

March 20, 2023 Board Meeting

Virginia ABC Board of Directors



Glossary

CSPR	Customer Support Process Reengineering	MIPS	Management of Inventory and Product Sales
CAGR	Compound Annual Growth Rate	MOU	Memorandum of Understanding
DOA	Department of Accounts	NABCA	National Alcohol Beverage Control Association
DPB	Department of Planning and Budget	OMS	Order Management System
EBR	Enrolled Bill Review	PDH	Product Master Data
EWA	Enterprise Workflow Automation	PIM	Product Inventory Management
EWPs	Employee Work Profiles	POS	Point of Sale
FIS	Fiscal Impact Statement	REC	Real Estate Committee
FLSA	Fair Labor Standards Act	RSVP	Responsible Sellers & Servers: Virginia's Program
FOIA	Freedom of Information Act	SNDA Agreement	Subordination, Non-disturbance and Attornment Agreement
FSM	Field Service Management	SOLO	Store Online Order
GA	General Assembly	SOW	Statement of Work
GACRE	Governor's Advisory Council on Revenue Estimates	STC	Ship to Customer
HCM	Human Capital Management	STS	Ship to Store
HRIS	Human Resource Information System(s)	TAL	Time and Labor
HRM	Human Resources Modernization	TA&O	Talent, Acquisition and Onboarding
ITAM	IT Asset Management	TP&C	Talent, Performance and Compensation
ITOM	IT Operations Management	VACALC	Virginia College Alcohol Leadership Council
ITSM	IT Service Management	VAL	Virginia ABC Licensing System
L&T	Learning and Training	VHESUAC	Virginia Higher Education Substance Use Advisory Committee
LA	Limited Availability	VITA	Virginia Information Technologies Agency
LAS	Legislative Action Statement	VOSAP	Virginia Office for Substance Abuse Prevention
LRM	License Records Management	VRS	Virginia Retirement System
MART	Managers Alcohol Responsibility Training	VSDP	Virginia Sickness and Disability Program
MBAR	Mixed Beverage Annual Review		

WOLO

Warehouse Online Ordering

YADAPP

Youth Alcohol & Drug Abuse
Prevention Program



Agenda

- Call to Order
- Approval of Minutes
 - *Approve minutes from February 23, 2023*
- 10:00 Hearing
- New Business
 - *Introducing Mike Skrocki, Audit Activity(Skrocki)*
 - *Approve recommendations of Real Estate Committee (REC) from January 2023 (Hill)*
 - *Delistings OutcomesReport (Hill)*
 - *NCSLA Commending Resolution (Hill)*
- Chief Reports
 - *GAO – John Daniel*
 - *CTO –Elizabeth Chu*
 - *CDBO – Vida Williams*
 - *CLEO – Tom Kirby*
 - *CROO – Mark Dunham*
 - *CAO – Dave Alfano*
 - *CIO – Paul Williams*
 - *CEO – Travis Hill*
- Comments from the Board
- Public Comments
- Adjournment



Minutes: February 23, 2023

Required Action

Approval of Minutes from February 23, 2023 meeting

BOARD MEETING MINUTES: February 23, 2022 ABC Headquarters

Call Meeting to Order at 9:34 a.m.

Attendees

Board Chair Tim Hugo
Board Vice-Chair Maria Everett
Board Member Greg Holland
Board Member William Euilleⁱ
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
Deputy Secretary, Chris Curtis
Chief Information Officer, Paul Williams
Office of the Attorney General, Jim Flaherty
Executive Assistant, Kathleen LaMotte

Introduction of Tim Hugo

Maria Everett, Vice-Chair, introduced Board Chair Tim Hugo to the group. Tim Hugo thanked Maria Everett and reported he looks forward to working with the Authority.

Approval of Minutes

The board reviewed the minutes from the January 11, 2023 and February 2, 2023 board meetings. Board Vice-Chair Everett moved to accept the minutes as amended, Board Member Rubin seconded the motion. The motion passed on a roll-call vote of 4 – 0.

Closed Session

At 10:00 a.m., Vice Chair Everett moved that the Board enter closed session Virginia Code §2.2 37.1(A)(1)(7)(19) to discuss personnel matters, probable litigations, and IT Security regarding issues in retail stores. Board Member Rubin seconded. The motion passed on a roll call vote of 4 – 0. Attending the closed session in full were Tim Hugo, Maria Everett, Greg Holland, Mark Rubin, John Daniel, Jim Flaherty, Travis Hill, Mark Dunham, Paul Williams and Chris Curtis. William Euille arrived to the meeting during the closed session.

When the Board returned from Closed session at 10:24, Board Vice Chair Everett moved to certify that to the best of her knowledge nothing was discussed in the closed sessions but personnel matters, probable litigations, and IT Security regarding issues in retail stores pursuant to §2.2 37.1(A)(1)(7)(19), and only public business matters lawfully exempted

from open meeting requirements was discussed. Board Member Euille seconded; the motion passed on a roll-call vote of 5 - 0.

New Business

Approve Recommendations of Real Estate Committee

Board Member Euille moved to accept the REC's recommendations as amended for two new stores, Store 529 (Alexandria) and 531 (Lovettsville). Lovettsville was previously approved by the board but this is an improved location. The Alexandria store is in southern Alexandria which is high-density area with many licenses. This store has generated some attention with support and opposition received. There are two petitions circulating with opposition and support. Supportive emails outnumber emails opposed. Concerns from the community concern that alcohol may increase the crime rate. The Authority has reached out to local state legislators in the area who are supportive of the store. Board Member Euille has not heard any community opposition other than some chatter online. He has spoken with the mayor and city council, who have not heard anything from citizens opposed to the store. The REC also approved two relocations, Store 045 and 294 (Baileys Crossroads), and three expansions 239 (Bowling Green), 270 (Henrico – Parham Road) and 385 (Fairfax – Twinbrook). Board Member Rubin seconded the motion, and the Board adopted the recommendations of the REC on a roll-call vote 5– 0.

Review Strategic Planning Process

Elizabeth Chu, CTO, and Barbara Peterson-Wilson, Strategy Manager, presented the Executive Summary of the Strategic Plan included in the Board's packet. This plan is for three years, which should be more actionable and tangible than a five year plan, which may become stale.

Board member Rubin moved to adopt the recommendations of the strategic plan, seconded by Vice-Chair Everett. The motion carried on a roll call vote of 5 – 0.

Listings Report

Products selected for in-store listings for on-shelf on April 1 were included in the materials presented to the Board. The next Board meeting will have a report of products recommended for removal from the stores.

Amendment to Ethics Policy

The Authority sells high-demand products, primarily whiskeys, through a lottery system. In the past Authority employees have been able to enter the lottery, but to avoid the appearance of impropriety, going forward employees will not be able to participate in the lotteries for high-demand products. This will be placed as an amendment to the Authority's Ethics policy.

Board Member Rubin moved to adopt the amendment to the Ethics Policy to prohibit employees from entering the lotteries, this was seconded by Board Member Euille. The motion carried on a roll call vote of 5 – 0.

Pay for Performance

As an Authority, the ability to pay for performance independently of the state's scheduled pay raises has been discussed since 2018. In the past, all Authority Employees received the same raise regardless of their performance. The Authority will still use the 5% budgeted by the General Assembly, but 2% will be the standard Increase with a 3% variable pay for performance. All employees will utilize a self-evaluation and consider how the performance was executed utilizing ABC's Core Values. This policy is not applicable to wage employees. Some processes for the evaluation are being accelerated for this year to accommodate this new process.

IT Security Exception

Mr. Hill reviewed Security Exceptions he has signed on behalf of the Board, a summary of which was provided in the Board's packet. Each exception is being addressed by the Authority. These are reviewed by the IT Security Officer and IA and signed by CEO.

Executive Order 23: COVID Penalties

The Board was provided with the Authority's response to Governor Youngkin's request to report all penalties in response to COVID guidelines put in place by Governor Northam. Governor Youngkin's office is reviewing the penalties assessed and the employees terminated for refusing to comply with previous Executive Directives and violations of standards of conduct regarding COVID regulations. Some penalties were assessed on multiple charges that all were not related to COVID.

Summary Suspension Orders

Mr. Hill reviewed recent Summary Suspension orders signed through his delegated Authority.

Legislative Action/Electronic Bill Summaries

John Daniels' team prepares these Legislative Action Summaries, presented to the Board in their materials as part of a delegated items.

Chief Reports

The Board heard updates from Elizabeth Chu, Chief Transformation Officer, Vida Williams, Chief Digital and Brand Officer, John Daniel, Chief Government Affairs Officer, Tom Kirby, Chief of Law Enforcement, Mark Dunham, Chief Retail Operations Officer, David Alfano, Chief Administrative Officer, Paul Williams, Chief Information Officer, and Travis Hill, Chief Executive Officer.

Comments from the Board

- March 12 – 15 – NABCA Legal Symposium
- March 20 – March board meeting
- April 20 – April board meeting
- June 8 – June board meeting (this is a change)

Public Comments

None

Meeting Adjournment

Meeting adjournment at 12:35 p.m.

ⁱ Mr. Euille arrived after the Board meeting was underway due to traffic conditions.



New Business

Board Review: Introducing Mike Skrocki, Audit Activity Board Review: NCSLA Commending Resolution (Hill)

Board Review: Real Estate Recommendations (Hill)

Board Review: Delisting Outcomes Report (Hill)

Internal Audit Update

Overview

Introducing Michael Skrocki, Director of Internal Audit.

Internal Audit FY23 Plan Updates

FY23 Audits Underway

Operational Audits	Division	Notes
Retail Store Operating Guidance Review – Recurring	Retail	Have provided guidance on Retail Store Operating Manual and Job Aids (Oct-Nov 22). This information will be used to establish revamped Retail Store Audit Program.
Retail Store Audit Program – Continuous	Retail	Near completion with updated program in line with updated manual and procedures. Will review plan with Retail Management and Enforcement for feedback. Plan to pilot audit program in stores in Q4.
Distillery Stores – Continuous	N/A	Compliance with Distillery Store Agreement and Manual, applicable laws, and regulations.
SPCC – Recurring - Close Out	Procurement	Program processes and procedures. Compliance with SPCC policies and procedure/fraud and abuse identification. Met with Director of Procurement to review audit procedures and scope of audit.
Investigations/Special Projects	Enforcement/Retail	Worked closely with enforcement on possible theft issues, and currently taking part in observation of store inventories.

FY23 IT Audits Underway

IT Audits	Division	Notes
APA IT Audit	All	Project manager for APA IT Audit
Authority-Wide Access Review	All	Collect and document all access reviews for sensitive systems at ABC.
Third Party Service Provider	Various – primarily Procurement and IT	Review contracts and all external audit reports for IT third party service providers. Now completed by Information Security.
PCI Compliance	Various – primarily Retail and IT	Project manager for the annual PCI assessment.
IT Common Controls	IT	Test controls applicable to all IT systems on an annual basis.
MIPS	IT, Retail, Logistics	Security controls audit - <i>Moved to accommodate DC and Retail busy ramp-up/holiday season.</i>

FY23 Audits Planned

Audit Area	Division	Start Date	Notes
Accounting – Controls, Policies and Procedures	Finance	*FY 2024	Review of Accounting internal controls, processes, and procedures.
License Records Management	Enforcement	December 2022 April 2023	Review processes, procedures, and reconciliations, as well as cash management/cashiering
Education Grants	Education and Planning	February 2023 May 2023	Review grant controls and procedures. There was a previous large fraud in this area.
Authority Policy and Procedure Review	All	*FY 2024	Review Authority policies and procedures for adequacy, practicality, and enforceability.
Leases	Real Estate & Property Mgmt	*FY 2024	Review of the accuracy of lease information in PRISM
Distribution Center	Logistics	*FY 2024	New processes & procedures are underway in DC. Will revisit in FY24. Possible combined audit with IT Audit.

**These audits will be considered for the FY 2024 audit plan based on Internal Audit’s reassessment of risks and priorities determined by CEO and Senior Management.*



FY23 IT Audits

System Name	Division	Start Date	Notes
POS	Retail	On hold	Somewhat covered during PCI but there are additional controls specific to ABC to audit - <i>Moved to accommodate PCI and Retail busy ramp-up/holiday season.</i>
Sales Audit	Finance	March 2023	Somewhat covered during PCI but there are additional controls specific to ABC to audit
Distribution Center (WMS)	Logistics	June 2023	Audit systems concurrently with Distribution Center process audit and after warehouse processes have stabilized

PCI Audit

- CampusGuard, our external auditor, performs a review of ABC's policies, procedures, and processes as it relates to credit card payments.
- One week of store visits to verify policies and procedures are followed by Retail employees. Over 60 stores were visited, even more than previous years.
- One week of visits at Central Office involving representatives from IT, Sales Audit, Enforcement, Retail, HR, Information Security, Security, and Internal Audit.
- No issues were found and ABC will be receiving the Attestation of Compliance (AOC) to provide to Elavon and the card brands by 3/31/23.

Authority-Wide Access Review

- Internal Audit coordinated and collected access reviews from a variety of sensitive systems at ABC to validate and document they were performed.

Third Party Service Provider Review

- Information Security has collected external audit reports and will continue to review them on an annual basis.

Real Estate Committee Recommendations

Overview

December:

0 New Stores

1 Relocation

1 Expansion

4 Renewals

Action

Approve Real Estate Recommendations

Real Estate Committee Recommendations

ACTION	COMMENTS
December 2022 New Stores	
Relocations	
Store #253 (Charlottesville)	Moving to corner of Emmett Street and Barracks Road to 5320 square feet at \$37.68 per square foot with 2% annual escalations (Landlord initially proposed \$43 and 3% escalations)
Expansions	
Store #139 (Winchester)	Expanding by 1875 square feet; we currently lease 2968 square feet. The determination to expand was made when Retail, the CROO, and the CEO conducted a store visit; on meeting agenda to obtain official vote of REC
Renewals	
Store #114 (Colonial Heights)	3900 square feet at \$21.33 per square foot, flat for a 5 year Option Term
Store #168 (Arlington)	1800 square feet at \$48.93 per square foot, with 2.75% annual increases, for a 5 year term
Store #268 (Springfield)	3375 square feet at \$49.68 per square foot, with 2% annual increases, for a 5 year Option Term
Store #423 (Norfolk)	5600 square feet at \$13.25 per square foot, with 2% annual increases, for a 5 year Option Term

Delistings Outcome Report

Overview

Review of Delisting Outcomes
with Data Review.

