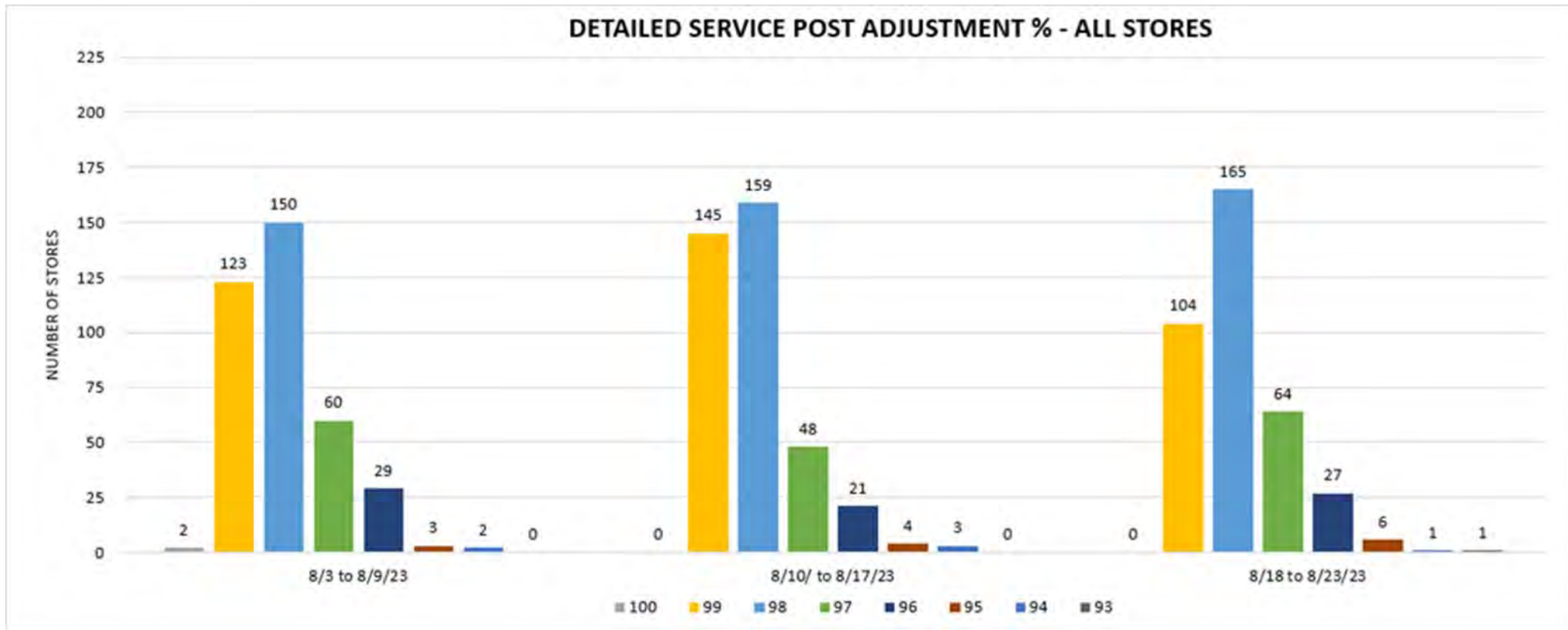
3 stores below 94% compared to 7 in June.



# Retail Store Out of Stocks

Retail Store In-stock goal is 97%.

The chart below shows the same in-stock percentage for stores with DC out of stocks removed. We currently have 35 stores below 97% in stock.





# Distribution Center

Average cases shipped daily in August was 24,141 with a peak day of 26,585.

Month	2022 Cases Shipped Daily Avg.	Peak Day	2023 Cases Shipped Daily Avg.	Peak Day
Jan	24,534	34,621	23,360	29,165
Feb	25,740	31,489	24,819	30,387
Mar	28,764	36,556	25,467	34,131
Apr	25,538	30,011	25,472	31,431
May	24,974	30,753	25,296	29,765
Jun	25,090	36,093	27,861	36,052
Jul	25,292	34,323	26,530	36,236
Aug	23,377	30,802	24,141	26,585
Sep	25,149	30,623		
Oct	25,903	31,400		
Nov	26,914	32,698		
Dec	28,490	37,347		
Average YTD	25,814	33,060	25,360	36,236

## Distribution Center Productivity:

Jan – 31.77 cases per labor hour

Feb – 33.785 cases per labor hour

Mar – 32.728 cases per labor hour

Apr – 36.35 cases per labor hour

May – 35.09 cases per labor hour

June – 38.20 cases per labor hour

July – 35.12 cases per labor hour

August MTD – 34.52 cases per labor hour

Calendar YTD through 08/29:

Shipped 4,158,991 cases against a forecast of 4,179,885.



# Marketing Update

## July 20 - Spirited Thursday (Rum)

**Spirited Thursday sale featuring a variety of Rum products**

**Sales increased \$45,642 or 204%. Bottle sales were up 1,696 or 149% versus a year ago.**

Total results quoted above include both in-store and online sales.

- Malibu Coconut Rum was part of the 2022 Spirited Thursday sale held at the same time.
- Six of the nine total items saw a nearly 200% or more increase in sales showing significant growth compared to 2022.



July 20, 2023 Spirited Thursday Retail Orders						
Product	SKU	Size	7/20/23 Dollars	7/21/22 Dollars	Dollar Increase	% Dollar Increase
Bacardi 8 Year Rum	42370	750ml	\$5,878	\$810	\$5,068	626%
Blue Chair Bay Coconut Rum	42242	750ml	\$4,298	\$1,443	\$2,855	198%
Bumbu The Original Rum	64529	750ml	\$17,474	\$4,407	\$13,067	297%
Captain Morgan Private Stock Rum	43316	750ml	\$6,218	\$1,376	\$4,841	352%
Gosling's Black Seal Rum	42566	750ml	\$3,807	\$2,183	\$1,624	74%
Malibu Coconut Rum	42716	750ml	\$8,730	\$6,922	\$1,808	26%
Malibu Coconut Rum (plastic)	42715	750ml	\$3,080	\$3,598	(\$518)	-14%
Selvarey Chocolate Rum	66763	750ml	\$3,968	\$82	\$3,886	4740%
Zacapa No. 23 Rum	42777	750ml	\$14,610	\$1,600	\$13,011	813%
<b>TOTAL</b>			<b>\$68,062</b>	<b>\$22,420</b>	<b>\$45,642</b>	<b>204%</b>

July 20, 2023 Spirited Thursday Online Orders						
Product	SKU	Size	7/20/23 Dollars	7/21/22 Dollars	Dollar Increase	% Dollar Increase
Bacardi 8 Year Rum	42370	750ml	\$240	\$0	\$240	-
Blue Chair Bay Coconut Rum	42242	750ml	\$151	\$0	\$151	-
Bumbu The Original Rum	64529	750ml	\$638	\$0	\$638	-
Captain Morgan Private Stock Rum	43316	750ml	\$173	\$0	\$173	-
Gosling's Black Seal Rum	42566	750ml	\$166	\$0	\$166	-
Malibu Coconut Rum	42716	750ml	\$152	\$158	(\$6)	-4%
Malibu Coconut Rum (plastic)	42715	750ml	\$15	\$29	(\$14)	-47%
Selvarey Chocolate Rum	66763	750ml	\$328	\$0		-
Zacapa No. 23 Rum	42777	750ml	\$1,120	\$0	\$1,120	-
<b>TOTAL</b>			<b>\$2,982</b>	<b>\$187</b>	<b>\$2,467</b>	<b>1494%</b>



# Marketing Update

## August 17 – Spirited Thursday (Tequila)

**Spirited Thursday sale featuring a variety of Tequila products**

**Sales increased \$93,617 or 397% and Bottle sales were up 2,436 or 452% versus a year ago.**

Total results quoted above include both in-store and online sales.

- Last year’s Spirited Thursday event featured 5 products producing \$53,071 in revenue for an average of \$10,614 per product.
- The 2023 event featured 8 products for a total of \$117,219 in revenue for an average of \$14,652 per product (a 38% increase)

August 17, 2023 Spirited Thursday Retail Orders						
Product	SKU	Size	8/17/23 Dollars	8/18/22 Dollars	Dollar Increase	% Dollar Increase
Lunazul Tequila Anejo	089475	750ml	\$9,342	\$1,849	\$7,493	405%
Casamigos Tequila Anejo	088833	750ml	\$25,835	\$8,143	\$17,692	217%
Cabo Wabo Tequila Reposado	089139	750ml	\$11,229	\$704	\$10,525	1495%
Herradura Silver Tequila	087849	750ml	\$13,197	\$3,086	\$10,111	328%
Codigo 1530 Reposado Tequila	088652	750ml	\$10,539	\$144	\$10,395	7220%
DeLeon Anejo Tequila	088429	750ml	\$18,720	\$150	\$18,570	12383%
Avion Silver Tequila	100397	750ml	\$9,981	\$2,645	\$7,336	277%
Milagro Silver Tequila	088116	750ml	\$18,375	\$6,880	\$11,495	167%
<b>TOTAL</b>			<b>\$117,219</b>	<b>\$23,602</b>	<b>\$93,617</b>	<b>397%</b>

August 17th 2023 Spirited Thursday Online Orders						
Product	SKU	Size	8/17/23 Dollars	8/18/22 Dollars	Dollar Increase	% Dollar Increase
Lunazul Tequila Anejo	089475	750ml	\$264	\$25	\$239	956%
Casamigos Tequila Anejo	088833	750ml	\$1,849	\$185	\$1,664	899%
Cabo Wabo Tequila Reposado	089139	750ml	\$720	\$0	\$720	-
Herradura Silver Tequila	087849	750ml	\$440	\$0	\$440	-
Codigo 1530 Reposado Tequila	088652	750ml	\$691	\$0	\$691	-
DeLeon Anejo Tequila	088429	750ml	\$600	\$0	\$600	-
Avion Silver Tequila	100397	750ml	\$230	\$0	\$230	-
Milagro Silver Tequila	088116	750ml	\$503	\$370	\$133	36%
<b>TOTAL</b>			<b>\$5,297</b>	<b>\$580</b>	<b>\$4,717</b>	<b>813%</b>



# Marketing Update

## Planned Activity – Rolling 90 Days

	THEME	PODs	FRONT COUNTER	SPIRITED THURSDAYS & DOORBUSTERS	MINI-MONDAY	IN-STORE DISPLAYS	LOTTERIES & BARREL PICKS
<b>SEPTEMBER</b>	Virginia Spirits & Bourbon Heritage Month	Bourbon Cocktails & Virginia Spirits - Fall Leaves - Allegheny - New Fashioned - Virginia Spirits	Gold Rush - Ragged Branch Signature Bourbon & ReaLemon Juice	Virginia Spirits Sale-A-Bration Over 160 Virginia made products 20% all month long celebrating Virginia Spirits Month  Bourbon Spirited Thursday Basil Hayden Bourbon Bulleit 10 Year Bourbon Elijah Craig Small Batch Bourbon Horse Soldier Small Batch Bourbon Jefferson's Reserve Bourbon Old Forester 1920 Craft Bourbon WhistlePig PiggyBack Bourbon Woodford Reserve Double Oaked Bourbon	Courage and Conviction (Double Cask & Sherry Cask Mix)	Captain Morgan Rum Crown Royal Whisky Evan Williams Bourbon Hennessy VSOP Jack Daniels Tennessee Whiskey Jose Cuervo Tequila Patron Tequila Tito's Handmade Vodka Woodford Reserve Bourbon	Barrel Pick Event September 30
<b>OCTOBER</b>	Holiday Theme Dress Up Your Holidays	Fall & Holiday Products & Value Added Packages	Granny Smith - products TBD	DoorBuster Sale Potion Promotion - Halloween themed 4-day sale featuring 20% off twenty best selling products in the 1.75L size (October 26 - 29)	Program Discontinued (Budget)	Fall & Holiday Products & Value Added Packages	Lottery Event October 9-13
<b>NOVEMBER</b>	Holiday Theme Dress Up Your Holidays	Fall & Holiday Products & Value Added Packages	Cinnamon Roll - products TBD	DoorBuster Sale Black Friday through Cyber Monday 4-day sale featuring 20% off twenty best selling products in the 750ml size (November 24 - 27)	Program Discontinued (Budget)	Fall & Holiday Products & Value Added Packages	Lottery Event November 13 - 17