Delisting Results

Action	# SKUs
Code convert	1
Contract	13
Delist	107
Keep	30
Removed from consideration (new listing, OTB, discontinued by supplier)	7
TOTAL	158

Category	# SKUs Delisted	Total # SKUs
American whiskey	9	433
Brandy/cognac	8	137
Canadian	6	59
CCHS	1	54
Cocktails	4	66
Cordials	10	219
Gin	5	104
Irish	3	42
Minis	7	172
Mixers	0	87
Moonshine	1	41
Flavored rum	14	57
Spiced rum	1	38
Unflavored rum	4	116
Scotch	7	151
Tequila	3	238
Virginia wine	1	78
Vermouth	0	16
Vodka	23	329
Total	107	2,437

Delisting Results

8 instances of multiple SKUs of same flavor (17 SKUs)

- Kept SKU with higher sales/attached store

Appeals

- 63 products appealed
- 21 products kept based on appeal information – primarily due to out of stocks
- Developing standardized appeal template for future rounds

Delisting Monitoring

Effective February 2023, ABC distributes a monthly tracker so suppliers can monitor product sales/attached store versus the delist thresholds

Product Code	Product	Size	Manufacturer	Category	Price Tier	Current Attached Stores	Average Attached Stores 12 Months	Threshold Requirement	Actual Average Sales per Store 12 Months	Amount below Threshold	Number of Stores Above Threshold	If Delist Were Today
087510	1800 Blanco Tequila	750ml	PROXIMO SPIRITS INC.	Tequila	Premium	398	397.4	\$ 35.21	\$ 759.17	\$ -	398	No Change
064933	1800 Coconut Tequila	750ml	PROXIMO SPIRITS INC.	Tequila	Premium	377	375.6	\$ 35.21	\$ 299.58	\$ -	365	No Change
088922	1800 Cristalino Tequila	750ml	PROXIMO SPIRITS INC.	Tequila	Ultra Premium	302	270.8	\$ 31.09	\$ 152.47	\$ -	252	No Change
089230	1800 Tequila Anejo	750ml	PROXIMO SPIRITS INC.	Tequila	Super Premium	227	224.4	\$ 13.46	\$ 130.68	\$ -	220	No Change
089206	1800 Tequila Reposado	750ml	PROXIMO SPIRITS INC.	Tequila	Super Premium	393	389.4	\$ 13.46	\$ 250.57	\$ -	389	No Change
015739	2 Gingers Irish Whiskey	750ml	BEAM SUNTORY	Irish	Value	248	243.8	\$ 83.48	\$ 76.49	\$ (6.98)	56	Delist
041019	360 Double Chocolate Vodka	750ml	MCCORMICK DISTILLING COMPANY	Vodka	Super Premium	279	281.2	\$ 37.30	\$ 57.54	\$ -	174	No Change
087194	818 Tequila Blanco	750ml	MHW, LTD	Tequila	Super Premium	171	164.7	\$ 13.46	\$ 181.88	\$ -	170	No Change
087181	818 Tequila Reposado	750ml	MHW, LTD	Tequila	Ultra Premium	107	105.9	\$ 31.09	\$ 118.16	\$ -	101	No Change
084159	99 Apples Schnapps	750ml	SAZERAC CO.	Cordials	Premium	280	280.3	\$ 33.04	\$ 37.15	\$ -	133	No Change
084170	99 Bananas Schnapps	750ml	SAZERAC CO.	Cordials	Premium	344	342.8	\$ 33.04	\$ 59.64	\$ -	232	No Change
084166	99 Blackberries Schnapps	750ml	SAZERAC CO.	Cordials	Premium	254	250.7	\$ 33.04	\$ 45.67	\$ -	120	No Change
084403	99 Mangoes Schnapps	750ml	SAZERAC CO.	Cordials	Premium	229	231.4	\$ 33.04	\$ 31.48	\$ (1.56)	76	Delist
084141	99 Peaches Schnapps	750ml	SAZERAC CO.	Cordials	Premium	292	288.7	\$ 33.04	\$ 67.82	\$ -	214	No Change
084201	99 Pineapple Schnapps	750ml	SAZERAC CO.	Cordials	Premium	291	292.5	\$ 33.04	\$ 48.48	\$ -	169	No Change
084396	99 Watermelon Schnapps	750ml	SAZERAC CO.	Cordials	Premium	164	163.2	\$ 33.04	\$ 47.74	\$ -	108	No Change
004084	Aberlour 12 Year Single Malt Scotch	750ml	PERNOD RICARD USA	Scotch	Super Premium	313	308.1	\$ 38.33	\$ 152.04	\$ -	283	No Change
004085	Aberlour 16 Year Single Malt Scotch	750ml	PERNOD RICARD USA	Scotch	Luxury	146	144.3	\$ 59.78	\$ 50.93	\$ (8.85)	42	Delist



Delisting Results: Top Suppliers

Supplier	Candidates	Contract	Keep	Delist
Bacardi	5	1	2	2
Beam Suntory	23	0	3	20
Brown Forman	6	0	3	3
Campari	4	0	0	4
Constellation	3	2	1	0
Diageo	6	0	1	5
Gallo	1	0	0	1
Heaven Hill	24	3	7	14
Moet Hennessy	1	0	1	0
Pernod Ricard	10	1	4	5
Proximo	1	0	0	1
Sazerac	21	2	2	17
William Grant	1	0	0	1
Total	106	9	24	73

Delisting Results: Virginia Products

Virginia Supplier	Candidates	Contract	Keep	Delist
5 Mile Mountain	1	0	0	1
Belmont Farms	1	0	0	1
Castle Glen	1	0	0	1
Chesapeake Bay	2	0	0	2
Devil's Backbone	1	0	0	1
Silverback	1	0	0	1
Vanguard	1	0	0	1
Three Brothers	2	0	2	0
Vitae	1	0	0	1
Total	11	0	2	9

Delisting Results: Data Review

Product	Size	Category	Price Tier	Manufacturer	\$/Store Threshold	\$/Store Actuals	\$ Below Threshold	% Below Threshold	Stores with 2022 Attached Sales (an	# of stores that failed	# stores that passed	Decision	Appeal/No Appeal?
Windsor Canadian Whisky	1.75L	Canadian	Value	ASSOCIATED BREWING COMPANY	\$58.40	\$55.99	-\$2.42	-4.1%	246	165	81	Delist	Appeal
Leblon Cachaca	750ml	RumU	Super Premium	BACARDI USA, INC	\$20.72	\$19.47	-\$1.26	-6.1%	122	81	41	Keep	Appeal
Patron Silver Tequila	50ml	Miniatures	Luxury	BACARDI USA, INC	\$11.16	\$0.64	-\$10.53	-94.3%	19	10	9	Keep	Appeal
2 Gingers Irish Whiskey	750ml	Irish	Value	BEAM SUNTORY	\$83.48	\$77.94	-\$5.53	-6.6%	245	187	58	Delist	Appeal
Auchentoshan Three Wood Scotch	750ml	Scotch	Ultra Premium	BEAM SUNTORY	\$61.56	\$52.28	-\$9.28	-15.1%	113	80	33	Delist	Appeal
Canadian Club Whisky	750ml	Canadian	Premium	BEAM SUNTORY	\$39.92	\$31.40	-\$8.52	-21.3%	262	197	65	Delist	Appeal
Cruzan Black Cherry Rum	750ml	RumF	Premium	BEAM SUNTORY	\$121.84	\$36.92	-\$84.92	-69.7%	353	345	8	Delist	Appeal
Cruzan Coconut Rum	750ml	RumF	Premium	BEAM SUNTORY	\$121.84	\$40.91	-\$80.93	-66.4%	361	346	15	Delist	Appeal
Cruzan Mango Rum	750ml	RumF	Premium	BEAM SUNTORY	\$121.84	\$52.96	-\$68.88	-56.5%	357	329	28	Delist	Appeal
Cruzan Passion Fruit Rum	750ml	RumF	Premium	BEAM SUNTORY	\$121.84	\$43.10	-\$78.74	-64.6%	192	187	5	Delist	Appeal
Cruzan Pineapple Rum	750ml	RumF	Premium	BEAM SUNTORY	\$121.84	\$45.29	-\$76.55	-62.8%	320	304	16	Delist	Appeal
Cruzan Strawberry Rum	750ml	RumF	Premium	BEAM SUNTORY	\$121.84	\$34.49	-\$87.35	-71.7%	256	248	8	Delist	Appeal
Dekuyper Razzmatazz	750ml	Cordials	Premium	BEAM SUNTORY	\$33.04	\$29.48	-\$3.56	-10.8%	284	204	80	Delist	Appeal
Gilbey's Vodka (plastic)	750ml	Vodka	Value	BEAM SUNTORY	\$42.98	\$29.21	-\$13.76	-32.0%	232	184	48	Delist	Appeal
Jim Beam Peach	1.75L	American Whiskey	Value	BEAM SUNTORY	\$45.76	\$20.07	-\$25.69	-56.1%	315	279	36	Keep	Appeal
Mcclelland's Highland Scotch	750ml	Scotch	Premium	BEAM SUNTORY	\$57.14	\$48.90	-\$8.24	-14.4%	290	206	84	Delist	Appeal
Mcclelland's Islay Scotch	750ml	Scotch	Premium	BEAM SUNTORY	\$57.14	\$53.92	-\$3.23	-5.6%	246	160	86	Delist	Appeal
Old Crow Bourbon (plastic)	750ml	American Whiskey	Value	BEAM SUNTORY	\$45.76	\$44.20	-\$1.55	-3.4%	209	133	76	Delist	Appeal
Pinnacle 100 Proof Vodka	750ml	Vodka	Super Premium	BEAM SUNTORY	\$37.30	\$30.17	-\$7.13	-19.1%	160	119	41	Delist	Appeal
Pinnacle Cherry Vodka	1.75L	Vodka	Value	BEAM SUNTORY	\$42.98	\$39.51	-\$3.47	-8.1%	182	118	64	Delist	Appeal
Pinnacle Pineapple Vodka	750ml	Vodka	Super Premium	BEAM SUNTORY	\$37.30	\$27.91	-\$9.39	-25.2%	222	188	34	Delist	Appeal
Pinnacle Raspberry Vodka	1.75L	Vodka	Value	BEAM SUNTORY	\$42.98	\$42.96	-\$0.01	0.0%	204	130	74	Delist	Appeal
Pinnacle Tropical Punch Vodka	750ml	Vodka	Super Premium	BEAM SUNTORY	\$37.30	\$27.60	-\$9.70	-26.0%	252	208	44	Delist	Appeal
Jack Daniel's Tennessee Apple Whiskey	50ml	Miniatures	Super Premium	BROWN FORMAN CORPORATION	\$25.56	\$20.09	-\$5.47	-21.4%	349	269	80	Keep	Appeal
Jack Daniel's Tennessee Fire Whiskey	50ml	Miniatures	Super Premium	BROWN FORMAN CORPORATION	\$25.56	\$16.36	-\$9.20	-36.0%	206	173	33	Keep	Appeal
Jack Daniel's Tennessee Rye Whiskey	50ml	Miniatures	Super Premium	BROWN FORMAN CORPORATION	\$25.56	\$24.21	-\$1.35	-5.3%	135	98	37	Keep	Appeal
Grand Marnier Louis Alexandre	750ml	BrandyCognac	Luxury	CAMPARI AMERICA	\$57.93	\$52.30	-\$5.63	-9.7%	165	93	72	Delist	Appeal
Mutiny Island Vodka	750ml	Vodka	Ultra Premium	CHESAPEAKE BAY DISTILLERY LLC	\$17.14	\$7.91	-\$9.23	-53.8%	24	20	4	Delist	Appeal
Real McCoy 12 Year Single Blended Aged R	750ml	RumU	Luxury	CONSTELLATION BRANDS	\$43.29	\$41.27	-\$2.02	-4.7%	164	106	58	Keep	Appeal



Delisting Results: Data Review

Product	Size	Category	Price Tier	Manufacturer	\$/Store Threshold	\$/Store Actuals	\$ Below Threshold	% Below Threshold	Stores with 2022 Attached Sales (an	# of stores that failed	# stores that passed	Decision	Appeal/No Appeal?
Crown Royal Northern Harvest Rye Whisky	750ml	Canadian	Ultra Premium	DIAGEO AMERICAS INC	\$67.65	\$41.55	-\$26.10	-38.6%	201	185	16	Keep	Appeal
Aristocrat Gold Rum	1L	RumU	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$51.17	\$51.16	-\$0.01	0.0%	199	162	37	Keep	Appeal
Aristocrat White Rum	750ml	RumU	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$51.17	\$49.85	-\$1.32	-2.6%	239	151	88	Keep	Appeal
Burnett's Raspberry Vodka	1L	Vodka	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$42.98	\$37.68	-\$5.29	-12.3%	211	151	60	Keep	Appeal
Christian Brothers Honey Liqueur	750ml	BrandyCognac	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$46.96	\$44.88	-\$2.08	-4.4%	229	146	83	Keep	Appeal
Crystal Head Onyx Vodka	750ml	Vodka	Luxury	INFINIUM SPIRITS INC	\$79.07	\$67.47	-\$11.60	-14.7%	132	92	40	Delist	Appeal
Blue Chair Bay Banana Rum	750ml	RumF	Ultra Premium	MHW, LTD	\$43.62	\$42.74	-\$0.88	-2.0%	159	112	47	Delist	Appeal
Bols Black Raspberry	1L	Cordials	Value	MHW, LTD	\$31.49	\$25.37	-\$6.12	-19.4%	208	156	52	Keep	Appeal
Los Amantes Mezcal Reposado	750ml	Tequila	Ultra Premium	MHW, LTD	\$31.09	\$26.84	-\$4.25	-13.7%	105	66	39	Keep	Appeal
Aberlour 16 Year Single Malt Scotch	750ml	Scotch	Luxury	PERNOD RICARD USA	\$59.78	\$56.32	-\$3.46	-5.8%	135	72	63	Keep	Appeal
Malibu Coconut Rum	50ml	Miniatures	Premium	PERNOD RICARD USA	\$8.78	\$0.31	-\$8.47	-96.5%	33	31	2	Keep	Appeal
e Glenlivet Archive 21 Year Single Malt Scot	750ml	Scotch	Luxury	PERNOD RICARD USA	\$59.78	\$30.20	-\$29.58	-49.5%	42	29	13	Keep	Appeal
Tribuno Sweet Vermouth	1L	Vermouth	Premium	THE WINE GROUP	\$24.21	\$16.57	-\$7.65	-31.6%	195	160	35	Keep	Appeal
Kablam Un-aged Corn Whiskey	750ml	American Whiskey	Super Premium	THREE BROTHERS DISTILLERY, INC	\$16.42	\$3.97	-\$12.45	-75.8%	15	15	0	Keep	Appeal
Silver Dolphin Naval Strength Compound Gir	750ml	Gin	Ultra Premium	THREE BROTHERS DISTILLERY, INC	\$9.64	\$9.37	-\$0.27	-2.8%	12	6	6	Keep	Appeal
Hell Cat Maggie Irish Whiskey	750ml	Irish	Value	UNITED STATES DISTILLED PRODUCTS	\$83.48	\$48.68	-\$34.80	-41.7%	228	197	31	Delist	Appeal
Kamora Coffee	750ml	Cordials	Value	UNITED STATES DISTILLED PRODUCTS	\$31.49	\$26.67	-\$4.82	-15.3%	224	153	71	Keep	Appeal
Clan Macgregor Scotch	1L	Scotch	Value	WILLIAM GRANT AND SONS, INC.	\$30.47	\$30.32	-\$0.15	-0.5%	225	148	77	Delist	Appeal
99 Mangoes Schnapps	750ml	Cordials	Premium	SAZERAC CO.	\$33.04	\$31.98	-\$1.07	-3.2%	242	162	80	Delist	Appeal
Barton Long Island Iced Tea	1.75L	Cocktails	Premium	SAZERAC CO.	\$77.26	\$73.95	-\$3.32	-4.3%	223	155	68	Delist	Appeal
Canadian Hunter Whisky	750ml	Canadian	Value	SAZERAC CO.	\$58.40	\$56.61	-\$1.79	-3.1%	140	96	44	Delist	Appeal
Captain Morgan Parrot Bay Coconut Rum	1L	RumF	Premium	SAZERAC CO.	\$121.84	\$59.69	-\$62.15	-51.0%	316	285	31	Delist	Appeal
Captain Morgan Parrot Bay Coconut Rum	375ml	RumF	Super Premium	SAZERAC CO.	\$33.54	\$31.68	-\$1.86	-5.6%	245	163	82	Delist	Appeal
Captain Morgan Parrot Bay Mango Rum (plastic)	750ml	RumF	Premium	SAZERAC CO.	\$121.84	\$22.94	-\$98.90	-81.2%	283	282	1	Delist	Appeal
Captain Morgan Parrot Bay Passion Fruit (plastic)	750ml	RumF	Premium	SAZERAC CO.	\$121.84	\$47.16	-\$74.68	-61.3%	326	309	17	Delist	Appeal



Delisting Results: Data Review

Product	Size	Category	Price Tier	Manufacturer	\$/Store Threshold	\$/Store Actuals	\$ Below Threshold	% Below Threshold	Stores with 2022 Attached Sales (an	# of stores that failed	# stores that passed	Decision	Appeal/No Appeal?
Captain Morgan Parrot Bay Passion Fruit (plastic)	750ml	RumF	Premium	SAZERAC CO.	\$121.84	\$47.16	-\$74.68	-61.3%	326	309	17	Delist	Appeal
Captain Morgan Parrot Bay Pineapple Rum (plastic)	750ml	RumF	Premium	SAZERAC CO.	\$121.84	\$37.11	-\$84.73	-69.5%	311	307	4	Delist	Appeal
Desert Island Long Island Ice Tea Mix	750ml	Cocktails	Super Premium	SAZERAC CO.	\$25.16	\$17.01	-\$8.16	-32.4%	187	159	28	Delist	Appeal
Di Amore Amaretto	375ml	Cordials	Premium	SAZERAC CO.	\$33.04	\$26.74	-\$6.31	-19.1%	282	208	74	Delist	Appeal
House Of Stuart Scotch	1L	Scotch	Value	SAZERAC CO.	\$30.47	\$26.83	-\$3.64	-11.9%	168	118	50	Delist	Appeal
Inver House Scotch	1L	Scotch	Value	SAZERAC CO.	\$30.47	\$24.32	-\$6.15	-20.2%	142	104	38	Delist	Appeal
Old Mr. Boston Light Rum	750ml	RumU	Value	SAZERAC CO.	\$51.17	\$30.93	-\$20.24	-39.5%	162	141	21	Delist	Appeal
Rich & Rare Whisky	375ml	Canadian	Value	SAZERAC CO.	\$58.40	\$44.52	-\$13.89	-23.8%	111	81	30	Delist	Appeal
Seagram's VO	375ml	Canadian	Super Premium	SAZERAC CO.	\$42.64	\$36.18	-\$6.46	-15.2%	200	158	42	Delist	Appeal
Southern Comfort Whiskey	200ml	American Whiskey	Premium	SAZERAC CO.	\$30.47	\$27.34	-\$3.13	-10.3%	150	106	44	Delist	Appeal
5 Mile Mountain Elderberry Moonshine	750ml	Moonshine	Luxury	5 MILE MOUNTAIN DISTILLERY	\$3.38	\$2.17	-\$1.21	-35.8%	11	4	7	Delist	Did not appeal
Bacardi Black Rum	375ml	RumU	Premium	BACARDI USA, INC	\$58.14	\$56.52	-\$1.61	-2.8%	237	157	80	Delist	Did not appeal
Bacardi Dragon Berry Rum	375ml	RumF	Super Premium	BACARDI USA, INC	\$33.54	\$32.16	-\$1.39	-4.1%	158	94	64	Delist	Did not appeal
Dewar's White Label Scotch	375ml	Scotch	Premium	BACARDI USA, INC	\$57.14	\$56.39	-\$0.75	-1.3%	347	212	135	Contract	Did not appeal
Canadian Club Whisky	375ml	Canadian	Premium	BEAM SUNTORY	\$39.92	\$38.55	-\$1.37	-3.4%	212	150	62	Keep	Did not appeal
Cruzan Coconut Rum	1.75L	RumF	Value	BEAM SUNTORY	\$81.20	\$70.38	-\$10.82	-13.3%	196	147	49	Keep	Did not appeal
Skinnygirl Bare Naked Vodka	750ml	Vodka	Super Premium	BEAM SUNTORY	\$37.30	\$22.67	-\$14.63	-39.2%	242	216	26	Delist	Did not appeal
Jt Rye Whiskey	750ml	American Whiskey	Super Premium	BELMONT FARMS OF VIRGINIA, INC.	\$16.42	\$14.45	-\$1.97	-12.0%	34	22	12	Delist	Did not appeal
Finlandia Vodka	750ml	Vodka	Super Premium	BROWN FORMAN CORPORATION	\$37.30	\$27.19	-\$10.12	-27.1%	197	160	37	Delist	Did not appeal
Jack Daniel's 27 Gold	750ml	American Whiskey	Luxury	BROWN FORMAN CORPORATION	\$49.63	\$42.82	-\$6.81	-13.7%	110	23	87	Delist	Did not appeal
Korbel Brandy	750ml	BrandyCognac	Value	BROWN FORMAN CORPORATION	\$46.96	\$41.66	-\$5.30	-11.3%	203	149	54	Delist	Did not appeal
Skyy Infusions Georgia Peach Vodka	750ml	Vodka	Super Premium	CAMPARI AMERICA	\$37.30	\$34.56	-\$2.75	-7.4%	235	156	79	Delist	Did not appeal
Skyy Infusions Sun Ripened Watermelon Vodka	750ml	Vodka	Super Premium	CAMPARI AMERICA	\$37.30	\$24.76	-\$12.55	-33.6%	232	198	34	Delist	Did not appeal
Wild Turkey American Honey Sting	50ml	Miniatures	Super Premium	CAMPARI AMERICA	\$25.56	\$25.41	-\$0.15	-0.6%	87	54	33	Delist	Did not appeal



Delisting Results: Data Review

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Castle Glen Estates Cabernet Sauvignon	750ml	VA Wine	Luxury	CASTLE GLEN ESTATES FARM AND WINERY, LLC	\$0.88	\$0.58	-\$0.30	-34.1%	7	0	7	Delist	Did not appeal
Jacquin's Peach Flavored Brandy	375ml	BrandyCognac	Premium	CHARLES JACQUIN ET CIE INC	\$33.03	\$32.52	-\$0.51	-1.5%	149	96	53	Delist	Did not appeal
Spirits Of The Blue Ridge Lemon Liqueur	750ml	Cordials	Super Premium	CHESAPEAKE BAY DISTILLERY LLC	\$5.34	\$1.66	-\$3.68	-68.9%	47	42	5	Delist	Did not appeal
Svedka Mango Pineapple Vodka	375ml	Vodka	Super Premium	CONSTELLATION BRANDS	\$37.30	\$36.63	-\$0.68	-1.8%	316	188	128	Contract	Did not appeal
Svedka Strawberry Lemonade Vodka	375ml	Vodka	Super Premium	CONSTELLATION BRANDS	\$37.30	\$33.86	-\$3.44	-9.2%	290	194	96	Contract	Did not appeal
Captain Morgan Sliced Apple	50ml	Miniatures	Super Premium	DIAGEO AMERICAS INC	\$25.56	\$24.64	-\$0.92	-3.6%	383	260	123	Delist	Did not appeal
Ciroc Coconut Vodka	375ml	Vodka	Luxury	DIAGEO AMERICAS INC	\$79.07	\$68.37	-\$10.70	-13.5%	299	213	86	Delist	Did not appeal
Emmets Irish Cream	750ml	Cordials	Premium	DIAGEO AMERICAS INC	\$33.04	\$30.46	-\$2.58	-7.8%	215	148	67	Delist	Did not appeal
Smirnoff Cranberry	750ml	Vodka	Super Premium	DIAGEO AMERICAS INC	\$37.30	\$34.14	-\$3.17	-8.5%	235	159	76	Delist	Did not appeal
Tanqueray Sterling Vodka	1L	Vodka	Super Premium	DIAGEO AMERICAS INC	\$37.30	\$36.59	-\$0.72	-1.9%	149	89	60	Delist	Did not appeal
Siesta Key Coffee Rum	750ml	RumF	Luxury	DRUM CIRCLE DISTILLING, LLC	\$14.79	\$14.41	-\$0.38	-2.5%	101	66	35	Delist	Did not appeal
E & J Vanilla Brandy	750ml	BrandyCognac	Value	E. AND J. GALLO WINERY	\$46.96	\$45.22	-\$1.74	-3.7%	166	106	60	Delist	Did not appeal
Fabrizia Italian Margarita	1.75L	Cocktails	Ultra Premium	FABRIZIA SPIRITS, LLC	\$26.00	\$10.06	-\$15.95	-61.3%	199	191	8	Delist	Did not appeal
Aristocrat Gin	375ml	Gin	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$42.44	\$34.09	-\$8.35	-19.7%	226	172	54	Keep	Did not appeal
Aristocrat Gin	750ml	Gin	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$42.44	\$30.44	-\$12.00	-28.3%	189	152	37	Delist	Did not appeal
Black Velvet	1L	Canadian	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$58.40	\$43.24	-\$15.17	-26.0%	254	189	65	Keep	Did not appeal
Black Velvet	750ml	Canadian	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$58.40	\$38.69	-\$19.72	-33.8%	250	204	46	Delist	Did not appeal
Blackheart Spiced Rum	750ml	RumS	Premium	HEAVEN HILL DISTILLERIES SALES CO.	\$47.23	\$42.88	-\$4.35	-9.2%	316	221	95	Contract	Did not appeal
Burnett's Apple Berry Vodka	1.75L	Vodka	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$42.98	\$15.02	-\$27.95	-65.0%	144	140	4	Delist	Did not appeal
Burnett's Cranberry Vodka	1.75L	Vodka	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$42.98	\$36.11	-\$6.86	-16.0%	220	162	58	Delist	Did not appeal
Burnett's London Dry Gin (plastic)	750ml	Gin	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$42.44	\$39.08	-\$3.36	-7.9%	189	134	55	Delist	Did not appeal
Burnett's Orange Vodka	375ml	Vodka	Premium	HEAVEN HILL DISTILLERIES SALES CO.	\$35.16	\$26.77	-\$8.39	-23.9%	121	102	19	Delist	Did not appeal
Burnett's Pink Lemonade Vodka	50ml	Miniatures	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$24.06	\$22.59	-\$1.47	-6.1%	261	186	75	Delist	Did not appeal
Burnett's Pink Lemonade Vodka	375ml	Vodka	Premium	HEAVEN HILL DISTILLERIES SALES CO.	\$35.16	\$29.37	-\$5.79	-16.5%	141	106	35	Delist	Did not appeal
Christian Brother's Apple Brandy	50ml	Miniatures	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$24.06	\$20.62	-\$3.44	-14.3%	101	71	30	Delist	Did not appeal



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Christian Brother's Apple Brandy	50ml	Miniatures	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$24.06	\$20.62	-\$3.44	-14.3%	101	71	30	Delist	Did not appeal
Christian Brothers Grand Reserve Brandy	375ml	BrandyCognac	Premium	HEAVEN HILL DISTILLERIES SALES CO.	\$33.03	\$26.48	-\$6.55	-19.8%	173	132	41	Delist	Did not appeal
Christian Brothers Peach Flavored Brandy	50ml	Miniatures	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$24.06	\$12.58	-\$11.48	-47.7%	142	128	14	Delist	Did not appeal
Copa De Oro	750ml	Cordials	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$31.49	\$28.75	-\$2.74	-8.7%	297	197	100	Contract	Did not appeal
Coronet Vsq Brandy	750ml	BrandyCognac	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$46.96	\$24.95	-\$22.01	-46.9%	114	95	19	Delist	Did not appeal
Georgia Moon Corn Whiskey	750ml	Moonshine	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$38.95	\$34.99	-\$3.96	-10.2%	327	219	108	Contract	Did not appeal
Paul Jones Whiskey	750ml	American Whiskey	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$45.76	\$41.65	-\$4.11	-9.0%	133	88	45	Keep	Did not appeal
Paul Jones Whiskey	375ml	American Whiskey	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$45.76	\$36.51	-\$9.25	-20.2%	201	158	43	Delist	Did not appeal
Two Fingers Silver Tequila	1L	Tequila	Value	HEAVEN HILL DISTILLERIES SALES CO.	\$85.86	\$50.29	-\$35.58	-41.4%	248	215	33	Delist	Did not appeal
Crystal Head Vodka	750ml	Vodka	Luxury	INFINIUM SPIRITS INC	\$79.07	\$73.18	-\$5.89	-7.5%	337	212	125	Contract	Did not appeal
Alize Red Passion	375ml	Cordials	Super Premium	KOBRAND CORPORATION	\$10.69	\$6.71	-\$3.98	-37.2%	155	129	26	Delist	Did not appeal
Senator's Club Whiskey	750ml	American Whiskey	Value	LAIRD AND COMPANY	\$45.76	\$33.32	-\$12.44	-27.2%	207	157	50	Delist	Did not appeal
Senator's Club Whiskey	200ml	American Whiskey	Value	LAIRD AND COMPANY	\$45.76	\$34.84	-\$10.92	-23.9%	174	127	47	Delist	Did not appeal
Arrow Peppermint Schnapps	375ml	Cordials	Premium	LUXCO, INC	\$33.04	\$24.90	-\$8.14	-24.6%	263	221	42	Delist	Did not appeal
Lady Bligh Spiced Rum	1.75L	RumS	Value	LUXCO, INC	\$53.49	\$46.29	-\$7.20	-13.5%	119	86	33	Delist	Did not appeal
Montego Bay Light Rum	1.75L	RumU	Value	MCCORMICK DISTILLING COMPANY	\$51.17	\$44.75	-\$6.42	-12.5%	149	104	45	Delist	Did not appeal
Blue Chair Bay Banana Rum	50ml	Miniatures	Value	MHW, LTD	\$24.06	\$23.93	-\$0.13	-0.5%	143	91	52	Delist	Did not appeal
Blue Chair Bay Pineapple Rum Cream	50ml	Miniatures	Value	MHW, LTD	\$24.06	\$36.21	\$12.15	50.5%	171	169	2	Keep	Did not appeal
Galliano L'autentico	375ml	Cordials	Ultra Premium	MHW, LTD	\$41.17	\$27.13	-\$14.04	-34.1%	211	168	43	Contract	Did not appeal
The Dubliner Irish Whiskey	750ml	Irish	Premium	MHW, LTD	\$61.87	\$39.10	-\$22.76	-36.8%	159	134	25	Delist	Did not appeal
Hennessy Paradis Cognac	750ml	BrandyCognac	Luxury	MOET HENNESSY USA, INC	\$57.93	\$0.00	-\$57.93	-100.0%	0	0	0	Code convert	Did not appeal
Devils Backbone Mountain Blackstrap Dark Rum	750ml	RumU	Ultra Premium	UNTAIN VIEW BREWERY LLC/DEVILS BACKBONE BREW	\$12.30	\$1.88	-\$10.42	-84.7%	7	5	2	Delist	Did not appeal
Heaven's Door Trilogy Pack	600ml	American Whiskey	Ultra Premium	PARK STREET IMPORTS LLC	\$37.52	\$0.00	-\$37.52	-100.0%	276	274	2	Delist	Did not appeal
Hiram Walker Banana Creme	750ml	Cordials	Value	PERNOD RICARD USA	\$31.49	\$16.43	-\$15.06	-47.8%	164	151	13	Delist	Did not appeal