# Real Estate and Facilities Update

## New Store Update:

<b>Store 302 (Powhatan)</b>	Awaiting completion of space by Landlord; anticipated Commencement Date Unknown
<b>Store 405 (Norfolk)</b>	Awaiting completion of space by Landlord; anticipated Commencement Date November 2023
<b>Store 442 (Hanover)</b>	Awaiting completion of space by Landlord; anticipated Commencement Date October 2023
<b>Store 525 (Winchester)</b>	Revised draft Lease is with the Landlord for review; we have no anticipated Commencement Date at this time
<b>Store 526 (Chesterfield)</b>	Landlord increased the rental rate by 52% due to construction costs; RE has relayed that we cannot move forward at the increased rate
<b>Store 528 (Jonesville)</b>	Awaiting completion of space by Landlord; anticipated Commencement Date is October 2023
<b>Store 529 (Alexandria)</b>	Awaiting completion of space by Landlord; anticipated Commencement Date is January 2024
<b>Store 530 (Leesburg)</b>	Draft Lease with the Landlord for review, anticipated Commencement Date is November 2023
<b>Store 531 (Lovettsville)</b>	Lease is with the Landlord for signature; anticipated Commencement Date is January 2024
<b>Store 532 (McLean)</b>	Notice has been posted on storefront; awaiting ownership documents from the Landlord; anticipated Commencement Date is February 2024
<b>Store 533 (Bristol)</b>	Deals for both outparcel and in-line space fell through; RE has found another location that looks promising and is obtaining details

## Project Type No. of Stores

Expansions:	1
Modernizations:	4
Relocations:	9



# CAO Report – David Alfano

Financial Summary: July 2024

Summary of Delegated Items



# Authority Delegation Tracker – July 2023

Requestor: 07/01/2023 - 07/31/2023 Approver: David Alfano						
Working Title	Position	Pay	Reason Needed	Date Approved	Notes	Approver: CAO
Area Manager	50407	\$ 115,600.00	New position	7/3/2023		
Assistant Store Manager	17705	\$ 45,000.00	New position	7/5/2023		
Assistant Store Manager	17903	\$ 45,000.00	New position	7/5/2023		
Assistant Store Manager	04803	\$ 45,000.00	New position	7/5/2023		
Assistant Store Manager	41803	\$ 53,900.00	New position	7/5/2023		
Assistant Store Manager	18902	\$ 53,900.00	New position	7/5/2023		
Assistant Store Manager	09005	\$ 53,900.00	New position	7/5/2023		
Assistant Store Manager	11605	\$ 45,000.00	New position	7/5/2023		
Assistant Store Manager	29403	\$ 53,900.00	New position	7/5/2023		
Assistant Store Manager	10015	\$ 45,000.00	New position	7/5/2023		
Assistant Store Manager	05302	\$ 53,900.00	New position	7/5/2023		
ITEM: Travel Authorization Reports (3 or more people or excess of \$5000)	Participants	Meeting Information/Name	Location and Dates	Cost	Reason Travel Required	Approver: CAO
Excess of \$5000	Haalman, Mark	National Criminal Justice Academy	VA State Police Facility, Chesterfield, VA- July 10-Sept 21, 2023	\$9,300.00	The National Criminal Justice Command College (NCJCC) is an intensive, 10-week, residential program for mid-to-upper-level law enforcement supervisors, executives in corrections, and managers in corporate/private security.	Singleton, John
ITEM: Recognition/Rewards of \$750 or higher	Employee to receive	Manager	Reasoning	Amount	Notes	Approver: CAO
Cash award (CAO approval)	JEFFRIES, CASSANDRA	RAGNAUTH, HANNAH	Service	\$1,250.00		
Distribution Center Incentive Bonus	WASILEWSKI, DAVID	MOORE, TYLER	bility, Service, Integrity, Performance E	\$936.42		
Distribution Center Incentive Bonus	BROWN, ERIC	MOORE, TYLER	bility, Service, Integrity, Performance E	\$758.91		
Distribution Center Incentive Bonus	DIXON, IRA	MOORE, TYLER	bility, Service, Integrity, Performance E	\$859.18		
Cash award	BEYER, JONATHAN	WADE, JENNIFER	Performance Excellence	\$750.00		
Distribution Center Incentive Bonus	KELLY, LEONARD	MOORE, TYLER	bility, Service, Integrity, Performance E	\$869.85		
Distribution Center Incentive Bonus	OCHEI, PATRICK	MOORE, TYLER	bility, Service, Integrity, Performance E	\$960.00		
Cash award	SAINI, POONAM	MCENHIMER, ANDREW	Accountability	\$750.00		
Cash award	DODSON, SHELLEY	BURKE, JENNIFER	Service	\$750.00		
Cash award	BARBER-GREEN, STEPHANIE	WADE, JENNIFER	Performance Excellence	\$750.00		
Distribution Center Incentive Bonus	DIXON, IRA	MOORE, TYLER		\$1,023.76		
Distribution Center Incentive Bonus	JACKSON, DARRYCK	MOORE, TYLER		\$857.76		
Distribution Center Incentive Bonus	KELLY, LEONARD	MOORE, TYLER		\$843.37		
Distribution Center Incentive Bonus	MANNING, TERRELL	MOORE, TYLER		\$946.50		
Distribution Center Incentive Bonus	OCHEI, PATRICK	MOORE, TYLER		\$991.36		
Distribution Center Incentive Bonus	ROBERTSON, ROBERT	MOORE, TYLER		\$920.55		
Distribution Center Incentive Bonus	ROBINSON, RAYMOND	MOORE, TYLER		\$965.86		



# Authority Delegation Tracker – July 2023

Item: Pay practices including promotions where salary increase is 15% or more, in-band adjustments, and role changes	FORMER ROLE	NEW ROLE	Current Pay	Request for pay change? OR Request for bonus?	Amount of change	Date of request	Approver: CEO
Role change	Assistant Retail Director	Area Manager	\$156056.25 to \$115600		-26%	7/19/2023	

# Authority Delegation Tracker – August 2023

<b>ITEM: Recognition/Rewards of \$750 or higher</b>	<b>Employee to receive</b>	<b>Reasoning</b>	<b>Amount</b>	<b>Notes</b>	<b>Approver: CAO</b>
Distribution Center Incentive Bonus	DIXON, IRA		\$1,023.76		
Distribution Center Incentive Bonus	JACKSON, DARRYCK		\$857.76		
Distribution Center Incentive Bonus	KELLY, LEONARD		\$843.37		
Distribution Center Incentive Bonus	MANNING, TERRELL		\$946.50		
Distribution Center Incentive Bonus	OCHEI, PATRICK		\$991.36		
Distribution Center Incentive Bonus	ROBERTSON ROBERT		\$920.55		
Distribution Center Incentive Bonus	ROBINSON, RAYMOND		\$965.86		

<b>Item: Pay practices including promotions where salary increase is 15% or more, in-band adjustments, and role changes</b>	<b>Employee/Division</b>	<b>Director/Manager of employee</b>	<b>Current Pay</b>	<b>Request for pay change? OR Request for bonus?</b>	<b>Amount of change</b>	<b>Date of request</b>	<b>Approver: CEO</b>
Promotion	Store 351 Manager	COFFMAN, CHRISTOPHER	\$37747 to \$49738		32%	8/25/2023	
Promotion	HRIS Analyst	FURMAGE, MARK	\$88903 to \$102000		15%	8/25/2023	



# Diversity Equity and Inclusion Office

- **Programming** (*OneVA Goal #4, Infrastructure and Accountability, Objective #1, Develop agency wide communications plan*)
  - FY24 Focus of DEIO: Accessibility
    - ADA 101 Foundational training, the Interactive Process, and Ableism training decks are in process
    - DEI Office is collaborating with Human Resources to deliver ADA 101 training once scheduling is set
    - Trainings will be vetted by HR, Legal, and DEI Council learning subcommittee before delivery to Authority
  - Successful August programming schedule. Sample of Activities:
    - Aligned messaging with HR to raise awareness for National Civility Month and the Authority's required Civility training
    - Highlighted three retail store managers in Mixer for our rising leaders spotlight in anticipation of Women's Equality Day on August 26, 2023
    - Flavor profile on Beth Dixon via Digital Operations and Women's Equality Vignettes supplied by Learning and Development Divisions
    - Product spotlights on Women-owned "Keep it Simple Syrup".
  - Observances and Celebrations Committee bringing together multiple divisions (Communications, DEI, Talent Acquisitions, Engagement, Executive Administration, and Marketing) to plan, coordinate, and align activities and messaging for future affinity months.
    - Activities and messaging plan for September 2023 (Hispanic Heritage Month and Employee Resource Group Fair)
- **DEI Training** (*OneVA Goal #3, Training and Education, Objective #1, Provide DEI Training Opportunities for all ABC Employees*)
  - "Why of DEI", "Introduction to Allyship", and "Implicit Bias" trainings are ready for pilot
  - "Intersectionality", "Microaggressions", and "Ableism" are in process

# Diversity Equity and Inclusion Office

- **DEI Council** (*OneVA Goal #2, Climate & Intergroup Relations, Objective #2, Create opportunities for employees to feel valued and respected and have a platform for feedback*)
  - DEI Council Subcommittee created:
    - Best Practices
    - Employee Learning
    - Employee development
  - DEI Council Subcommittee are currently establishing committee priorities based on One Virginia Plan and Authority Strategic Plan.
  - Next DEI Council meeting planned for September 2023.
- **ERG Program** (*OneVA Goal #2, Climate & Intergroup Relations, Objective #2, Create opportunities for employees to feel valued and respected and have a platform for feedback*)
  - ERG Fair will be held September 21, 2023 and will host information tables for current ERGs, as well as, Observances and Celebrations Committee, Employee Activities Council (EAC), and DEI Council
- **Supplier Diversity Program** (*OneVA Goal #5, Focus Community Engagement Activities, Objective #3, Engage in diverse community events and outreach programs*)
  - Collaborating with Marketing to Gather current list of diverse suppliers and SKUs
    - Information will be vital in accessing how we grow diverse suppliers and products
    - If listing process is aligned to that goal or if changes are needed/What efforts are needed to grow
    - Supplier sales as a percentage of total sales – how do these products perform – are we growing?

**VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY**

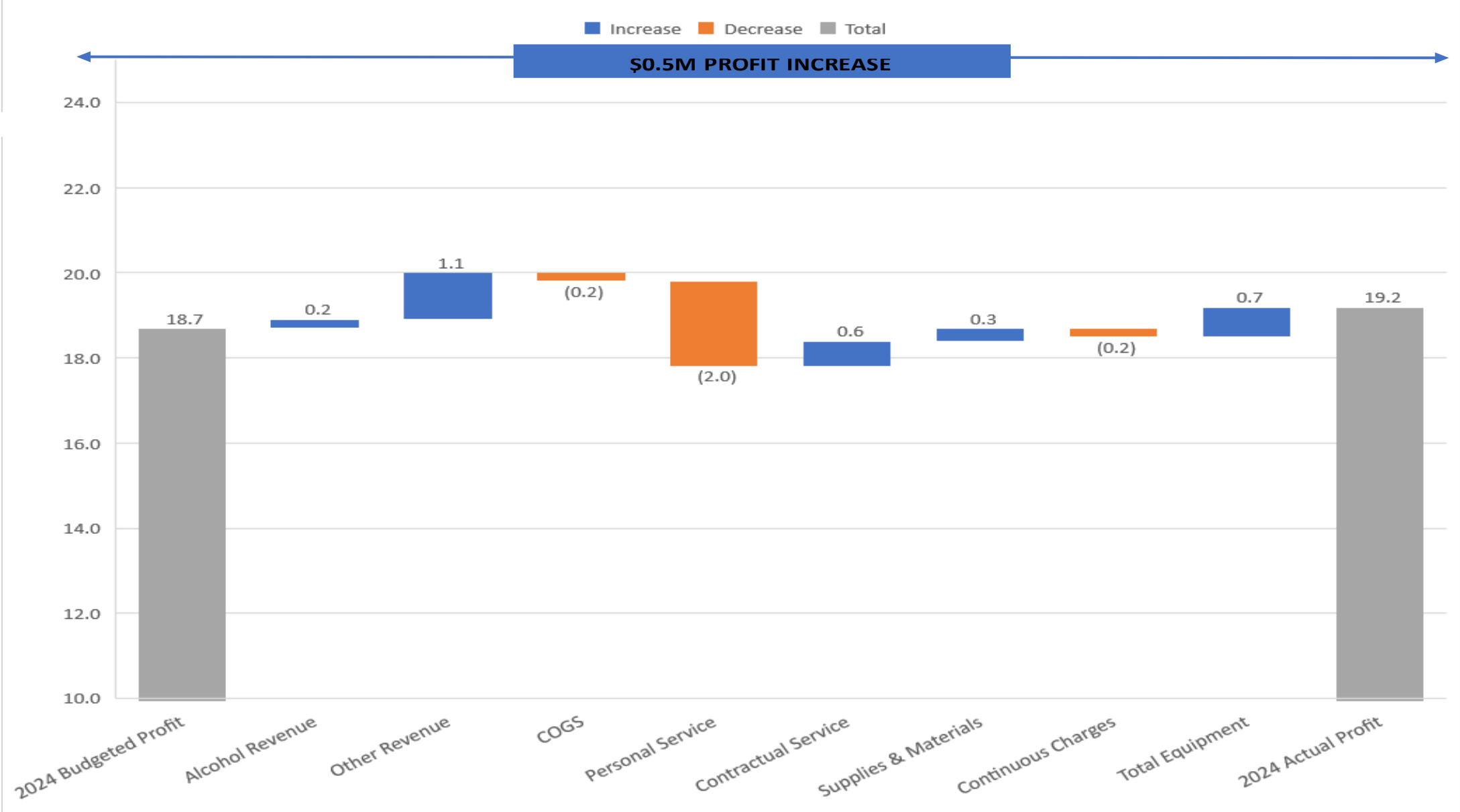
**Contribution Margin - Income Statement (In Millions)**

**Fiscal Year 2024 - Month of July**

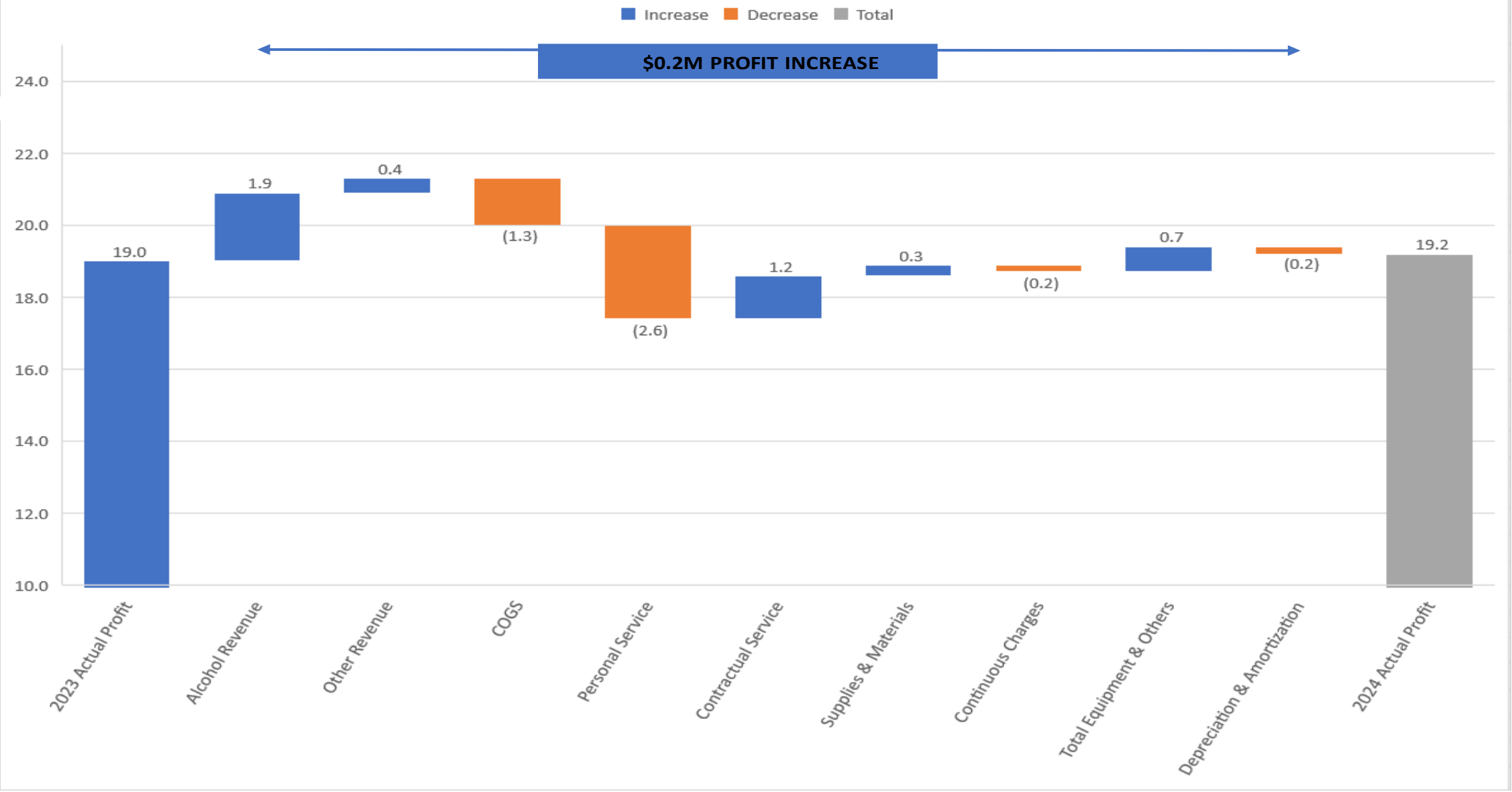
	FY 2024		FY 2024		FY 2024		FY 2024		FY 2023							
	Actual		Budget		Variance	Percentage			Actual	Variance	Percentage					
<b>Revenue Sources:</b>																
Alcoholic Beverages (Store Sales)	\$	120.7		\$	120.5		\$	0.2	0.2%	●	\$	118.5	\$	2.2	1.9%	
Online Sales		0.6			0.6			-	0.0%	●		0.6		-	0.0%	
Other		2.3			1.2			1.1	91.7%	●		1.9		0.4	23.8%	
<b>Gross Revenue</b>		123.6			122.3			1.3	1.1%	●		121.0		2.6	2.2%	
Less: Spirits Excise Tax		20.0			20.0			0.0	0.1%	●		19.7		(0.3)	-1.5%	
<b>Net Revenue</b>		103.6			102.3			1.3	1.3%	●		101.3		2.3	2.3%	
<b>Variable Operating Costs:</b>																
Cost of Goods Sold		58.3	48.1%		58.1	48.0%		(0.2)	-0.3%	●		57.0	47.9%		(1.3)	-2.3%
Variable Administrative Costs		18.4			17.1			(1.3)	-7.6%	●		17.1		(1.3)	-7.6%	
<b>Total Variable Costs</b>		76.7			75.2			(1.5)	-2.0%	●		74.1		(2.6)	-3.4%	
<b>Contribution Margin</b>		26.9			27.1			(0.2)	-0.6%	●		27.2		(0.3)	-0.9%	
Contribution Margin as a % of Store Sales		22.2%			22.4%							22.8%				
<b>Fixed Operating Costs:</b>																
Fixed Administrative Costs		5.6			6.5			0.9	13.8%	●		6.3		0.7	10.7%	
Regulatory Costs (Enforcement & Hearings)		2.1			1.9			(0.2)	-10.5%	●		1.9		(0.2)	-10.5%	
<b>Total Fixed Costs</b>		7.7			8.4			0.7	8.3%	●		8.2		0.5	5.7%	
<b>ABC Net Profit</b>	\$	19.2		\$	18.7		\$	0.5	2.8%	●	\$	19.0	\$	0.2	1.1%	
Net Profit as a % of Store Sales		15.8%			15.4%							15.9%				
Net Profit as a % of Net Sales		18.5%			18.3%							18.8%				
● Favorable Variance																
● Unfavorable Variance																
NM = Not Meaningful																
<b>Notes:</b>	Fund 05001 was utilized because this represents the Operational revenue and expenses that are utilized to calculate the disbursements to the Commonwealth.															
	Contribution Margin - represents the amount of earnings available to contribute towards profit after removing the variable costs of operations.															
	Example: if the sales forecast was increased by \$1M (with a 24% contribution margin), \$240K of additional earnings would flow through to profit.															



# FY24-FM1 Actual vs FY24-FM1 Budget



### FY24-FM1 Actual vs FY23-FM1 Actual



# CIO Report – Paul Williams

IT Monthly Summary

IT KPIs (Work in Progress)

IT Support Summary

# IT Monthly Summary

## Introduction

This is the first report for 2024, with a new budget and only one month of data. Operationally we are continuing the path from 2023 but there are some significant changes for 2024.

Budget is up 11% from Actual in 2023 (largely in depreciation and some inflation on contracts). We achieved a 7.5% favorable variance to budget in July (\$225k)– but this is significantly affected by the reversal of year end accruals and GASB adjustments (more than operational costs).

We have reduced our project capacity from a target of 5k hours / month by 25% (largely contractors) and may reduce further as we are planning for fewer projects. We only Capitalized 70% of target labor on projects (\$25K adverse) in July. It will also extend the timelines for several ongoing efforts, including WOLO which will likely run into February 2024, and the POS upgrade will defer until January 2024.

We are re-evaluating our KPIs and separating metrics from the KPI's into their own table. We will likely move the metrics (which are fairly stable over time) to a SharePoint page to improve useability. They give a viewpoint on what ABC IT does – the KPI's measure how well we do it.

The PinPad project is ready to move to deployment and we are looking for ways to complete that before peak season for ABC. VAL was migrated to Accela in August (a week early) following a partial system failure.