Delisting Results: Data Review

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Hiram Walker Blackberry Flavored Brandy	750ml	BrandyCognac	Value	PERNOD RICARD USA	\$46.96	\$41.33	-\$5.63	-12.0%	166	116	50	Delist	Did not appeal
Jefferson's The Manhattan Barrel Finish	750ml	American Whiskey	Luxury	PERNOD RICARD USA	\$49.63	\$34.53	-\$15.09	-30.4%	123	111	12	Delist	Did not appeal
Martell VSOP Red Barrel	750ml	BrandyCognac	Super Premium	PERNOD RICARD USA	\$11.88	\$0.46	-\$11.42	-96.1%	6	4	2	Delist	Did not appeal
Seagram's Extra Dry Gin	50ml	Miniatures	Premium	PERNOD RICARD USA	\$8.78	\$8.13	-\$0.64	-7.3%	234	91	143	Contract	Did not appeal
Seagram's Lime Twisted Gin	200ml	Gin	Premium	PERNOD RICARD USA	\$22.23	\$5.97	-\$16.26	-73.1%	64	61	3	Delist	Did not appeal
Seagram's Lime Twisted Gin	375ml	Gin	Value	PERNOD RICARD USA	\$42.44	\$33.97	-\$8.47	-19.9%	207	158	49	Keep	Did not appeal
Midnight Moon Blueberry Moonshine	750ml	Moonshine	Premium	PIEDMONT DISTILLERS INC	\$32.78	\$30.06	-\$2.72	-8.3%	336	243	93	Contract	Did not appeal
Sweet Lucy Cream	750ml	Cordials	Super Premium	PRICHARDS DISTILLERY INC	\$10.69	\$7.38	-\$3.31	-31.0%	133	96	37	Delist	Did not appeal
Pendleton Canadian Whisky	50ml	Miniatures	Premium	PROXIMO SPIRITS INC.	\$8.78	\$0.00	-\$8.78	-100.0%	0	0	0	Delist	Did not appeal
Russian Standard Original Vodka	1.75L	Vodka	Premium	RUSSIAN STANDARD VODKA (USA), INC.	\$35.16	\$23.99	-\$11.17	-31.8%	209	94	115	Delist	Did not appeal
Russian Standard Original Vodka	750ml	Vodka	Super Premium	RUSSIAN STANDARD VODKA (USA), INC.	\$37.30	\$33.66	-\$3.64	-9.8%	283	263	20	Delist	Did not appeal
Russian Standard Original Vodka	1L	Vodka	Super Premium	RUSSIAN STANDARD VODKA (USA), INC.	\$37.30	\$0.00	-\$37.30	-100.0%	124	116	8	Delist	Did not appeal
Russian Standard Vodka Platinum	750ml	Vodka	Super Premium	RUSSIAN STANDARD VODKA (USA), INC.	\$37.30	\$12.50	-\$24.81	-66.5%	165	153	12	Delist	Did not appeal
Canadian Mist Whisky	1L	Canadian	Premium	SAZERAC CO.	\$39.92	\$39.04	-\$0.88	-2.2%	264	165	99	Contract	Did not appeal
Captain Morgan Parrot Bay Coconut Rum (plastic)	750ml	RumF	Premium	SAZERAC CO.	\$121.84	\$61.28	-\$60.56	-49.7%	375	340	35	Keep	Did not appeal
Margaritaville Gold Tequila	1L	Tequila	Value	SAZERAC CO.	\$85.86	\$68.17	-\$17.69	-20.6%	183	146	37	Keep	Did not appeal
Margaritaville Gold Tequila	750ml	Tequila	Value	SAZERAC CO.	\$85.86	\$58.32	-\$27.54	-32.1%	306	257	49	Delist	Did not appeal
Virginia Gentleman	375ml	American Whiskey	Value	SAZERAC CO.	\$45.76	\$44.59	-\$1.17	-2.6%	205	136	69	Contract	Did not appeal
Strange Monkey Gin	750ml	Gin	Super Premium	SILVERBACK DISTILLERY	\$27.75	\$20.11	-\$7.64	-27.5%	153	100	53	Delist	Did not appeal
Villa One Anejo	750ml	Tequila	Ultra Premium	STOLI GROUP USA LLC	\$31.09	\$23.68	-\$7.41	-23.8%	145	110	35	Delist	Did not appeal
Tres Agaves Margarita RTD	1.75L	Cocktails	Luxury	SUTTER HOME WINERY	\$20.25	\$13.57	-\$6.68	-33.0%	248	199	49	Delist	Did not appeal
Caiseal Unaged Single Malt	750ml	Scotch	Super Premium	THE VANGUARD BREWPUB AND DISTILLERY LLC	\$19.17	\$3.37	-\$15.80	-82.4%	5	5	0	Delist	Did not appeal
Dashfire Fig & Cascara Manhattan RTD Can	100ml	CCHS	Luxury	TOTAL BEVERAGE SOLUTION	\$12.32	\$10.95	-\$1.37	-11.1%	200	151	49	Delist	Did not appeal
Leroux Triple Sec	375ml	Cordials	Value	UNITED STATES DISTILLED PRODUCTS	\$31.49	\$30.30	-\$1.19	-3.8%	272	162	110	Contract	Did not appeal
Vitae Spirits Anisette	750ml	Cordials	Ultra Premium	VITAE SPIRITS DISTILLERY LLC	\$20.58	\$10.69	-\$9.90	-48.1%	10	8	2	Delist	Did not appeal
Joseph Magnus Vigilant Gin	750ml	Gin	Super Premium	WI, INC DBA WINESOURCE INTERNATIONAL	\$55.50	\$54.37	-\$1.13	-2.0%	63	38	25	Delist	Did not appeal



NCSLA Commending Resolution

Overview

Honoring the work of Kathy LaMotte, Chris Curtis, John Daniel, Tom Kirby, Tonya Hucks-Watkins, Sarah Ross, Rachel Yates, Katie Crumble, Kevin Davis, Marc Haalman, and Meaghan O'Brien were instrumental in the planning and who were instrumental in the execution of the 2022 North/South Regional NCSLA conference.

Chief Reports

GAO – John Daniel

CTO Report – Elizabeth Chu

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

Administrative Hearings Status Report

ADMINISTRATIVE HEARINGS

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Crisp Salad and Juice Bar (Public Safety) (Lynchburg)	1 – Failed to take reasonable measure to prevent act of violence causing death or bodily injury 2 – Failed to take reasonable measures to prevent premises from becoming a threat to public safety 3 – Failed to keep records	PHC –12/2/22 @ 10am HR – 12/12/22 @10am * On 9/22/22 ALJ granted a continuance * On 10/21/22 ALJ granted 2 nd continuance PHC originally set for 9/23/22 HR originally set for 9/30/22 Board Appeal Hearing – 3/20/23	Lynchburg	ALJ – Page OLC – Yates Travis Graham, Esq.	Charge 1, 3, 4 – Substantiate Charge 2 – Not Substantiated 1/10/2023
Mirandas Grill, LLC (Public Safety) (Ruckersville)	1 – Establishment does not conform to requirements of governing body – Sanitation, health, construction or equipment 2 – Licensee/employee intoxicated/impaired upon premises 3 - UAB	PHC –12/2/22 @ 11am HR – 12/16/22 @10am *Request for continuance granted. Original HR date 12/9/22	Charlottesville	ALJ – Richardson OLC - Ross	Charge 1 – withdrawn Charge 2 – Substantiated \$1,500 or 15 days Charge 3 – Substantiated \$2,500 or 25 days Training w/in 60 days of Board Order 1/13/2023
Country Mart (Swords Creek)	UAB	PHC – 11/30/22 @ 11am HR – 12/13/22 @ 1pm	Abingdon	ALJ – Griffin	Substantiated \$1,750 / 7-day 1/19/2023

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
El Tenampa (Manassas) Summary Suspension	1 – Did not meet requirements for mixed beverage license 2 – Failed to obliterate MB stamp 3 – Reasonable Measures 4 – Deceive the Board & City of Manassas	HR – 1/3/23 @ 10am HR – 2/10/23 @ 10am	Alexandria	ALJ – Page OLC – Ross ALJ – Maxey OLC – Ross John Carroll, Esq.	Licenses revoked 1/13/2023 License surrendered
Gaskins Shell (Henrico)	1 – UAB 2 – Designated manager not on duty	PHC – 1/3/23 @ 9am HR – 1/10/23 @ 9am	Hanover	ALJ – Griffin	Resolved through negotiations
TTs One Stop Shop (Chesapeake)	1 – UAB	PHC – 1/5/23 @ 10am HR – 1/12/23 @ 10am	Chesapeake	ALJ – Griffin	Substantiated \$2,150 / 7-day 1/31/2023
Carolina Express (Richmond)	1 – So situated with respect to residence/area 2 – Failed to comply with ABC Laws & Regulations 3 – So located – violations	PHC – 1/10/23 @ 9am HR – 1/17/23 @ 9am	Hanover	ALJ – Maxey OLC – Yates	Resolved through negotiations
The 4 Cyber Café (Richmond) Public Safety	1 – Consumption of unauthorized alcoholic beverage 2 – Sold unauthorized alcoholic beverage 3 – Financial responsibility 4 – Kept unauthorized alcohol 5 – Fail to comply w/ Board Order	PHC – 1/13/23 @ 10am HR – 1/20/23 @ 10am	Hanover	ALJ – Richardson OLC - Ross	Charges 1 – 5 Substantiated Charge 6 Withdrawn without prejudice License revoked 2/17/2023
7 Eleven Store 2554 10794B (Lorton)	UAB	PHC – 12/29/22 @ 10am HR – 1/26/23 @ 10am	Alexandria	ALJ – Griffin	

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Tammies Place (Buchanan)	1 – Conviction of a felony or crime involving moral turpitude	PHC – 1/19/23 @ 11am HR – 1/26/23 @ 11am	Roanoke	ALJ – Richardson	Application Denied 2/23/2023
WR Brews (Roanoke)	1 – Qualification to retain MB 2 – Failed to keep records 3 – Defrauded or attempted to defraud the Board 4 – Failed to submit MBAR	PHC – 1/25/23 @ 11am HR – 2/1/23 @ 11am	Roanoke	ALJ – Richardson OLC - Ross	Resolved through negotiations
7 Eleven #30487C (Woodbridge) Summary Suspension	1 – Failed to take reasonable measures 2 – Meeting place for narcotics	HR – 2/3/23 @ 10am	Alexandria	ALJ – Richardson OLC - Mshar	Substantiated 1 – Purchasing / selling of alcohol suspended for 25 days 2 – License revoked (supersedes penalty imposed for charge 1) 2/13/2023
Jefferson Ale House (Ashburn)	UAB	PHC – 1/31/23 @ 10am HR – 2/7/23 @ 12pm	Alexandria	ALJ – Griffin	Substantiated \$2,500 / 7-days **must obtain an “active” entity status with SCC 2/22/2023
Hilton Garden Inn Reagan Nat. Airport (Arlington)	UAB	PHC – 1/31/23 @ 11am HR – 2/7/23 @ 11am	Alexandria	ALJ – Griffin	Resolved through negotiations
Krystal Cabaret (Portsmouth) Summary Suspension	Waiting on charges	HR – 2/14/23 (virtual) HR – 2/21/23	Chesapeake	ALJ – Maxey OLC – Ross	Resolved through negotiations Licenses Surrendered

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
7 Eleven 36467 B (Norfolk)	UAB	PHC – 2/15/23 @ 10am HR – 2/22/23 @ 10am	Chesapeake	ALJ – Griffin	Resolved through negotiations
Cristis Deli (Falls Church)	UAB	PHC – 2/17/2022 HR – 2/24/23 @ 11am	Alexandria	ALJ – Griffin	Resolved through negotiations
7- Eleven Store 24343C (Norfolk)	UAB	PHC – 2/28/2023 @ 10am HR – 3/7/2023 @ 10am	Chesapeake	ALJ – Griffin	
Food Lion #494 (Chesapeake)	UAB	PHC – 2/28/2023 @ 11am HR – 3/7/2023 @ 11am	Chesapeake	ALJ – Griffin	Resolved through negotiations
Bridgewater IGA (Bridgewater)	UAB	PHC – 3/1/2023 @ 12pm HR – 3/9/2023 @ 12pm	Staunton	ALJ – Griffin	Resolved through negotiations
Dollar General 24340 (Amelia Courthouse)	Objection to application – so situated to residential area	PHC – 3/3/2023 @ 9am HR – 3/10/2023 @ 9ma	Hanover	ALJ – Richardson Citizen objectors	
Lions Brew (Chester)	Applicant misrepresented facts when applying for a license	PHC – 3/15/23 @ 10am HR – 3/22/23 @ 10am	Hanover	ALJ – Richardson	Resolved through negotiations

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Georges Restaurant & Lounge (Hampton)	Application 1 – Misrepresented a material fact in applying for license 2 – Situated with respect to residence	PHC – 2/24/2023 @ 10am HR – 3/3/2023 @ 10am Cont. date – 3/23/23	Hampton	ALJ – Maxey Citizen objectors David Redden, Esq.	
Mirandas Grill (Ruckersville)	5 bad checks to the Board	PHC – 3/17/23 @ 10am HR – 3/24/23 @ 10am	Charlottesville	ALJ – Richardson	
Remedy (Richmond)	Application – 1 – Retail on-premises license is constructed/arranged/illuminated 2 – Situated with respect to residence / area 3 – “Peace and Good Order”	PHC – 3/21/23 @ 9am HR – 3/28/23 @ 9am	Hanover	ALJ – Maxey Marc Shuford for objectors Michael Lafayette for applicant	
Raceway 6799 (Hampton)	UAB	PHC – 3/22/23 @ 10am HR – 3/29/23 @ 10am	Hampton	ALJ - Griffin	
Food Craft (Yorktown)	1 – Selling/Sold alcoholic beverages with application pending 2 – Keeping alcoholic beverages with application pending	PHC – 3/23/23 @ 10am HR – 3/31/23 @ 10am	Hampton	ALJ – Maxey	
Escapate Bar & Lounge (Richmond) Public Safety	1, 2, 3, 4, 5, 6 – Purchased beer/wine except for cash 7 – MBAR	PHC – 3/29/23 @ 9am HR – 4/4/23 @ 10am	Hanover	ALJ – Richardson OLC – Hucks-Watkins	

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
7 Eleven Store 219374A (Portsmouth)	UAB	PHC – 4/3/23 @ 10am HR – 4/10/23 @ 10am	Chesapeake	ALJ – Richardson	
El Tropi 2 LLC (Chesterfield)	1 – Kept unauthorized alcoholic beverage 2 – Sale of alcoholic beverage in unauthorized mannar 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 – 4/6/23 @ 9am HR – 4/13/23 @ 9am	Hanover	ALJ – Maxey	
Stop In Food Stores 160 (Rich Creek)	1 – UAB 2 – Employing convicted felon	PHC – 4/12/23 @ 11am HR – 4/19/23 @ 11am	Abingdon	ALJ – Richardson	
Mattapony Reserve (West Point)	1 – Misrepresented material fact 2 – Misrepresented material fact 3 – Qualifications to retain license	PHC – 4/21/23 @ 9am HR – 4/28/23 @ 9am	Hanover	ALJ – Maxey	

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"	11/16/22 – ABC asked the parties to agree to a schedule for any written or oral submissions regarding pending motions for a default judgment from the petitioner wholesalers and for leave to file late responsive pleadings from the respondent supplier. 11/17/22 – Petitioners Premium and Blue Ridge withdrew their motion for entry of default judgment in their franchise complaint. Upon receipt of responsive pleadings from Boston Beer, expected on or before November 30, 2022, an initial conference will be scheduled. ~ Informal Conference set for December 12, 2022, at 10 a.m. ~ Hearing scheduled for May 1 – 3, 2023		ALJ – Maxey Kevin McNally, Esq. for Premium Distributors & Blue Ridge Beverage Brian Wainger, Esq. w/ Kaleo Legal for Boston Beer Company	
SanTan Brewing Co., Inc v. Ferment Nation, LLC	Termination of agreement - default Failure to pay undisputed monies	2/17/23 – Initial teleconference		ALJ – Richardson Thomas Lisk, Esq. for SanTan Brewing Co.	
Diamond Importers, Inc. v. International Cellars, LLC	Termination of Agreement	The parties have indicated they are attempting to negotiate a resolution. Parties have been instructed to provide an update mid-week of the week of February 22, 2023.		ALJ – Griffin	

Negotiations

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
El Tenampa Bar & Grill, Inc. t/a El Tenampa Bar & Grill	091724	<p>1. During the period of June 18, 2022 to December 18, 2022, based on the gross receipts from the sale of food and nonalcoholic beverages and the gross receipts from the sale of mixed beverages, the licensed establishment did not meet the requirements for a mixed beverage restaurant license, in violation of Sections 4.1-114, 4.1-206.3 A.1. and 4.1-225 1.b. of the Code of Virginia.</p> <p>2. On December 19, 2022, 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 adn 4.1-225 1.b. of the Code of Virginia and 3 VAC5-50-60 B.3.</p> <p>3. The licensee has failed to take reasonable measures to prevent an act of violence resulting in death or serious bodily injury, or a recurrence of such acts, from occurring on the licensed premises, any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or any portion of public property immediately adjacent to the licensed premises in violation of Sections 4.1-202 and 4.1-225 1.q. of the Code of Virginia.</p> <p>4. From June 18, 2022 to December 18, 2022, the licensee willfully deceived or attempted to deceive the Board and the city of Manassas by making or maintaining business records required by statute or regulation that are false or fraudulent, in violation of Sections 4.1-202 and 4.1-226.3 of the Code of Virginia.</p>	Licensee surrendered all ABC licenses as revoked.	4-Alexandria	2/8/2023
SQ, LLC t/a Country Mart	094394	On October 11, 2022 at approximately 4:19 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 3VAC5-50-20.	\$2,250.00 civil penalty	1-Abingdon	2/14/2023
7 Eleven, Inc. and Sardar Bibi, LLC	753702	On September 7, 2022, at approximately 8:03 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 3VAC5-50-20.	\$2,500 civil penalty	8-Chesapeake	2/14/2023
Lion's Brew t/a Lion's Brew	13262943	The applicant misrepresented a material fact in applying to the Board for a license. REF: Section 4.1-222 1.l. of the Code of Virginia.	<p>1.The applicant agrees to pay a civil penalty of one-thousand dollars (\$1,000.00);</p> <p>2. Twelve-month probation period of the winery license.</p>	Compliance	2/15/2023

Licensee	Lic. Num.	Charge(s)	Negotiated Resolution	Region	Agreement Send Date
Kera, Inc. t/a The Krystal Cabaret	091581	<p>1. On February 3, 2023, 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 VAC5-70-90 and 3VAC5-70-180.</p> <p>2. The licensee failed to take reasonable measures to prevent an act of violence causing death or serious bodily harm --or serious bodily injury, or a recurrence of such acts, from occurring on the licensed premises, any premises immediately adjacent to the licensed premises that is owned or leased by the licensee, or any portion of public property immediately adjacent to the licensed premises, in violation of Sections 4.1-202 and 4.1-225 1.q. of the Code of Virginia.</p> <p>3. On January 31, 2023, at approximately 3:00 p.m., the licensee failed to have a designated manager present and in actual charge of the licensed business, in violation of Sections 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3VAC5-50-40 A.</p> <p>4. The licensee failed to submit to the Board a complete and accurate annual review report for the years ending (August 31, 2020, August 31, 2021, and August 31, 2022), in violation of Sections 4.1-114, 4.1-202 and 4.1-225 1.b. of the Code of Virginia and 3VAC5-70-90 D.</p>	The licensee agreed to surrender their wine and beer on and off premises and their mixed beverage restaurant licenses as revoked.	8-Chesapeake	2/17/2023
W. H. Emmart & Son, Inc. t/a Bos Belly Barn 112 Kernstown Shell	008851	On August 8, 2022 at approximately 12:15 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>1. \$4,000 civil penalty</p> <p>2. MART training for the owner within 60 days of the signing of this agreement</p>	3-Staunton	3/3/2023
			<p>Total civil penalties: \$ 9,750.00 Total costs of investigation paid: \$ 0.00 Total days of suspension: 0 days Licensees providing certified training: 1 12-month probationary period: 1 CPA-Audits: 0 Surrender License(s) as Revoked: 2</p>		

Negotiations Accepted

Negotiations Accepted/Completed

February 7, 2023 – March 5, 2023

LICENSEE NAME	ABC LICENSE #	VIOLATION DATE	DISPOSITION DATE	CIVIL PENALTY (\$)	PROBATION / REVOKED
CRISTIS DELI	090915	8/24/2022	2/9/2023	\$2,500	
BRIDGEWATER IGA	070073	8/23/2022	2/9/2023	\$2,500	
COUNTRY MART	094394	10/11/2022	2/16/2023	\$2,250	
LIONS BREW	013262943	1/13/2023	2/17/2023	\$1,000	12 months
THE KRYSTAL CABARET (SUMMARY SUSPENSION)	013322370	1/29/2023	2/21/2023		Surrendered as Revoked
7 ELEVEN STORE 36467B	753702	9/7/2022	2/21/2023	\$2,500	
			TOTAL	\$10,750	

ECOs

**Expedited Consent Orders Accepted/Completed
Februray 7, 2023 - March 5, 2023**

3/20/2023

	A	B	C	D	E	F	G
1	Licensee (Trading As)	Lic. Num.	Charge(s)	Civil Penalty	Suspension Accepted (# of days)	Date Order Received	Region
2	PLEASANT VALLEY GOLFERS CLUB	001522	UAB	\$2,500		2/16/2023	ALEXANDRIA
3	KROGER 310	077996	UAB	\$2,500		2/21/2023	STAUNTON
4	VIRGINIA BEER MUSEUM	092147	UAB		25	3/1/2023	STAUNTON
5	HUNTERS LANDING AT THE COVE	088833	UAB	\$2,500		3/2/2023	FREDERICKSBURG
6	CLAY MART	750920	UAB	\$2,500		3/2/2023	RICHMOND
7	FOOD LION 1148	009812	UAB	\$2,500		3/2/2023	FREDERICKSBURG
8	HILTON GARDEN INN WINCHESTER	054461	UAB	\$2,500		3/2/2023	STAUNTON
9	QUIK N SAV	067642	UAB	\$2,500		3/2/2023	CHESAPEAKE
10	LATINO MERCADO & COCINA	751408	UAB	\$2,500		3/2/2023	ALEXANDRIA
11	ORIGINAL MEXICAN RESTAURANT	050802	UAB	\$2,500		3/2/2023	RICHMOND
12	TINEE GIANT 249	055187	UAB	\$2,500		3/3/2023	CHESAPEAKE
13	THE COUNTRY MART	092666	UAB	\$2,500		3/3/2023	STAUNTON
14	WAL MART SUPERCENTER #2662	016170	UAB	\$2,500		3/3/2023	ROANOKE
15	CVS PHARMACY 7389	067310	UAB	\$2,500		3/3/2023	ROANOKE
16	WAWA #8641	088788	UAB	\$2,500		3/3/2023	HAMPTON

OLC Status

Office of Legal Counsel Status Report

JUDICIAL MATTERS

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	Waiting for oral argument to be scheduled by the Court	Mark Shuford-licensee/Rachel Yates, Maureen Mshar-ABC	N/A
7 Eleven Store Number 17697B and Five Brothers Corporation v. Commonwealth	City of Hampton Circuit Court	Sale to an underage buyer	Trial held on 2/21/2023 with Maureen Mshar in attendance; judge ruled in favor of ABC; matter dismissed	Christopher Reagan/Jim Flaherty-AG's office (Maureen Mshar is support counsel)	N/A
The Food Group, Inc. (Hard Times) v. Commonwealth	City of Fredericksburg Circuit Court	Reasonable measures charge arising from an argument that occurred inside the licensed premises that was taken outside where a shooting occurred.	no change in status as of 2/28/2023	C. David Sands-licensee/Jim Flaherty-AG's office (Maureen Mshar support counsel)	N/A
Sadler Brothers Oil Company, et al v. Commonwealth	Greensville County Circuit Court	Skill games	Transcripts were filed by the parties on 1/25/2023; no additional filings as of 2/28/2023	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	Stephen Heretick-licensee/Defendants	N/A

Style of Case	Court	Charges/Violations/ Complaint	Status of Case	Parties/Opposing Counsel Involved	Decision
			Roanoke County to Roanoke City on 1/13/2022; no service listed on court website; no new filing as of 2/28/2023	listed as Commonwealth of VA, Mark Herring, and Donald Caldwell (no attorney information showing) (Tonya Hucks-Watkins support counsel)	
Club Truth VA, LLC	Hanover County Circuit Court	Denial of Application for a License	The court heard ABC's Motion to Dismiss Misjoined Parties and agreed to the motion; order has been entered; trial date is set for April 21, 2023 with a scheduling order filed	Joseph R. Sanzone, II- Club Truth's attorney and Lindsay R. Horne for Lynchburg PD/Rachel Yates/Maureen Mshar first chair	N/A

Administrative Hearings

Administrative Hearings Status Report

ADMINISTRATIVE HEARINGS

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
Crisp Salad and Juice Bar (Public Safety) (Lynchburg)	1 – Failed to take reasonable measure to prevent act of violence causing death or bodily injury 2 – Failed to take reasonable measures to prevent premises from becoming a threat to public safety 3 – Failed to keep records	PHC –12/2/22 @ 10am HR – 12/12/22 @10am * On 9/22/22 ALJ granted a continuance * On 10/21/22 ALJ granted 2 nd continuance PHC originally set for 9/23/22 HR originally set for 9/30/22 Board Appeal Hearing – 3/20/23	Lynchburg	ALJ – Page OLC – Yates Travis Graham, Esq.	Charge 1, 3, 4 – Substantiate Charge 2 – Not Substantiated 1/10/2023
Mirandas Grill, LLC (Public Safety) (Ruckersville)	1 – Establishment does not conform to requirements of governing body – Sanitation, health, construction or equipment 2 – Licensee/employee intoxicated/impaired upon premises 3 - UAB	PHC –12/2/22 @ 11am HR – 12/16/22 @10am *Request for continuance granted. Original HR date 12/9/22	Charlottesville	ALJ – Richardson OLC - Ross	Charge 1 – withdrawn Charge 2 – Substantiated \$1,500 or 15 days Charge 3 – Substantiated \$2,500 or 25 days Training w/in 60 days of Board Order 1/13/2023
Country Mart (Swords Creek)	UAB	PHC – 11/30/22 @ 11am HR – 12/13/22 @ 1pm	Abingdon	ALJ – Griffin	Substantiated \$1,750 / 7-day 1/19/2023

3/6/2023

Style of Case	Charges	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
El Tenampa (Manassas) Summary Suspension	1 – Did not meet requirements for mixed beverage license 2 – Failed to obliterate MB stamp 3 – Reasonable Measures 4 – Deceive the Board & City of Manassas	HR – 1/3/23 @ 10am HR – 2/10/23 @ 10am	Alexandria	ALJ – Page OLC – Ross ALJ – Maxey OLC – Ross John Carroll, Esq.	Licenses revoked 1/13/2023 License surrendered
Gaskins Shell (Henrico)	1 – UAB 2 – Designated manager not on duty	PHC – 1/3/23 @ 9am HR – 1/10/23 @ 9am	Hanover	ALJ – Griffin	Resolved through negotiations
TTs One Stop Shop (Chesapeake)	1 – UAB	PHC – 1/5/23 @ 10am HR – 1/12/23 @ 10am	Chesapeake	ALJ – Griffin	Substantiated \$2,150 / 7-day 1/31/2023
Carolina Express (Richmond)	1 – So situated with respect to residence/area 2 – Failed to comply with ABC Laws & Regulations 3 – So located – violations	PHC – 1/10/23 @ 9am HR – 1/17/23 @ 9am	Hanover	ALJ – Maxey OLC – Yates	Resolved through negotiations
The 4 Cyber Café (Richmond) Public Safety	1 – Consumption of unauthorized alcoholic beverage 2 – Sold unauthorized alcoholic beverage 3 – Financial responsibility 4 – Kept unauthorized alcohol 5 – Fail to comply w/ Board Order	PHC – 1/13/23 @ 10am HR – 1/20/23 @ 10am	Hanover	ALJ – Richardson OLC - Ross	Charges 1 – 5 Substantiated Charge 6 Withdrawn without prejudice License revoked 2/17/2023
7 Eleven Store 2554 10794B (Lorton)	UAB	PHC – 12/29/22 @ 10am HR – 1/26/23 @ 10am	Alexandria	ALJ – Griffin	