## IT Performance

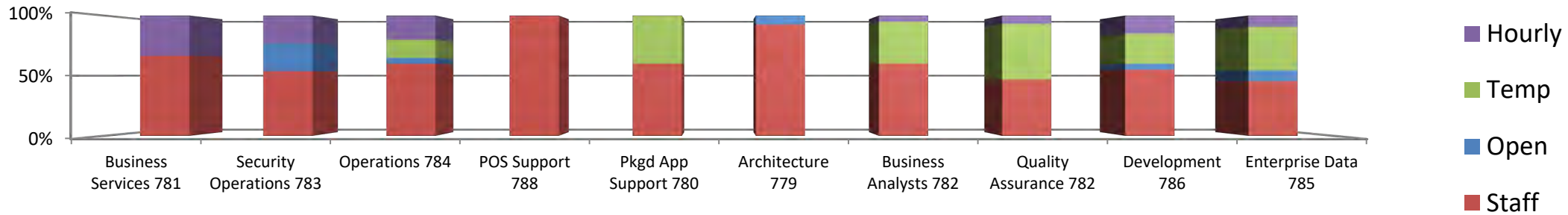
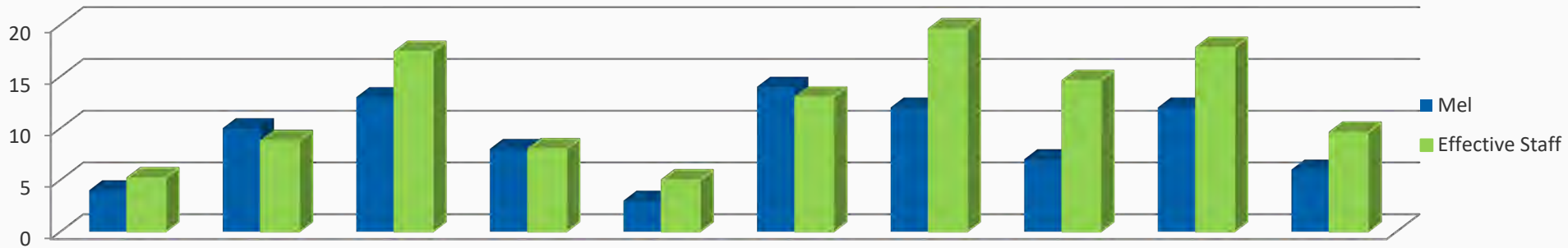
There were no notable reliability or performance issues through July – although in August we had a significant partial system outage on VAL (internally facing services failed). Our availability target of 99.9% availability (over 71 systems) means unplanned outages per system have to exceed 50 hours to drop below 99.9%. We will be working on finding better metrics for availability this year, although 'uptime' will remain. The IT Bugs and Backlog (BnB) assessment being performed internally is still progressing and should wrap up in October. The main goals are to standardize intake and backlog assessments so that prioritization and execution of BnB work is more transparent.

## People

Staffing is stable and we are holding the vacancy rate to 7%. Budget target for the year is 8%

We are having increasing issues with recruitments – most often on compensation – where we are both losing staff to other (state) agencies on compensation and being unable to successfully complete recruitment.

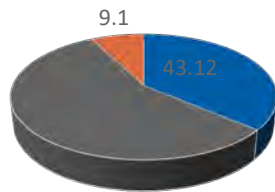
# Headcount Breakdown



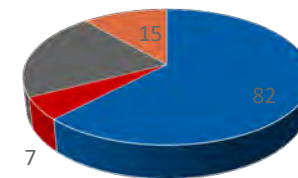
The vacancy rate at 7/31/23 is 7.9% - 7 open Positions (was 7.9% in June with 7 open positions). We lost 1 BSA contractor in the month. We will use a target vacancy rate for 2024 of 8% to match budget expectations.

We have 3 active recruitments running at the end of July (was 3 at end of June). We have reduced our development capacity (DEV, BSA and QA teams) and so our development and release timelines are slower. We were at near 60% staffed for growth and development and this mix has pulled back to 43%, with 'run the engine' increasing to 67% of staffing as most of our reduction was in growth / project capacity.

Headcount per function



Staff Breakdown



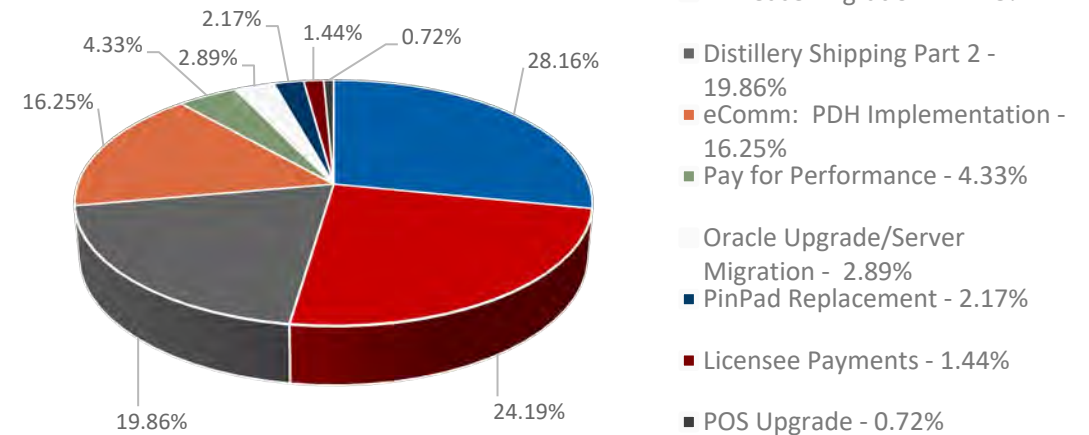


# IT Resource Utilization

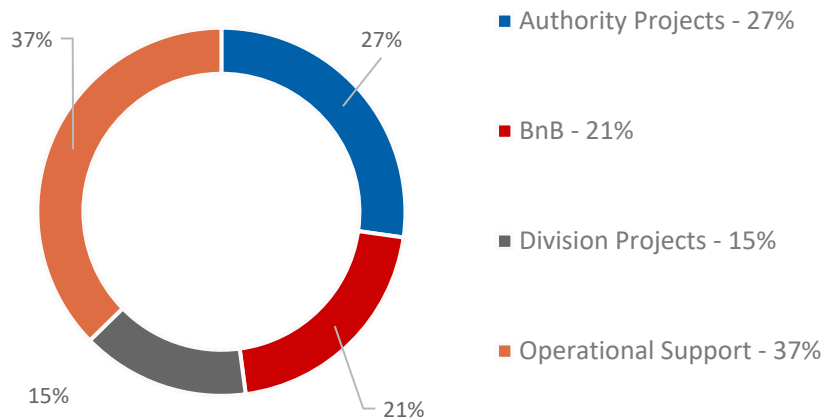
Allocation Hours KPI: 3,767      July Hours: 3,900      % to Target: 103.5%

Staff Type	Base Capacity	Actual Capacity	Authority Projects	BnB	Division Projects	Operational Support
BSA	17	11.4	3	3.2	2.6	2.7
Dev	17	11.5	3.7	2.1	1.6	4
Data	10	7.9	0.4	0	0	7.5
QA	15	11.8	4.5	3.5	2.1	1.7
<b>Total</b>	<b>59</b>	<b>42.6</b>	<b>11.6</b>	<b>8.8</b>	<b>6.3</b>	<b>15.9</b>

## Project Breakdown



## Allocation by Effort Type



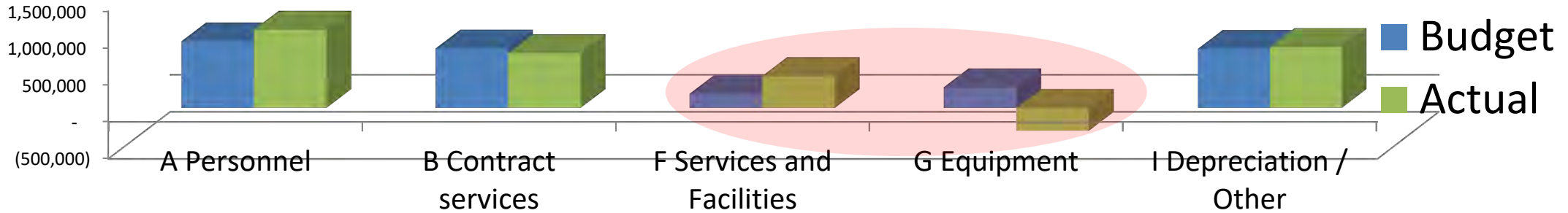
## July Allocation Notes

- Target utilization on projects and smaller BnB efforts is 50% of our average allocatable capacity (45.2 WTE / Month or ~ 3,767 hours planned to be available for allocatable work). 3,900 hours (excluding interns) were assigned to allocatable work in July.
- Overall capacity has decreased (25%) from FY23 due to contingent staffing reductions.



# IT Finance / Budget

## YTD IT Budget Performance



- The 2024 budget represents an 11.15% increase over the 2023 actuals – largely driven by an 18.32% increase in Depreciation and 10% increase in personnel costs. It also represents a decrease from the 2023 budget of 9.6%. All other costs have increased by approximately 6%, reflecting VAL being SaaS hosted and anticipated inflation offset by contractor costs less anticipated capitalization of contractors (less project work). At M1 we are net 7.5% under budget.
- With only 1 months data we cannot clearly estimate trending – but we are 17.7% over budget in personnel costs but on target with our vacancy rate (Employer benefits + \$20K, Capitalization +\$20K, Salaries + \$72K)
- Mismatched accounting between 2023 accruals and invoice postings is crediting \$380K against equipment and debit against Services. With this adjusted both lines are within budget.
- Depreciation is \$26K over budget on depreciation and GASB adjustments.
- By Department, we expect Project Support and development to revert to budget trend during the year as we reduce the contractor headcount.
- GASB, labor and Telecom recovery adjustments are shown in IT Admin to allow a cleaner representation of IT spend by area. IT Admin is 175K under budget. Many entries are netting off within this, but the large variances are: GASB \$182k under budget, capitalization \$26K adverse, Telecom recovery \$79K Adverse,

## Act vs Budget by Dept



# IT KPI's DRAFT (Re-working KPI's for 2024 – separate Metrics from KPIs)

Measure	Indicator	Current	C-1	C-2	C-3	Comments
Staffing (MEL)	Open + Exits (8,2)	7/0	8/2	7/0	8/1	Interns (6) will exit in August. Vacancy rate is 8% (was 5%)
Finance – Budget Accuracy	+/- 5% target	7.5%	10.0%	11.6%	9.9%	Target is within 5% of budget actuals. While overall numbers favorable to target, we are outside of the target range.
Reliability – Core	Ops hrs. uptime (99.9%)	99.9%	99.9%	99.9%	99.9%	
Reliability POS	Lost Hours (all registers)	31.5	10.75	2.0	0.5	10 stores had outages for a total of 31.5 hours (one for 6 hours on a switch failure)
Resource Allocation	Hours Target / Alloc	103.5%	102%	109%	138%	Significant Vacation time in July lowered KPI
First contact ticket resolution	Tickets closed on 1 touch	97.1%	97%	96.5%	94.1%	
Calls accepted	Answered calls	95.79%	97.36%	96.92%	96.04%	
Average wait time	Customer wait time	36 Sec.	44 sec.	29 sec.	28 sec.	
Average call handle time to solve	Industry target is 15 min	4.38 min	4.27 min	4.27 min	4.22 min	

# CEO Report

Summary Suspension – WR Brews

Real Estate Leases

New Distillery Stores

KPI Review



**COMMONWEALTH OF VIRGINIA  
ALCOHOLIC BEVERAGE CONTROL AUTHORITY  
VIRGINIA ALCOHOLIC BEVERAGE CONTROL BOARD**

IN THE MATTER OF:      MIC-AL, LLC  
                                 T/A WR BREWS  
                                 3801 WILLIAMSON ROAD  
                                 ROANOKE, VIRGINIA 24012  
                                 **SENT VIA CERTIFIED MAIL**

MIC-AL, LLC  
T/A WR BREWS  
3801 WILLIAMSON ROAD  
ROANOKE, VIRGINIA 24012  
**SERVED VIA PERSONAL SERVICE**

LICENSE NO.:              **750585 - WINE AND BEER ON PREMISES**  
                                 **750585 – MIXED BEVERAGE RESTAURANT**

ABC INCIDENT NO.:      **RMS# 23-01851**

**ORDER OF SUMMARY SUSPENSION**

Upon completion of an initial investigation commenced on August 25, 2023, and a review of all findings, pursuant to Section 4.1-225.1 of the Code of Virginia, the Virginia Alcoholic Beverage Control Board (“Board”) finds that it has reasonable cause to believe that at approximately 1:12 a.m. on August 25, 2023, an act of violence occurred at the licensed premises resulting in three people being shot: one individual in the torso, one in the face, and another in the leg. Interviews with the licensee, witnesses, and the Roanoke City Police Department (“RCPD”) confirmed that an individual suspect fired multiple rounds which caused serious bodily injuries.