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WR Brews (Roanoke)	1 – Qualification to retain MB 2 – Failed to keep records 3 – Defrauded or attempted to defraud the Board 4 – Failed to submit MBAR	PHC – 1/25/23 @ 11am HR – 2/1/23 @ 11am	Roanoke	ALJ – Richardson OLC - Ross	Resolved through negotiations
7 Eleven #30487C (Woodbridge) Summary Suspension	1 – Failed to take reasonable measures 2 – Meeting place for narcotics	HR – 2/3/23 @ 10am	Alexandria	ALJ – Richardson OLC - Mshar	Substantiated 1 – Purchasing / selling of alcohol suspended for 25 days 2 – License revoked (supersedes penalty imposed for charge 1) 2/13/2023
Jefferson Ale House (Ashburn)	UAB	PHC – 1/31/23 @ 10am HR – 2/7/23 @ 12pm	Alexandria	ALJ – Griffin	Substantiated \$2,500 / 7-days <i>**must obtain an “active” entity status with SCC</i> 2/22/2023
Hilton Garden Inn Reagan Nat. Airport (Arlington)	UAB	PHC – 1/31/23 @ 11am HR – 2/7/23 @ 11am	Alexandria	ALJ – Griffin	Resolved through negotiations
Krystal Cabaret (Portsmouth) Summary Suspension	Waiting on charges	HR – 2/14/23 (virtual) HR – 2/21/23	Chesapeake	ALJ – Maxey OLC – Ross	Resolved through negotiations Licenses Surrendered

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Cristis Deli (Falls Church)	UAB	PHC – 2/17/2022 HR – 2/24/23 @ 11am	Alexandria	ALJ – Griffin	Resolved through negotiations
7- Eleven Store 24343C (Norfolk)	UAB	PHC – 2/28/2023 @ 10am HR – 3/7/2023 @ 10am	Chesapeake	ALJ – Griffin	
Food Lion #494 (Chesapeake)	UAB	PHC – 2/28/2023 @ 11am HR – 3/7/2023 @ 11am	Chesapeake	ALJ – Griffin	Resolved through negotiations
Bridgewater IGA (Bridgewater)	UAB	PHC – 3/1/2023 @ 12pm HR – 3/9/2023 @ 12pm	Staunton	ALJ – Griffin	Resolved through negotiations
Dollar General 24340 (Amelia Courthouse)	Objection to application – so situated to residential area	PHC – 3/3/2023 @ 9am HR – 3/10/2023 @ 9ma	Hanover	ALJ – Richardson Citizen objectors	
Lions Brew (Chester)	Applicant misrepresented facts when applying for a license	PHC – 3/15/23 @ 10am HR – 3/22/23 @ 10am	Hanover	ALJ – Richardson	Resolved through negotiations

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Mirandas Grill (Ruckersville)	5 bad checks to the Board	PHC – 3/17/23 @ 10am HR – 3/24/23 @ 10am	Charlottesville	ALJ – Richardson	
Remedy (Richmond)	Application – 1 – Retail on-premises license is constructed/arranged/illuminated 2 – Situated with respect to residence / area 3 – “Peace and Good Order”	PHC – 3/21/23 @ 9am HR – 3/28/23 @ 9am	Hanover	ALJ – Maxey Marc Shuford for objectors Michael Lafayette for applicant	
Raceway 6799 (Hampton)	UAB	PHC – 3/22/23 @ 10am HR – 3/29/23 @ 10am	Hampton	ALJ - Griffin	
Food Craft (Yorktown)	1 – Selling/Sold alcoholic beverages with application pending 2 – Keeping alcoholic beverages with application pending	PHC – 3/23/23 @ 10am HR – 3/31/23 @ 10am	Hampton	ALJ – Maxey	
Escapate Bar & Lounge (Richmond) Public Safety	1, 2, 3, 4, 5, 6 – Purchased beer/wine except for cash 7 – MBAR	PHC – 3/29/23 @ 9am HR – 4/4/23 @ 10am	Hanover	ALJ – Richardson OLC – Hucks-Watkins	

Style of Case	Type of Matter	Status of Case	Location of Hearing	Parties Involved	Date Decision Rendered
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El Tropi 2 LLC (Chesterfield)	1 – Kept unauthorized alcoholic beverage 2 – Sale of alcoholic beverage in unauthorized mannar 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 – 4/6/23 @ 9am HR – 4/13/23 @ 9am	Hanover	ALJ – Maxey	
Stop In Food Stores 160 (Rich Creek)	1 – UAB 2 – Employing convicted felon	PHC – 4/12/23 @ 11am HR – 4/19/23 @ 11am	Abingdon	ALJ – Richardson	
Mattapony Reserve (West Point)	1 – Misrepresented material fact 2 – Misrepresented material fact 3 – Qualifications to retain license	PHC – 4/21/23 @ 9am HR – 4/28/23 @ 9am	Hanover	ALJ – Maxey	

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"	11/16/22 – ABC asked the parties to agree to a schedule for any written or oral submissions regarding pending motions for a default judgment from the petitioner wholesalers and for leave to file late responsive pleadings from the respondent supplier. 11/17/22 – Petitioners Premium and Blue Ridge withdrew their motion for entry of default judgment in their franchise complaint. Upon receipt of responsive pleadings from Boston Beer, expected on or before November 30, 2022, an initial conference will be scheduled. ~ Informal Conference set for December 12, 2022, at 10 a.m. ~ Hearing scheduled for May 1 – 3, 2023		ALJ – Maxey Kevin McNally, Esq. for Premium Distributors & Blue Ridge Beverage Brian Wainger, Esq. w/ Kaleo Legal for Boston Beer Company	
SanTan Brewing Co., Inc v. Ferment Nation, LLC	Termination of agreement - default Failure to pay undisputed monies	2/17/23 – Initial teleconference		ALJ – Richardson Thomas Lisk, Esq. for SanTan Brewing Co.	
Diamond Importers, Inc. v. International Cellars, LLC	Termination of Agreement	The parties have indicated they are attempting to negotiate a resolution. Parties have been instructed to provide an update mid-week of the week of February 22, 2023.		ALJ – Griffin	

FOIA



Virginia ABC FOIA Report
February 7, 2023 - March 6, 2023

Date Received	Requester	Subject	Responsible Division	Status																		
1/31/2023	Dan Kennedy Anchor/Reporter 13NewsNow Norfolk, VA	I'm writing to request a list of all known shoplifting incidents from Virginia ABC stores during calendar year 2022. Please include dates, store locations, what was stolen and the estimated financial loss. If possible, please provide the information via Excel.	OLC	Completed																		
1/31/2023	T. Wayne Biggs Attorney Dycio & Biggs Fairfax, VA	I am requesting, pursuant to the Freedom of Information Act, a copy of the franchise file for the brand "Pilsen Callao" to include, but not be limited to, all franchise designations on file and all letters of authorization relating to the national importer(s) of such brand as well as any general correspondence regarding the franchise designation of this brand. To be clear, I am not seeking any tax filings related to this brand, but I am seeking any purchase orders that Dionysos Imports may have filed with the ABC in its attempts to purchase this product.	License Records Mgt	Completed																		
1/31/2023	Peter Ford Citizen Arlington, VA	Pursuant to the Virginia Freedom of Information Act (§ 2.2-3700 et. seq.), I request copies of the liquor license files pertaining to Mom's Organic Market Inc. also known as MOM'S Organic Market and/or MOMs Organic Market as detailed below. This request includes, but is not limited to, application forms, attachments, exhibits, addenda, cancellations, and other relevant filings pertaining to: <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">License Number</th> <th style="text-align: left;">Establishment Name</th> <th style="text-align: left;">County/City</th> </tr> </thead> <tbody> <tr> <td>86228</td> <td>MOMs Organic Market</td> <td>Fairfax County</td> </tr> <tr> <td>86229</td> <td>MOMs Organic Market</td> <td>Alexandria City</td> </tr> <tr> <td>86234</td> <td>MOMs Organic Market</td> <td>Fairfax County</td> </tr> <tr> <td>87840</td> <td>MOMs Organic Market</td> <td>Prince William County</td> </tr> <tr> <td>88049</td> <td>MOMs Organic Market</td> <td>Arlington County</td> </tr> </tbody> </table>	License Number	Establishment Name	County/City	86228	MOMs Organic Market	Fairfax County	86229	MOMs Organic Market	Alexandria City	86234	MOMs Organic Market	Fairfax County	87840	MOMs Organic Market	Prince William County	88049	MOMs Organic Market	Arlington County	License Records Mgt	Completed
License Number	Establishment Name	County/City																				
86228	MOMs Organic Market	Fairfax County																				
86229	MOMs Organic Market	Alexandria City																				
86234	MOMs Organic Market	Fairfax County																				
87840	MOMs Organic Market	Prince William County																				
88049	MOMs Organic Market	Arlington County																				
1/31/2023	Tyler Jones Accountant Innovative Refrigeration Systems, Inc. Lyndhurst, VA	a copy of the application submitted for our license (096722).	License Records Mgt	Completed																		

Virginia ABC FOIA Report
February 7, 2023 - March 6, 2023

Date Received	Requester	Subject	Responsible Division	Status
2/1/2023	Cristin Arseculeratne Citizen Reston, VA	I am requesting a report showing the salary information for all managers, directors, and chiefs for the years 2021, 2022 and current. (Retail store manager salaries NOT requested.) accounting detail showing ALL bonuses paid to employees from 2018-present of \$500 and above. Please provide the name, amount and date for each bonus payment.	OLC	Completed
2/1/2023	Eric Medin Citizen Fairfax, VA	A report showing the delivery date, store number, and quantity of Old Forester Birthday Bourbon 2022 (SKU 00060), Old Fitzgerald 19 (SKU 016379), and Parkers Heritage Classic Double Barreled (SKU 02239) delivered to stores in the Northern Virginia Planning District between 11/27/22 – present.	OLC	Withdrawn
2/2/2023	Brian Wainger Attorney Kaleo Legal Virginia Beach, VA	records related to Hearings cases in 1994 - Martlet Importing Co (11911 Freedom Drive, Reston, Virginia (beer surrendered ABC license #52314); 11921 Freedom Drive, Reston, Virginia (wine surrendered ABC license #71421)); The Globe Distribution Company	License Records Mgt	Completed
2/6/2023	Angie C. Meyers/Robert J. Haddad Paralegal/Attorney Ruloff, Swain, Haddad, Morecock, Talbert & Woodward, PC Virginia Beach, VA	We request copies of all documentation, including but not limited to any documents, complaints, investigations, information concerning ownership, information concerning control, information concerning officer, directors, and employees of Just One More Bar and Grill located at 2425 Virginia Beach Blvd, Suite 101, Virginia Beach, VA 23452.	License Records Mgt	Completed
2/7/2023	Aubrey Nelson Commercial Underwriter Forest Commercial Lines Auto Owners Insurance Forest, VA	violation history at Elliotts Country Store, ABC license #013315794.	License Records Mgt	Completed

Virginia ABC FOIA Report
February 7, 2023 - March 6, 2023

Date Received	Requester	Subject	Responsible Division	Status
2/8/2023	Kyle Hart Underwriter Specialist Tri-County Metro Commercial Auto Owners Insurance Forest Commercial Lines Auto Owners Insurance Forest, VA	records on Clearwater Group LLC, t/a Clearwater Group Restaurant located at 4276 Germanna Highway, Locust Grove, VA, ABC license #95004.	License Records Mgt	Completed
2/9/2023	Abby McCaleb Underwriter Forest Commercial Lines Auto Owners Insurance Forest, VA	violation history for The Bungalow Lakehouse, ABC license #80571; The Bungalow Alehouse, ABC license #67410; The Bungalow Alehouse, Ashburn, ABC license #99363	License Records Mgt	Completed
2/10/2023	Kyle Hart Underwriter Specialist Tri-County Metro Commercial Auto Owners Insurance Forest Commercial Lines Auto Owners Insurance Forest, VA	violation history at Frys Station Pizza, ABC license #64996 located at 2115 Jefferson Park Ave, Charlottesville, Virginia	License Records Mgt	Completed
2/13/2023	Stephen Faleski Staff Writer The Smithfield Times Smithfield, VA	copy of a permit application and any attachments submitted by Gatling Pointe Social Club Inc., trading as Gatling Pointe Social Club, 903 Gatling Pointe Parkway, Smithfield, VA	License Records Mgt	Completed

Virginia ABC FOIA Report
February 7, 2023 - March 6, 2023

Date Received	Requester	Subject	Responsible Division	Status
2/17/2023	Eric Medin Citizen Fairfax, VA	<ul style="list-style-type: none"> • For the dates January 1, 2023 through the date on which the analysis is being performed by the analyst • For stores 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), EH Taylor Barrel Proof (021600), George T. Stagg (018416), 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. 	OLC	Completed
2/17/2023	Alan Stowers Contract Investigative Analyst ANASEC Inc. Garber, OK	Incident Report #18-02186 related to Aris Michael Indino	License Records Mgt	Completed
2/21/2023	Scott Flax Citizen Leesburg, VA	<ul style="list-style-type: none"> • Could you please provide the full, step by step process for conducting the special release lottery drawing including when duplicate entries are removed and whether they are removed based on name, address, or some other identifier. • Could you please provide the name of the auditing official who certified the results for each lottery. 	OLC	Pending
2/21/2023	Meghan McIntyre Intern Virginia Mercury	emails or other communication records on ABC counter-service stores and the Virginia Mercury sent or received between December 5 and January 5 by Susan Johnson.	OLC	Completed
2/28/2023	Matthew J. Weinstein Associate McGuireWoods Tysons, VA	Current license and any related documentation for Workhouse Arts Center, license no. 61416	License Records Mgt	Pending

Virginia ABC FOIA Report
February 7, 2023 - March 6, 2023

Date Received	Requester	Subject	Responsible Division	Status
3/6/2023	Charles Francis President Mattachine Society of Washington, D.C.	We are requesting under FOIA, all communications and internal Virginia ABC Board documents regarding the sale of alcohol to "homosexuals" in 1990 and 1991. This request includes memoranda, correspondence and Orders within the Virginia ABC Board or between the ABC Board and the Office of the Attorney General and Assistant Attorney General of the State of Virginia. This prohibition was a result of a 1934 liquor law in Virginia that prohibited the sale of alcohol to homosexuals. The ABC regulation was lifted as a result of Federal Court Order in a lawsuit organized by Virginians for Justice. Directly involved with this issue at the time was the Counsel to the ABC Board Donald Lahy, The FOIA request includes all communications with Donald Lahy regarding the prohibition and the lawsuit.	OLC	Pending