The investigation revealed that there was an argument inside the establishment according to Michael Mabry, the security guard working the night of the incident. Brian Reep, the eventual shooting suspect, was removed from the establishment by Mr. Mabry. Once Mr. Reep was escorted out of the back door, Mr. Reep went to the front of the establishment where a verbal altercation continued. Although Mr. Mabry stated that he watched Mr. Reep eventually drive away, the establishment did not attempt to contact the police during the initial altercation or when the argument continued even after escorting Mr. Reep out of the interior of the restaurant. After approximately 15-20 minutes, reports indicate that Mr. Reep came back to the licensed establishment and was in his car in the parking lot when another individual approached his car. When that individual knocked on his window, Mr. Reep took out a gun and shot the individual in the torso. An RCPD report indicated then that another unknown person began to fire towards Mr. Reep, and Mr. Reep began firing into the crowd. Two other victims were struck by gunfire.

Mr. Mabry, the only security guard on the night in question, is not certified by the Department of Criminal Justice Services. Although Mr. Mabry stated that he wands customers who come in through the front door, he does not wand customers who come in through other entrances or the patio. Another employee contradicted Mr. Mabry’s statement and advised ABC agents that they had never observed a wand. Mr. Mabry advised ABC agents that he believed one of the victims, Jimmy Tyree, was a known motorcycle gang (Pagans) member who had recently been inducted or “patched.” Mr. Mabry also told ABC agents that Mr. Reep was a “thug” who had been to prison and who came into the restaurant 2-3 times

per week. Mr. Mabry further stated that Mr. Reep was known for being “mouthy,” and the owner of W.R. Brews acknowledged that her staff told her he was a “bad cookie.” Despite these issues, the licensee made no efforts to ban Mr. Reep from frequenting the establishment. Although the licensee did maintain a “bar” list of individuals, Mr. Tyree (one of the victims) was on the ban list and was still allowed into the establishment.

After reviewing calls for service, police reports generated from such calls, and LinX, the Bureau of Law Enforcement believes that this establishment poses a continuing threat to public safety. The license for this establishment was issued on June 6, 2019. There have been multiple acts of violence on the premises in the preceding year. There was a prior public safety investigation following a shooting on the premises in the parking lot on January 7, 2022. There was a report of a person with a weapon and a shot was fired on November 13, 2022, and there was a report of a fight in the parking lot on November 19, 2022. There were 36 calls for service between August 23, 2022, and August 24, 2023. Reports and other records indicate that there was an August 29, 2022 assault involving Brian Reep (the shooter in this case) as a suspect, a September 17, 2022 fight inside the establishment involving 5-6 people, a report of a fight inside on January 1, 2023, a report of an alleged rape on March 23, 2023, a report of a fight in the parking lot on May 14, 2023, a report on June 27, 2023 of a fight inside the licensed premises, another report of another fight on June 29, 2023 on the patio of the establishment, a report of an assault on July 15, 2023, and a report of a shooting on August 19, 2023 following an argument in the parking lot.

This establishment is currently on probation following a financial crimes investigation. On January 25, 2023, W.R. Brews entered into a negotiated resolution with Virginia ABC on charges of failing to qualify as a mixed beverage restaurant license, failing to keep complete and accurate records, defrauding the board, and failing to submit a complete and accurate mixed beverage annual review report. The licensee agreed to financial penalties in addition to a period of probation, during which time if any representative of Virginia ABC’s Bureau of Law Enforcement determines that it is noncompliant, the licensee would surrender the license for ten business days.

The RCPD submitted a letter in support of summarily suspending this license and deems it to be a continuing threat to public safety.

The licensee failed to hire adequate security or implement appropriate security measures, and the licensee otherwise failed to respond appropriately to the events giving rise to this incident. As a result, the Board finds that W.R. Brews poses a continuing threat to public safety. The Board concludes that temporary suspension of the licenses is justified to protect the health, safety, and welfare of the public.

IT IS ORDERED that any and all privileges granted by the above-referenced license, shall be suspended, effective immediately, and the suspension shall remain in effect pending the results of a formal investigation and any resulting proceedings for disciplinary review. Once the suspension has been in effect for forty-eight (48) hours, as required by Section 4.1-225.1(B), the licensee may petition the Board for a restricted license pending the results of the formal investigation and any proceedings for disciplinary review. The Board may deny the petition for a restricted license and the summary suspension shall continue until the conclusion of the disciplinary review; however, if the Board determines that a restricted license is warranted, the Board shall have discretion to impose appropriate restrictions based on facts presented.

IT IS FURTHER ORDERED that upon issuance of this Order, ABC Enforcement is directed to immediately commence a formal investigation. The formal investigation shall be completed within ten (10) days of its commencement, and the findings shall be immediately reported to the Secretary of the Board. If following the formal investigation, the Secretary of the Board determines that suspension of the license is warranted, a hearing shall be held within five (5) days of the completion of the formal investigation.

IT IS FINALLY ORDERED that a special agent of the Board shall serve a true copy of this order in person and by certified mail to the licensee. The order of suspension shall take effect immediately upon service.

AS PROVIDED BY SECTIONS 4.1-225.1(A) AND 2.2-4018(4) OF THE CODE OF VIRGINIA, THIS SUMMARY ORDER OF TEMPORARY SUSPENSION IS FINAL AND IS NOT SUBJECT TO APPEAL OR JUDICIAL REVIEW.

VIRGINIA ALCOHOLIC BEVERAGE CONTROL  
BOARD



---

Chief Executive Officer and Secretary to the Board

August 27, 2023

---

Date





# Real Estate Leases Signed

Store Number and Location	Leased Space	Term	REC Vote	Board Approval
Store #239 (Bowling Green) Bowling Green Plaza 320 West Broaddus Avenue, Unit E Bowling Green, Virginia 22427	2000 square feet	5 years	1-17-23	2-23-23
Store #256 (Virginia Beach) Hilltop North Shopping Center 1612 Laskin Road, Suite 774A Virginia Beach, Virginia 23451	6701 square feet	10 years	6-20-23	7-20-23
Store #068 (Harrisonburg) Garbers Crossing Shopping Center 2196 John Wayland Highway Harrisonburg, Virginia 22801	2400 square feet	5 years	6-20-23	7-20-23

# New Distillery Stores

ITEM: Agreements with Distillery Stores	Approval Date	Store Number/Distillery Name	License Number	Location/Zip
Three Notch'd Distilling Co., LLC	8/10/23	655-Three Notch'd Distilling- Charlottesville	13367234	Charlottesville/22902
Three Notch'd Distilling Co., LLC	8/10/23	656-Three Notch'd Distilling- Nellysford	13326546	Nellysford /22958
Three Notch'd Distilling Co., LLC	8/10/2023	657-Three Notch'd Distilling- Richmond	13364775	Richmond/23230
Three Notch'd Distilling Co., LLC	8/10/23	658-Three Notch'd Distilling- Virginia Beach	13158640	Virginia Beach /23452
MHG Reston LLC	6/29/23	659-Open Road Distilling Co.	13354668	Reston /20190

# Authority KPIs





*Data thru July 2023*

August 29, 2023

*Prepared By: Strategy & Analytics*



# Virginia ABC Mission: To strengthen the Commonwealth through public safety, education and revenue derived from the responsible regulation and sale of alcoholic beverages.

-  Partner with licensees and other law enforcement agencies to limit the impacts of alcohol consumption on citizens and business
-  Provide education and prevention programs that ensure the safe consumption and sale of alcoholic beverages.
- 
-  Continue as a reliable revenue stream for the commonwealth through partnerships with Virginia distilleries, as well as the sale of a diverse range of alcoholic products.



# Store Sales and Profits: Store Sales growing at 0.5% CAGR, Profit at -7.4%

For the Current Month, store sales have a CAGR of 0.5%, and profits have a CAGR of -7.4%. For the current month, -7.4% profit CAGR represents volatility in the month-to-month profits.

Virginia ABC: Store Sales and Profit Comparisons						
Jul'23						
<i>In \$M</i>	Current Month	Current Month FY'23	Current Month FY'22	Growth vs FY'23	Growth vs FY'22	CAGR
Store Sales	121.3	119.0	120.3	2.0%	0.9%	0.5%
Profits	19.2	19.0	22.4	1.1%	-14.3%	-7.4%

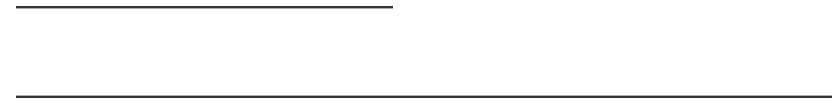
  

<i>In \$M</i>	Quarter to Date	Quarter to Date FY'23	Quarter to Date FY'22	Growth vs FY'23	Growth vs FY'22	CAGR
Store Sales	121.3	119.0	120.3	2.0%	0.9%	0.5%
Profits	19.2	19.0	22.4	1.1%	-14.3%	-7.4%







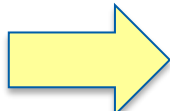



<i>In \$M</i>	FY to Date	FY'23 to Date	FY'22 to Date	Growth vs FY'23	Growth vs FY'22	CAGR
Store Sales	121.3	119.0	120.3	2.0%	0.9%	0.5%
Profits	19.2	19.0	22.4	1.1%	-14.3%	-7.4%

Source: SmartView



# 8 out of 10 KPIs are green, all are steady

In stock position remains below normal but continues to improve. Employee Turnover for wage associates has declined since it's peak in Oct/Nov last year. SWaM is stable and above ABC's goal. All other KPIs are as expected.