CTO Report – Elizabeth Chu

Change Management Office
Diversity Equity and Inclusion
Project Management Office
Strategy and Analytics



Change Management Office

- **FY 24 Strategic Plan** (Sponsor: Chief Chu)
 - Plan complete and under review with Transformation Office Chief
 - 4 goals: Equip for Excellence; Build Sustainability; Lead Change, Prioritized Transformations; Deliver on Key Programs
 - Mid-March interviews for open Change Management Manager role
- **Performance Management / Pay for Performance** (Sponsor: Chief Alfano; Senior Contributor: Chief Dunham)
 - Program Co-Lead with HR Director; 3-Year Roadmap Established
 - Integrated Change Team established; 51 deliverables on track for June 2023 delivery
- **Renewed Values Statements** (Customer: Travis Hill; Sponsor: Chief Alfano)
 - Activation Team established; 3-Part Plan in process
- **Change, Training and Communications support for several key programs underway** (Multiple Sponsors):
 - Strategic Planning; WOLO LA; VAL; Enterprise Workflow Automation (EWA)/Service Now; Pin Pad; HR Modernization Phase 0; PDH/Supplier Engagement; Combined Warehouse Orders (CWO); ACH emerging; Development of CMO Training and Toolkit for late Spring release

Diversity Equity and Inclusion Office

- **DEI Awareness** (*OneVA Goal #4, Infrastructure and Accountability, Objective #1, Develop agency wide communications plan*)
 - Craft DEI messages for Black History Month, Women’s History, Celebrate Diversity Month, and Asian Pacific American Heritage Month
- **Leadership Training** (*OneVA Goal #3: Training & Education, Objective #3, Provide DEI training opportunities for all ABC employees*)
(*Training Dates: February 28, 2023 – March 2, 2023*)
 - Read out (March 15, 2023)
 - Themes, Lessons learned, momentum drivers, barriers, and next steps
- **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*)
 - Next steps: Focus will shift to potential member notification beginning the week of March 6, 2023 and planning for welcome meeting.
- **Supplier Diversity Program** (*OneVA Goal #5, Focus Community Engagement Activities, Objective #3, Engage in diverse community events and outreach programs*)
 - Framed Supplier Diversity definitions & parameters (Collaboration with Marketing Division)
 - Supplier Diversity Policy drafted for review (Model based on Virginia Supplier foundation)
 - Presenting draft at PMC meeting on March 6, 2023

Project Management Office

- **Project Progress**

- 9 active (*Pin Pad, Licensing Onboarding, SaaS Migration, Oracle Web-Logic, Freight Way, WOLO-LA, Product Data Hub, HRIS – Phase 0, Customer Support Process Reengineering, Enterprise Workforce Automation*)
- 3 completed (*Warehouse Management, Reusable Bags, Oracle Upgrade*)

- **2 Senior Project Manager Positions**

- Positions reposted, will close on March 8
 - Position description rewritten to attract higher quality candidates

- **Project Management Office Director Position**

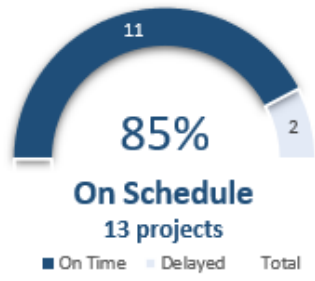
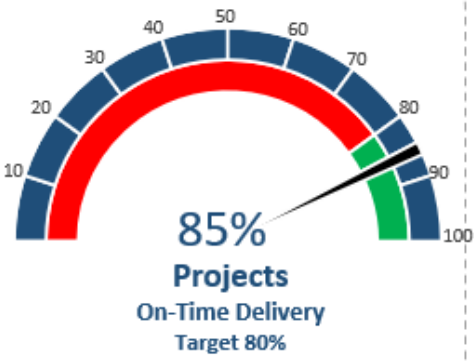
- Position became vacant on March 3
- Position posted, will close on March 20

- **PMO Quality and Performance Stakeholder Feedback**

- Formalization of an initiation checklist for projects and programs is in progress
- Communication of checklist and its importance to all project stakeholders to be determined
- Scheduling of monthly meetings with major project stakeholders to capture ongoing project feedback in progress

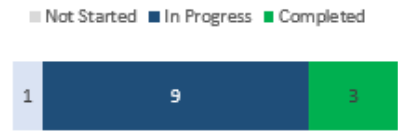
Portfolio Dashboard - All Projects

Total # Projects	Total Budget	Total # Resources
13	8,424,719	59

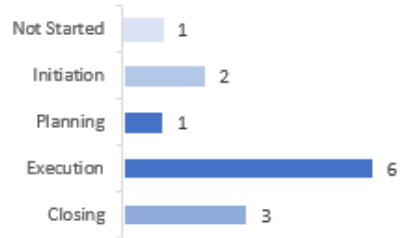


ON-SCHEDULE

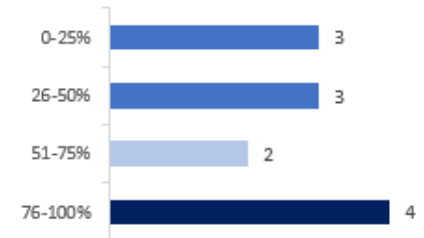
OVERALL PROJECT PROGRESS



PROJECT PHASES

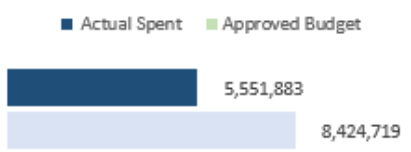


PROJECT % COMPLETE

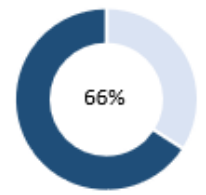


ON-BUDGET

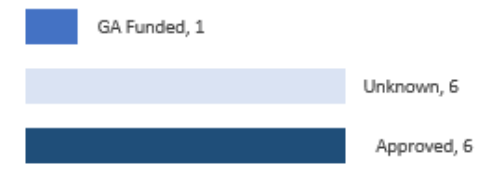
BUDGET vs ACTUAL



BUDGET SPENT

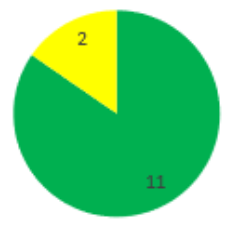


BUDGET PHASE

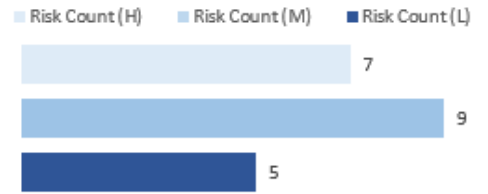


ON-SCOPE

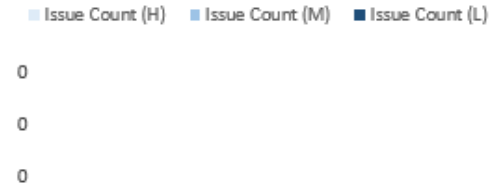
CURRENT PROJECT HEALTH



RISK COUNTS



ISSUE COUNTS



70



Strategy and Analytics Office





Priorities and Progress

- **Strategic Plan**
 - Framework for strategic goals approved by both executive leadership and Board
 - Strategic Plan document drafting is in process
 - Monitoring plan and rollout process are both in development
- **Data Management**
 - Data Management RFP submission scoring complete, 6 of the 18 submissions are moving to the presentation stage (week of Mar 13)
- **Team Updates**
 - Sr Business Analyst backfill for Business Analytics Manager promotion has been selected, moving to offer
 - Requisition for Strategy Analyst not yet yielding a material pool of qualified candidates, may need to reevaluate options

Appendix - CTO







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	End Date	Status
E-Commerce Program	<ul style="list-style-type: none"> The 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. 	<ul style="list-style-type: none"> eCommerce is growing significantly. This growth is not only in response to the pandemic, but projections indicate that eCommerce will continue to grow over the next five years, with a conservative increase of annual online orders to 1.8M, representing a 5x to 10x growth over current levels. Virginia ABC cannot hope to support even a fraction of this demand, including concomitant increases in customer service needs, without a program for expanding our infrastructure, eCommerce, and order management capabilities. 	<ul style="list-style-type: none"> Vida Williams 	01/01/2022	7/30/2025	
Enterprise Workflow Automation (EWA)	<ul style="list-style-type: none"> VA ABC will leverage an industry leading Enterprise Workflow Automation platform that will promote automated routing of internal and external customer requests, automation within the work process, a knowledge management centralized record, audit and compliance trail, and an integrated reporting dashboard which pulls data from ABC functional platforms. 	<ul style="list-style-type: none"> As it exists today Virginia ABC currently provides help desk support for internal and external customers through a combination of email, walk-up, phone calls, and ticket entry. ABC help desk agents receive over 2,000 monthly service requests, incidents, or general help desk tickets. This represents only a portion of the work and leaves customer support disconnected and inefficient across ABC business groups. 	<ul style="list-style-type: none"> Keith Russell 	03/01/2022	06/30/2023	
Customer Support Process Reengineering	<ul style="list-style-type: none"> VA ABC will leverage an industry leading Enterprise Workflow Automation platform that will promote automated routing of internal and external customer requests, automation within the work process, a knowledge management centralized record, audit and compliance trail, and an integrated reporting dashboard which pulls data from ABC functional platforms. 	<ul style="list-style-type: none"> As it exists today Virginia ABC currently provides help desk support for internal and external customers through a combination of email, walk-up, phone calls, and ticket entry. ABC help desk agents receive over 2,000 monthly service requests, incidents, or general help desk tickets. This represents only a portion of the work and leaves customer support disconnected and inefficient across ABC business groups. 	<ul style="list-style-type: none"> Keith Russell 	01/01/2022	06/30/2023	
Human Resources Modernization - Phase 0	<ul style="list-style-type: none"> The current HR systems do not communicate well with each other and have outlived their support structure. Systems have become outdated in their ability to meet HR operational needs. The goal of the Human Resources Modernization Project is to implement agile tools and improve processes for all stakeholders. 	<ul style="list-style-type: none"> The current HR technology environment at Virginia ABC is a complex mix of internally developed, "homegrown" ABC systems and mandated integration with Commonwealth of Virginia state systems. The systems do not communicate well with each other and ABC has outgrown the current capabilities. Systems have become outdated in their ability to meet HR operational needs, needing frequent customizations and updates by HR and IT resources. 	<ul style="list-style-type: none"> John Singleton 	07/01/22	05/30/2023	



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	End Date	Status	
Virginia ABC Licensing (VAL)	<ul style="list-style-type: none"> Virginia ABC Licensing (VAL) System Licensee Onboarding is an effort to roll out the new web-based licensing system that allows ABC license business transactions to occur on-line, any time. 	<ul style="list-style-type: none"> The web based licensing system will reduce manual processes and paperwork not only for the Authority but more importantly for our customers. Allowing customers to apply online and track their application through the licensing process. 	<ul style="list-style-type: none"> Tom Kirby 	<ul style="list-style-type: none"> 09/20/2017 	<ul style="list-style-type: none"> based on onboarding month-to-month approach 		
Pin Pad Upgrade	<ul style="list-style-type: none"> The project will upgrade all in-store VeriFone MX915 EMV (Europay, MasterCard and Visa) devices running PTS4 (Pin Transaction Security Version 4) software to VeriFone M440 EMV devices running PTS5 (Pin Transaction Security Version 5) software. 	<ul style="list-style-type: none"> The software to VeriFone Model M440 devices running PTS5 (Pin Transaction Security Version 5) will expire April 2024. The equipment and software needs to be upgraded to maintain compliance parameters set by Payment Card Industry (PCI). 	<ul style="list-style-type: none"> David Walker 	<ul style="list-style-type: none"> 07/15/2022 	<ul style="list-style-type: none"> 09/30/2023 		
Phase II Oracle WebLogic Upgrade Migration	<ul style="list-style-type: none"> During the Oracle database migration, WebLogic was moved to Oracle Cloud Infrastructure (OCI), but it was not upgraded. Much of the same team is needed to complete the application server upgrade. ABC's current version of WebLogic will end support in December 2023 and continuing the effort ensures that we will complete the upgrade ahead of time and have ample time to schedule the production upgrade when it is least impactful to the business. 	<ul style="list-style-type: none"> Upgrade should mitigate security and system downtime risks associated with out-of-date software infrastructure by upgrading WebLogic. 	<ul style="list-style-type: none"> David Kuti 	<ul style="list-style-type: none"> 06/10/2022 	<ul style="list-style-type: none"> 09/30/2023 		
VAL SaaS Migration	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> David Kuti 	<ul style="list-style-type: none"> 11/14/2022 	<ul style="list-style-type: none"> 10/30/2023 		
Pay For Performance	<ul style="list-style-type: none"> This initiative continues the implementation of our strategic goal of investing in our people. The Pay for Performance plan reinforces a more comprehensive performance management structure. Moving to a Pay for Performance approach provides a consistent mechanism to compensate employees based on performance and level of contributions. 	<ul style="list-style-type: none"> The Authority is moving towards a pay for performance program that objectively measures performance and rewards differentiated contribution levels versus the prior year practices where everyone, regardless of contribution levels, receives the same salary increase percentage. Pay for performance is a plan that impacts base pay increases and should not be confused with other existing performance incentive or bonus plans, such as the current Retail and Distribution Center incentive plans 	<ul style="list-style-type: none"> David Alfano 	<ul style="list-style-type: none"> 01/30/2022 	<ul style="list-style-type: none"> 7/30/2025 		

CDBO Report – Vida Williams

Press Releases

Education and Prevention

Communications

VA Mercury Report on VA ABC Real Estate Investigation

Building on concepts identified in the Store of the Future effort and an overall need to update stores on a regular cadence, the Real Estate Division is working on a modernization plan for our stores.

The current store portfolio is very disparate in layout and condition. Efforts will focus on a more uniform, efficient and customer friendly store layout.

In Dec. 2022 Virginia ABC received a request from the Virginia Mercury to discuss disparities between new ABC stores and older stores, with particular attention to the three remaining counter stores in the store fleet.

In preparing a response to the reporter, ABC teammates exchanged emails to develop an approach to answer the questions. Responses reflected personal perspectives that were examined and either incorporated or set aside to develop an ABC response explaining our plan to proceed. ABC's approach was explained as a holistic modernization of our stores, designing around a consistent brand and customer experience. Counter stores will be part of the modernization along these lines. The original article ran on Dec. 19th. [Link](#)

Subsequently, Mercury reporters Meghan McIntyre and Graham Moomaw submitted FOIA requests for emails of several ABC team members to examine the dialogue that took place in crafting the ABC response. On Friday, 3/17, ABC will meet with the reporters to address the various views expressed in the email exchanges and how they inform our modernization going forward. Our plan continues to be a work in progress and consensus will continue to be built internally as we formalize the plan.