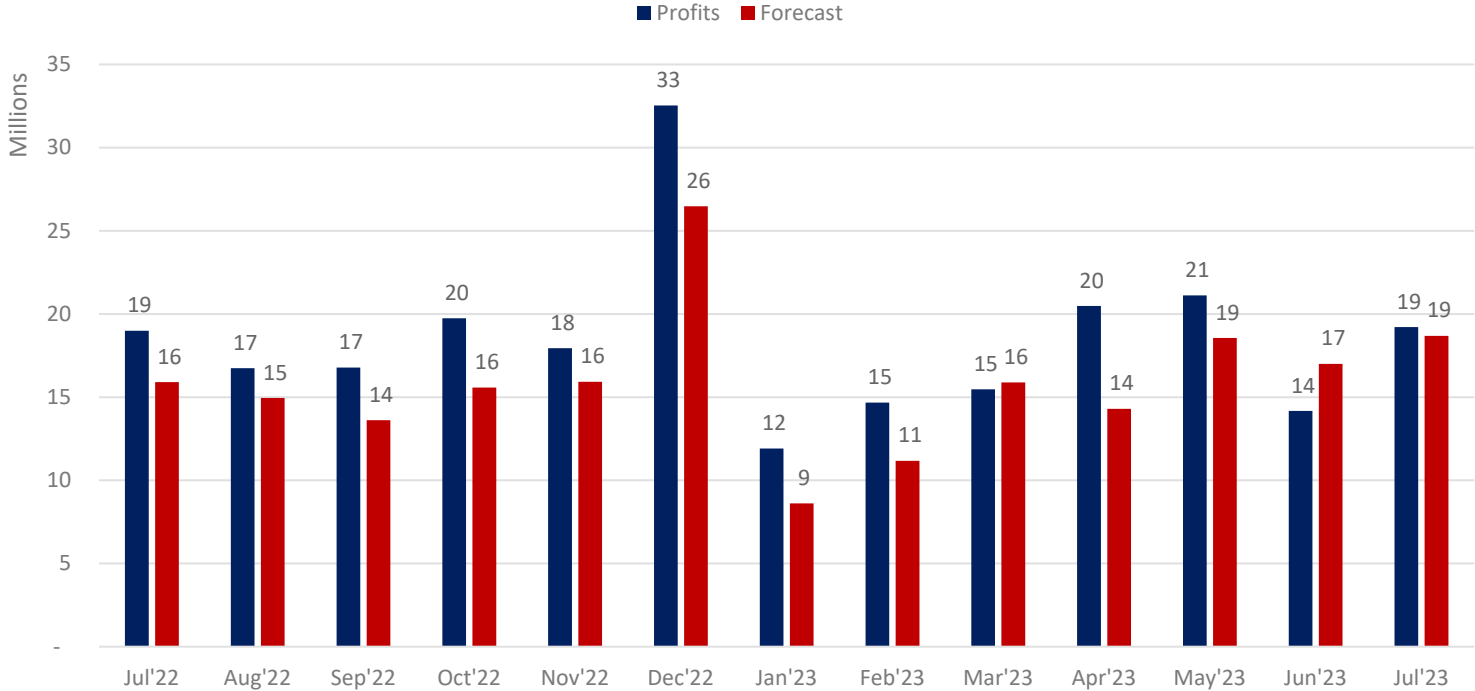
<p>Profit vs Forecast</p>  <p><i>Profits exceed budget by \$0.5M</i></p>	<p>Sales vs Forecast</p>  <p><i>Sales exceed budget by \$0.2M</i></p>	<p>Operating Costs as a % of Net Revenue</p>  <p><i>Operating costs are above budget while revenues exceed forecast</i></p>	<p>Number of Transactions</p>  <p><i>Transactions as expected</i></p>	<p>Average Basket Ring</p>  <p><i>Average basket as expected</i></p>
<p>Number of OLO Transactions</p>  <p><i>Transactions up vs. last year</i></p>	<p>Retail Store In-Stock Position</p>  <p><i>In-Stock Position steady, just below norm</i></p>	<p>Employee Turnover Rate</p>  <p><i>Wage and staff declining</i></p>	<p>Time to Fill</p>  <p><i>Time to fill down for wage but up slightly for full time</i></p>	<p>SWaM Spend</p>  <p><i>SWaM % above goal</i></p>

Data thru July 2023

# Monthly Profits vs Forecast: Profits favorable in July

Profit was \$0.5M favorable for the month in July, or 2.7%, driven primarily by favorable net revenues.

Virginia ABC Monthly Profits vs Forecast, Jul'22 to Jul'23



**Notes:**

- July profits surpassed budget by \$0.5 million, driven by favorable net revenues, principally higher license revenue.
- Partially offset by higher personal services costs due principally to higher than budgeted retail labor hours.

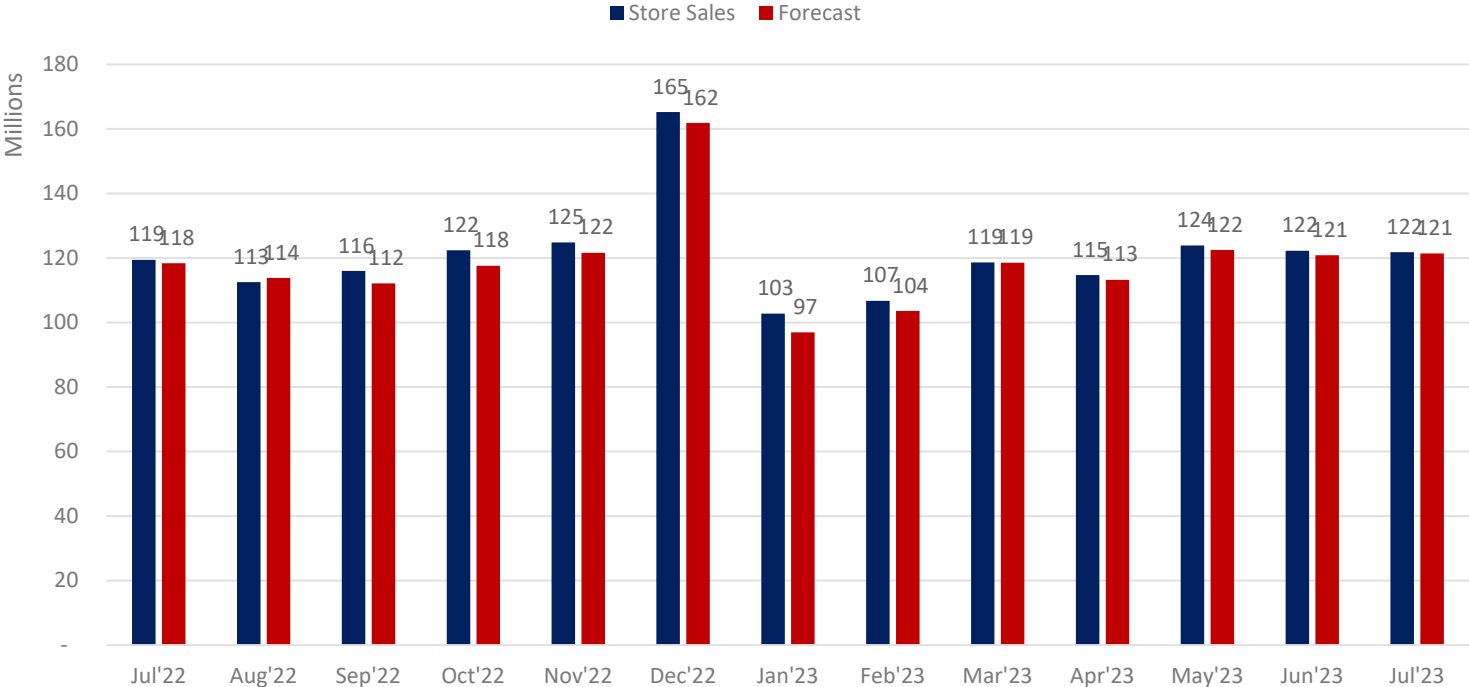
Source: SmartView



# Store Sales vs Forecast: Store sales above budget

Store sales for July were slightly above budget, resulting in sales that were \$0.2M above budget, or 0.2%.

Virginia ABC Store Sales vs Forecast, Jul'22 to Jul'23



Notes:

- Store sales remained close to budget
- Sales in July of \$121.3M were \$200k above budget or 0.2%

Source: SmartView

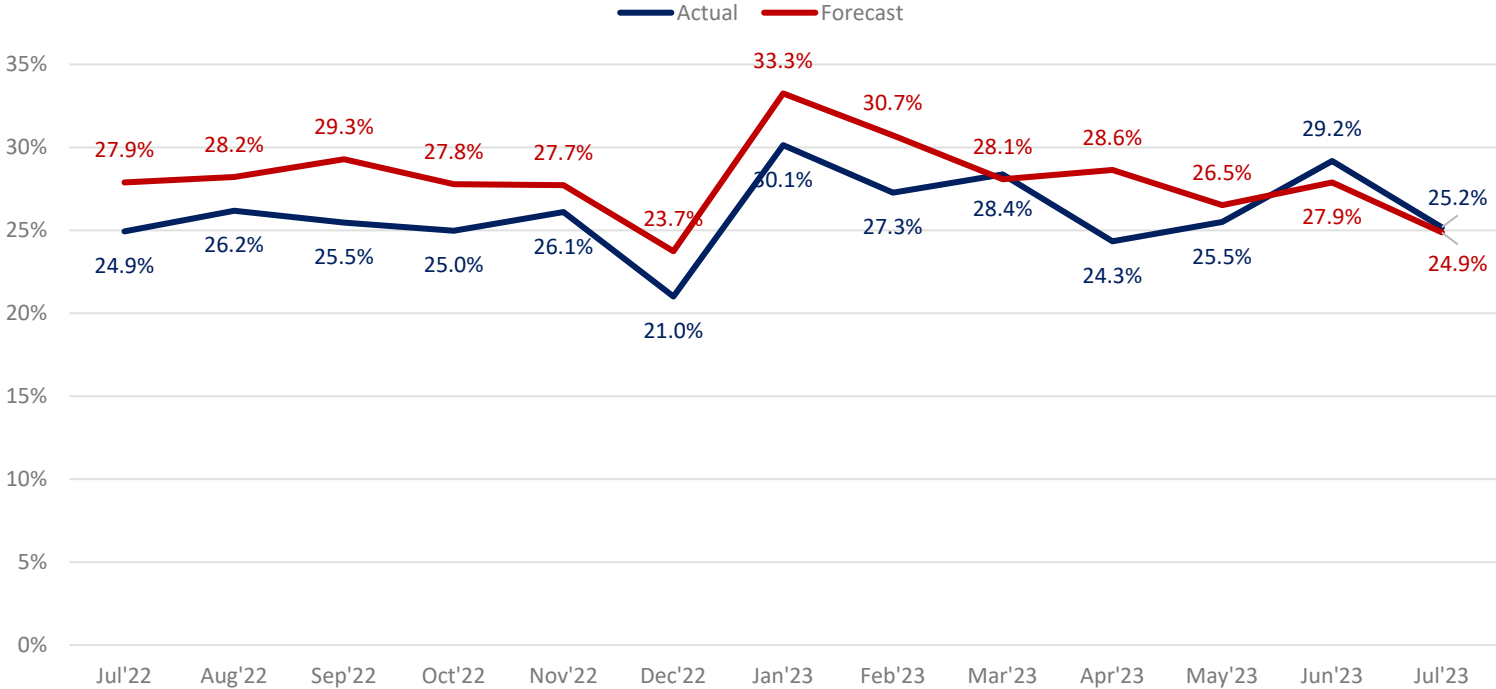




# Operating Cost as % of Revenue: July is Unfavorable to budget

Revenues were favorable and operating costs were unfavorable to budget for the month of July.

Monthly Operating Costs as a % of Revenue vs Forecast, Jul'22 thru Jul'23



Notes:

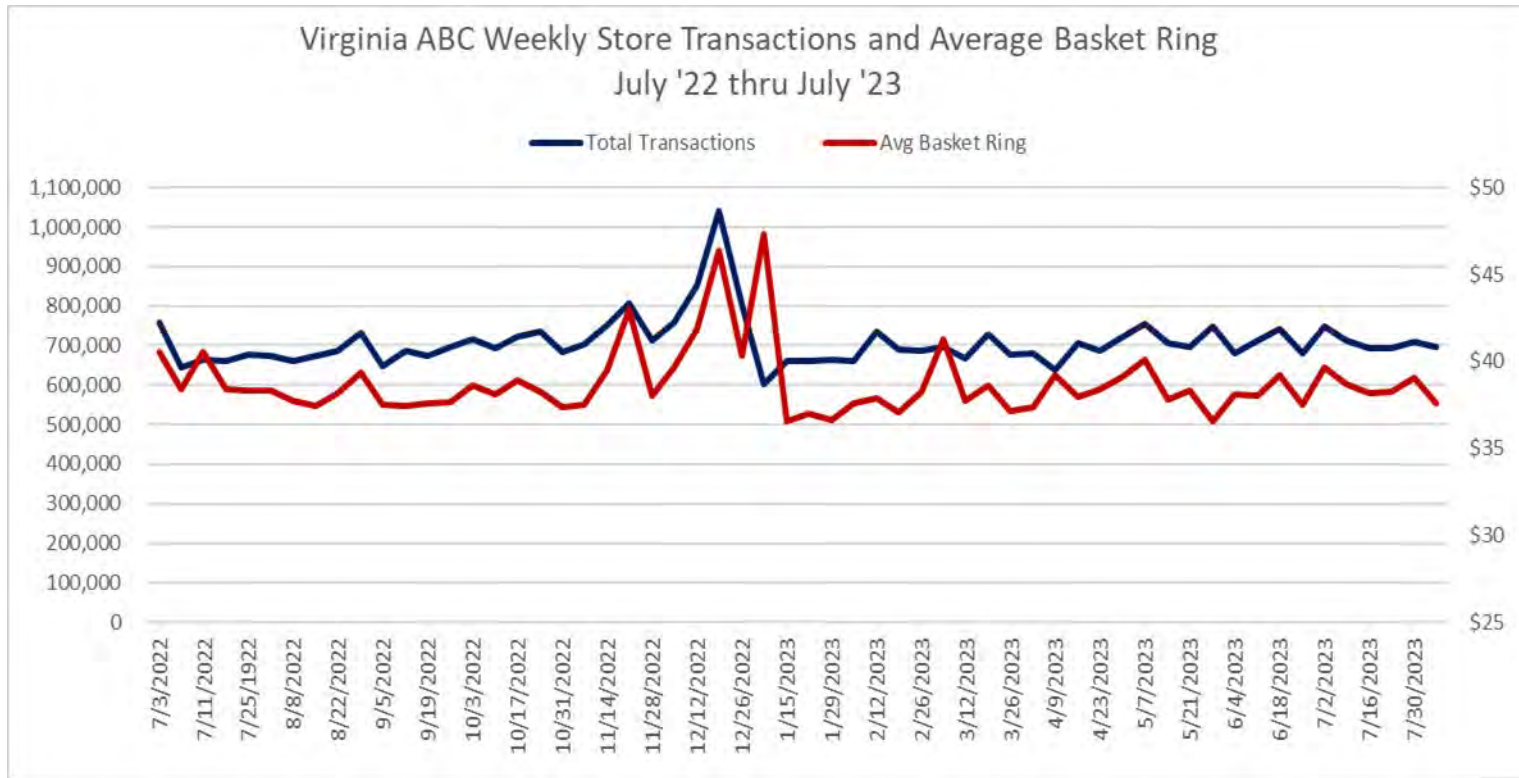
- Favorable net revenues, principally higher license revenue.
- Partially offset by higher personal services costs due principally to higher than budgeted retail labor hours.

Source: SmartView



# Transaction Trends: Summer is as expected

Transaction counts in July are steady, with average basket value up slightly in July compared to June.



Source: IT

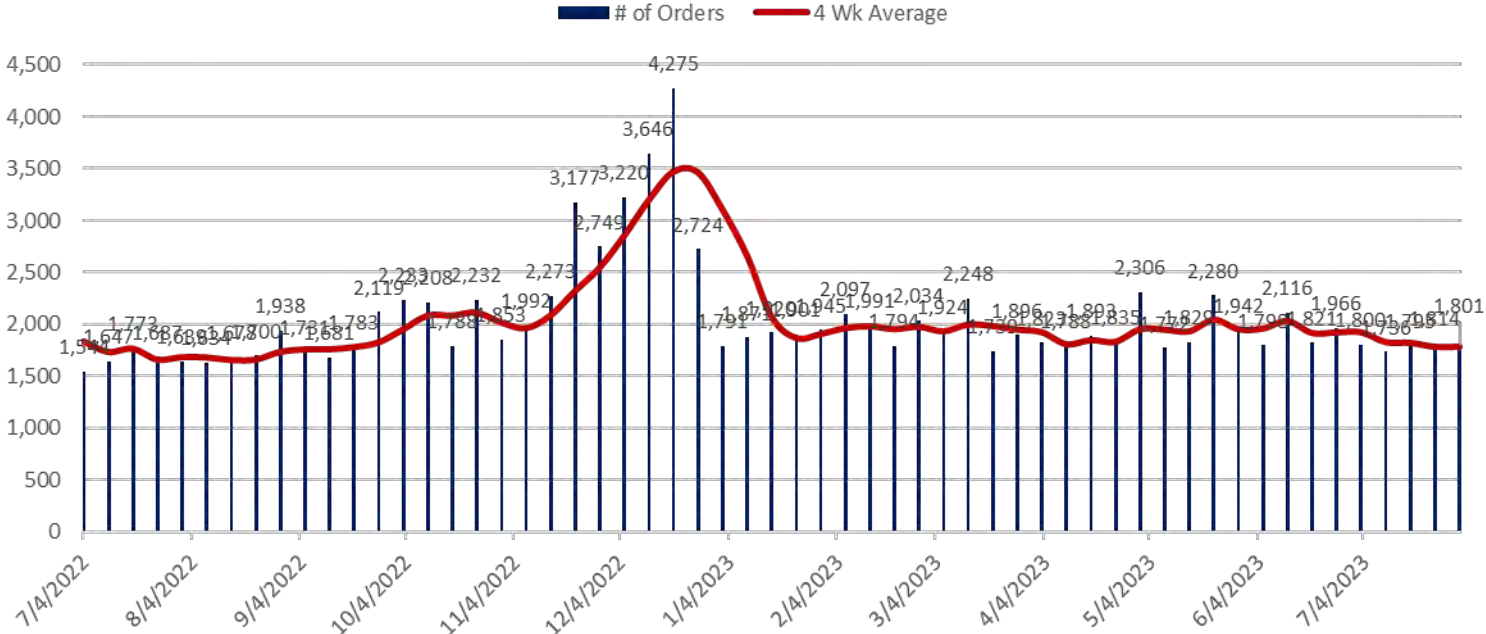
## Notes:

- The summer months are often spiky driven by the timing of warm weather holidays, leading to smoother trends during the fall month
- Once Halloween hits, cold weather holiday seasonal volatility begins, and October ended the month as expected from a seasonal perspective
- Once holiday driven spikes over November and December end, both basket ring and transaction hit their low points of the year in January

# Online Transactions: Online orders showing consistent growth as well

Online transactions are trending higher than CY'22, with 5.3% more transactions than the same time last year

Virginia ABC Weekly Online Orders, July'22 - July'23



Notes:

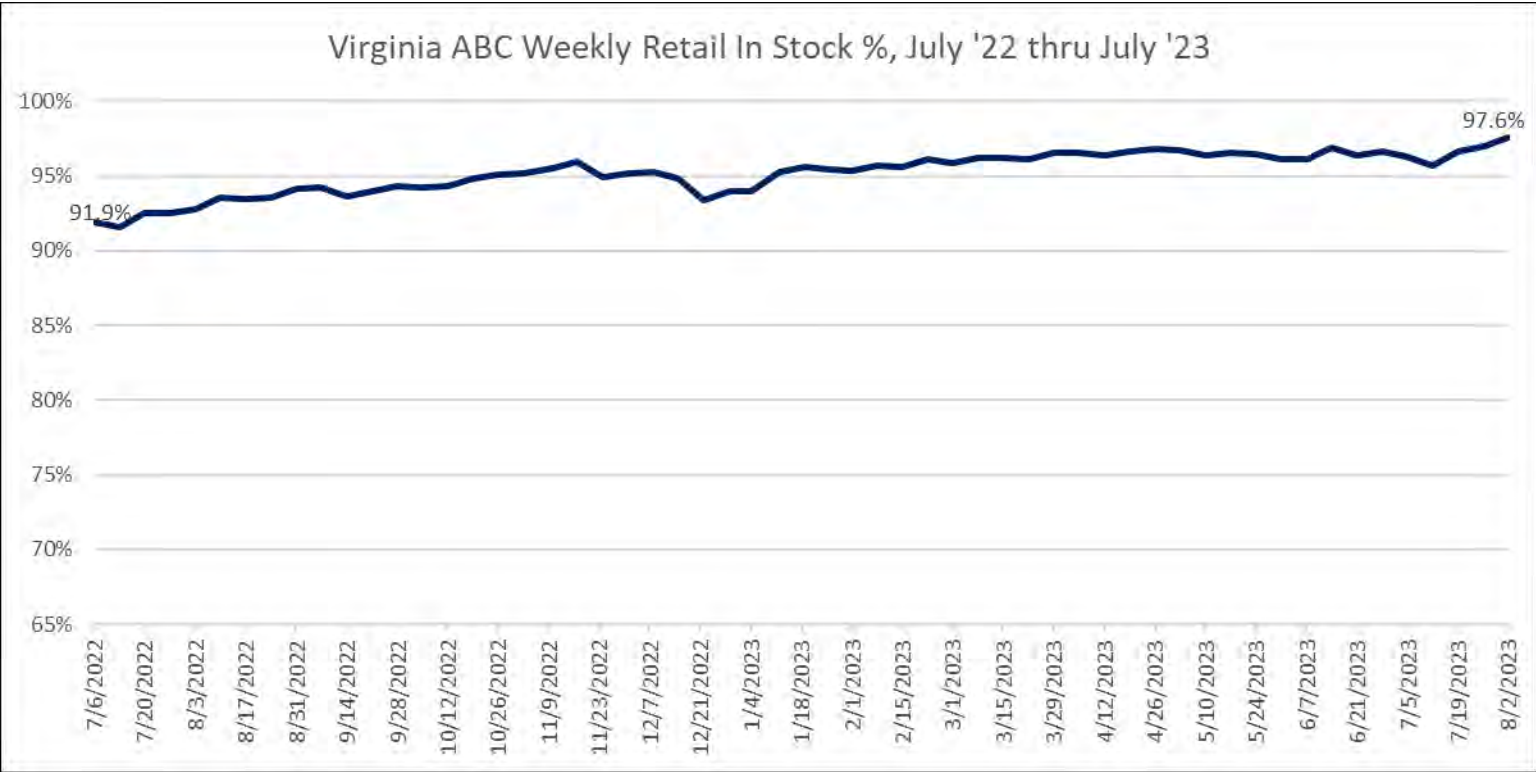
- Online transactions were mostly flat throughout CY'22 and CY'23 YTD, but '22 showed growth in the fall, prior to and throughout the holiday season
- July '23 averaged 1789 transactions per week, versus 1663 during July '22, increasing 7.5% on a year-over-year basis

Source: Data Warehouse



# Retail In Stock %: In-stock continues to improve

Retail stocks remain impacted from both increased demand and supply chain difficulties and reached their lowest point in the last year during the holidays. Stock position remains just below historical norm of 98%,



Source: Logistics

Notes:

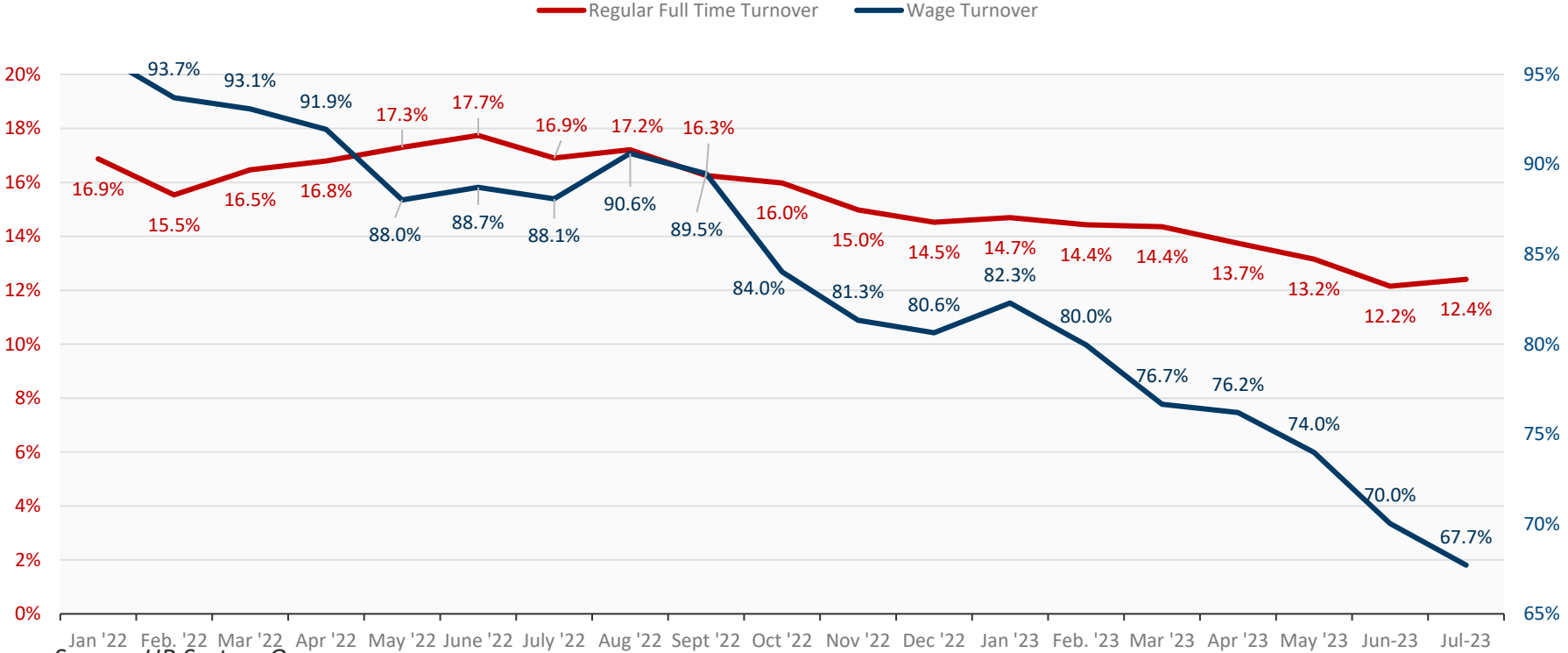
- In stock position continues to improve, but has been relatively flat since February 2023 (95.6%) vs August 2023 (97.6%)
- Lower inventory position in December / January expected as a result of peak period sales and several supplier annual holiday close downs. Target is to recover end of February which was achieved.
- Suppliers are indicating they are allocating product to balance demand across their portfolio of customers
- The elevated sales increases will continue to challenge supply for the foreseeable future
- Work is continuing to right size inventory holdings, eliminate overstocks and “unhealthy” inventory



# Employee Turnover: Wage and Staff turnover improving

Turnover rates for both full time and wage associates are showing a clear reduction trend and are improved versus prior year; full time turnover has increased slightly, but wage turnover has continued to drop.

Virginia ABC Annualized Monthly Employee Turnover, July '22 thru July '23



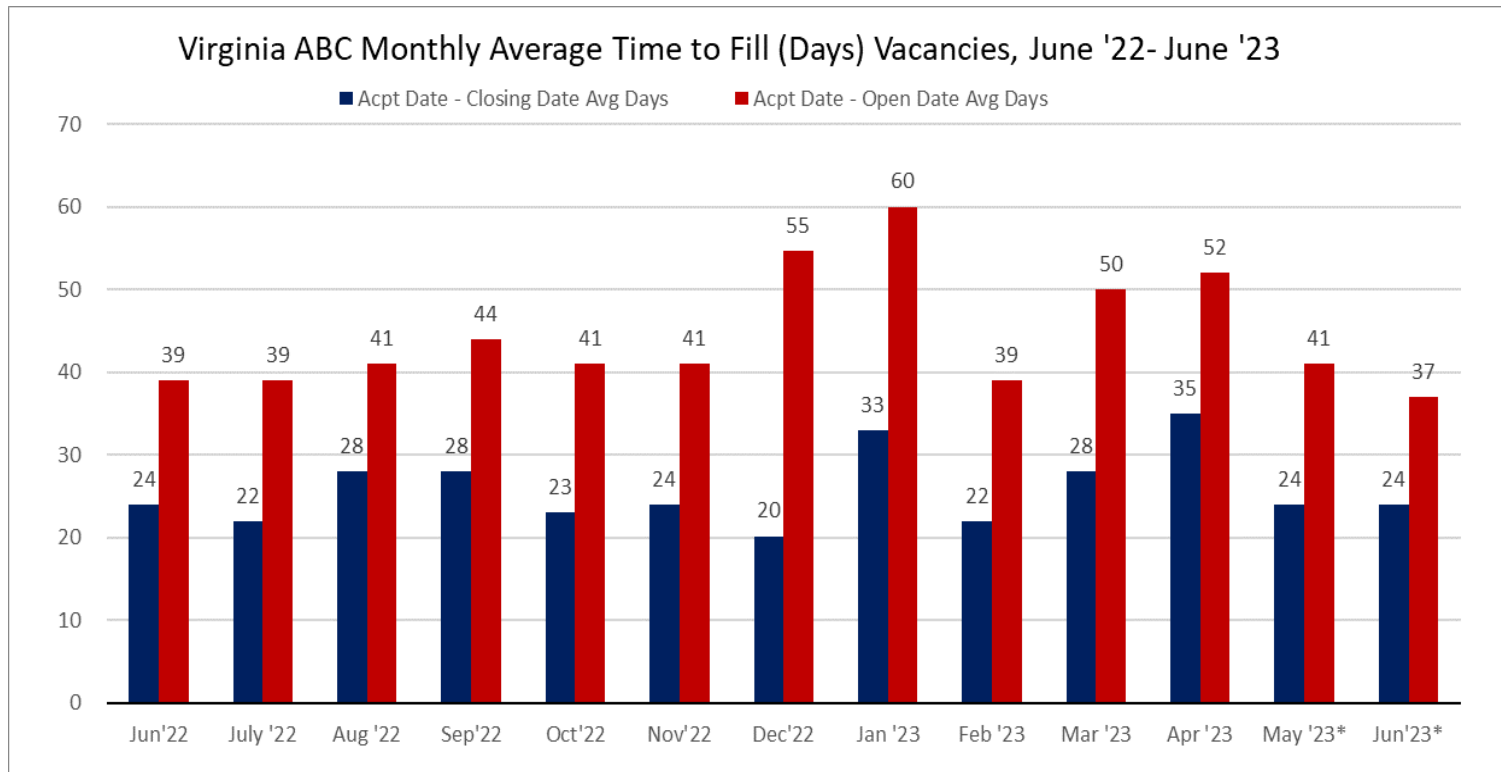
Notes:

- Employee engagement initiatives and other focused efforts (DEI Surveys and Town Halls) have been launched to address employee retention.
- EET continues to send and collect employee life cycle survey data.
- Additional recruiting KPIs are being identified and added to help determine any challenges and roadblocks in recruiting process.



# Time to Fill: Time to Fill improved versus year ago

Time to fill has improved due to **more efficient** internal processes and higher salaries have resulted in higher candidate pool which resulted in a reduction of reposting of positions.



Source: HR System Query

## Notes:

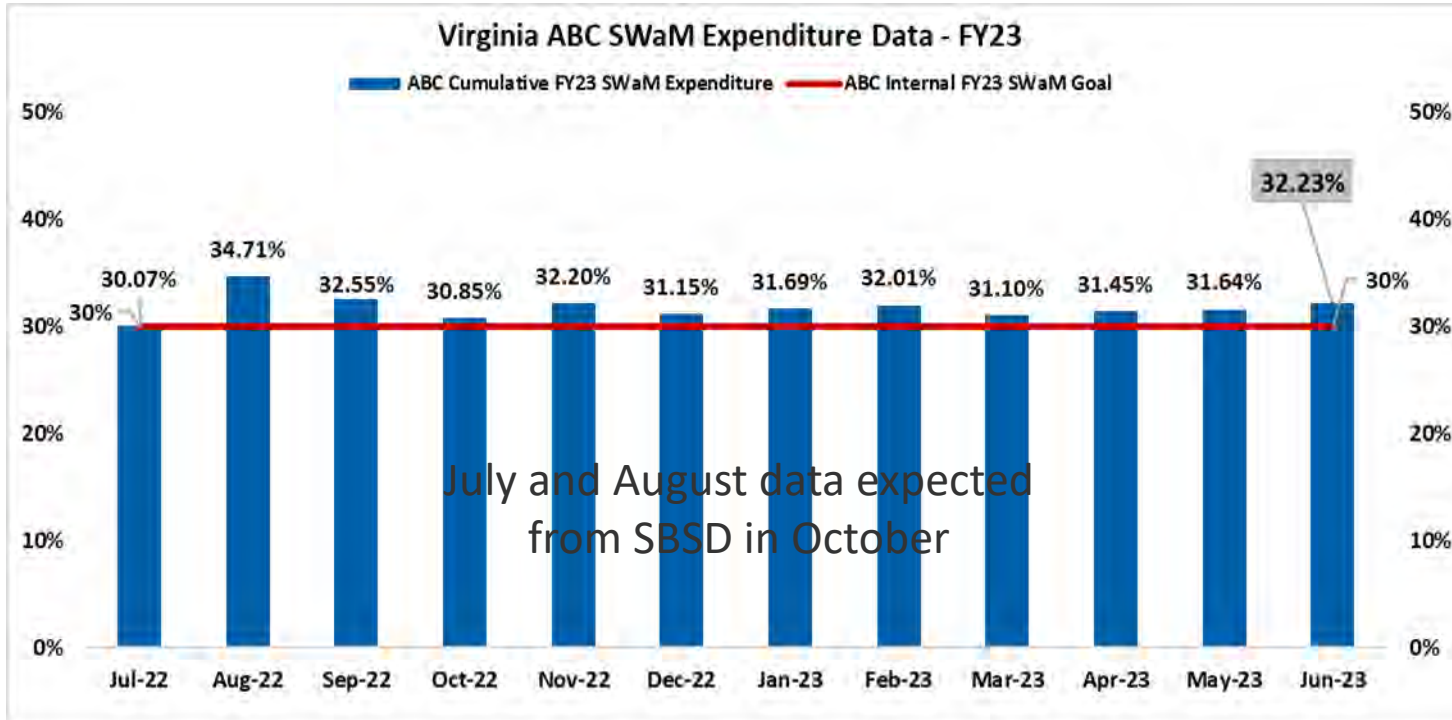
The following action plan is in place to address time to fill.

- New recruiting KPIs are being developed to help ensure the talent acquisition process is efficient and results in a good internal and external customer service experience.
- New KPIs will help identify areas for improvement in current process and help identify new processes as needed.
- TAC team works with hiring managers to ensure only difficult to fill positions are listed as open until filled.
- TAC team continues to send follow up emails to hiring managers with screening timelines to ensure a faster turnaround time for candidates/time to fill.



# SWaM %: Cumulative SWaM vendor spend above target

After ending last FY '22 below target, FY '23 showed improved SWaM spend. SWaM spend has remained above target each month since last July.



Source: Procurement

Notes:

- As an Authority, ABC is not bound to the state goal of purchasing 42% of discretionary spending from SWaM vendors
- COVID spending allowed more dollars to be easily steered to SWaM vendors, but the return to more normal operations has reduced that impact, resulting in a lower target of 30 for FY'23.
- ABC cumulative FY23 SWaM expenditure is 31.64%
- ABC cumulative FY23 SWaM dollars spent is \$15,472,750
- ABC SWaM spend consistently driven by Spurrier, 3Sixty Holdings, and SingleStone

# Board Commentary



# Public Comments