Article is expected to be published in the coming weeks.



CLEO Report – Chief Tom Kirby

Underage Buyer 2023 Results

Calendar Year: 2023	ALCOHOL		TOBACCO	
As of 03/13/2023	1 st Cycle (Ending: 5/31/23)	Calendar Year To Date	DBHDS Grant	DBHDS Supplemental
Scheduled	1077	1077	0	1016
No sale	88	88	0	567
Sale	17	17	0	112
Not completed	18	18	0	48
ABC Store: no sale	19	19		
ABC Store: sale	1	1		
Remaining	954	954	0	289
Compliance rate	83.8%	83.8%	N/A	83.5%

- Scheduled includes 7 complaint-based checks, received and completed.
- ABC store results are subset of total results. ABC Store results include distillery stores.
- Not completed includes temporary/seasonal closed, unsafe, UAB known to clerk, etc. and are not considered in establishing the compliance rate because the check was not completed.



CROO Report – Mark Dunham

Strategic Priorities

Retail Sales Summary

Distribution Center Stabilization

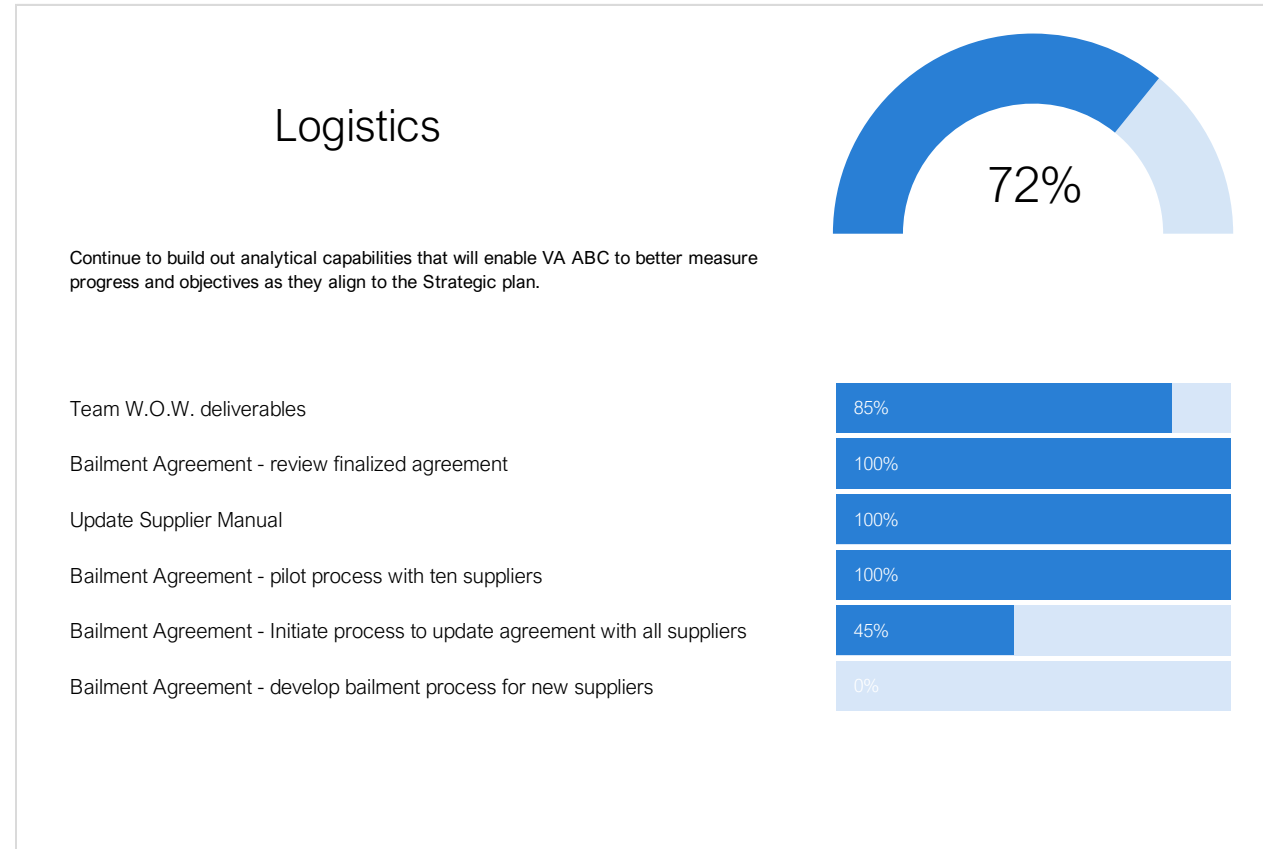
Marketing and Merchandizing

Real Estate and Facilities



Strategic Priorities

Logistics Bailment Agreement



Retail Sales Summary

Weekly cumulative sales and bottles sold

Sales totaling \$958,880,009 are up \$43,999,059 or **4.8%** when compared to last year and are \$20,517,077 or **2.2%** above the \$938,362,932 target. The weekly cumulative comparison includes 238 sales days this year and 239 last year.

To date bottles sold

Total number of bottles sold increased **2.8%** and retail bottles sold increased **2.5%**. Mixed beverage licensee bottles sold increased **5.0%**. Mixed beverage licensee dollars represent **16.7%** of total sales, up from last year with **15.8%** of total sales.

Retail Sales Summary

Sales Front Door and Licensee YTD

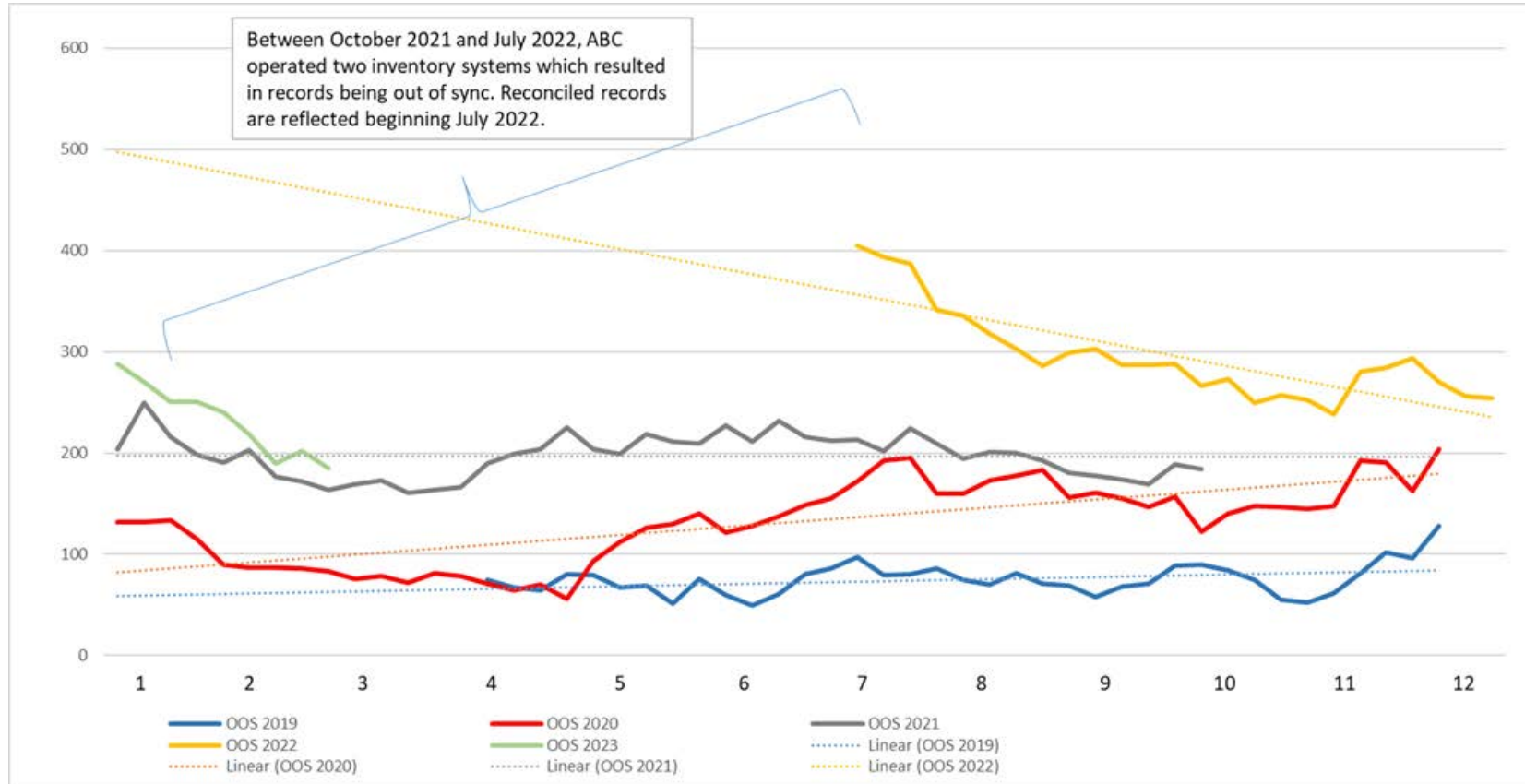
17%	YTD Lic %	Sales Trend (% and \$)			YTD Sales Target MAX	7.2%
End date of reporting 2/23/2023		Current Month sales 2/23/2023		Current Qtr. to date	YTD sales	
Total sales		1.2%	4.4%	4.8%		
2023		\$83,012,880	\$183,698,024	\$933,333,880		
2022		\$82,005,213	\$176,010,932	\$890,429,993		
Front store sales		0.8%	1.3%	3.7%		
2023		\$67,387,912	\$149,903,380	\$777,854,969		
2022		\$66,885,011	\$147,989,561	\$750,001,635		
Licensee Sales		3.3%	20.6%	10.7%		
2023		\$15,624,967	\$33,794,643	\$155,478,911		
2022		\$15,120,202	\$28,021,371	\$140,428,358		

Sales by Department

	Brandy	Cocktails	Cordials	Gin	Mixers	Rum	Schnapps	Tequila	Vermouth	Virginia	Vodka	Whiskey
2023	\$66,296,389	\$11,753,282	\$64,541,560	\$31,961,331	\$5,298,762	\$55,842,282	\$7,052,922	\$157,392,715	\$1,515,953	\$1,946,841	\$179,604,426	\$347,331,874
2022	\$72,955,331	\$10,243,897	\$60,100,322	\$30,857,895	\$4,835,291	\$57,215,251	\$6,572,237	\$129,360,849	\$1,364,533	\$1,930,636	\$180,522,535	\$333,531,905
% change	-9.1%	14.7%	7.4%	3.6%	9.6%	-2.4%	7.3%	21.7%	11.1%	0.8%	-0.5%	4.1%
% of total	7%	1%	7%	3%	1%	6%	1%	17%	0%	0%	19%	37%

Distribution Center Out of Stocks

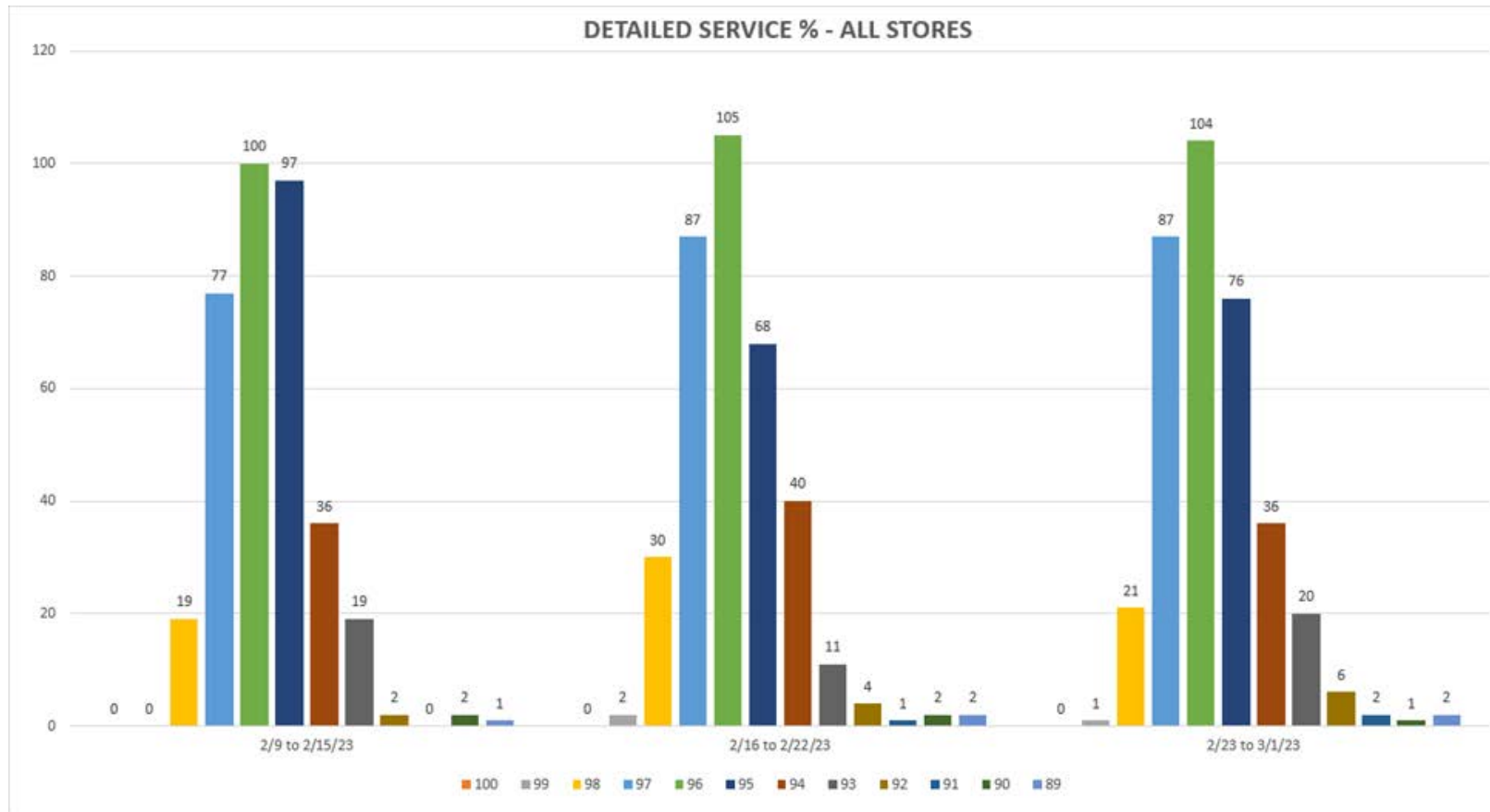
DC OOS continue to be higher than historical averages. OOS spiked mid-December and continue trending down.



Retail Store Out of Stocks

Retail Store In-stock - March

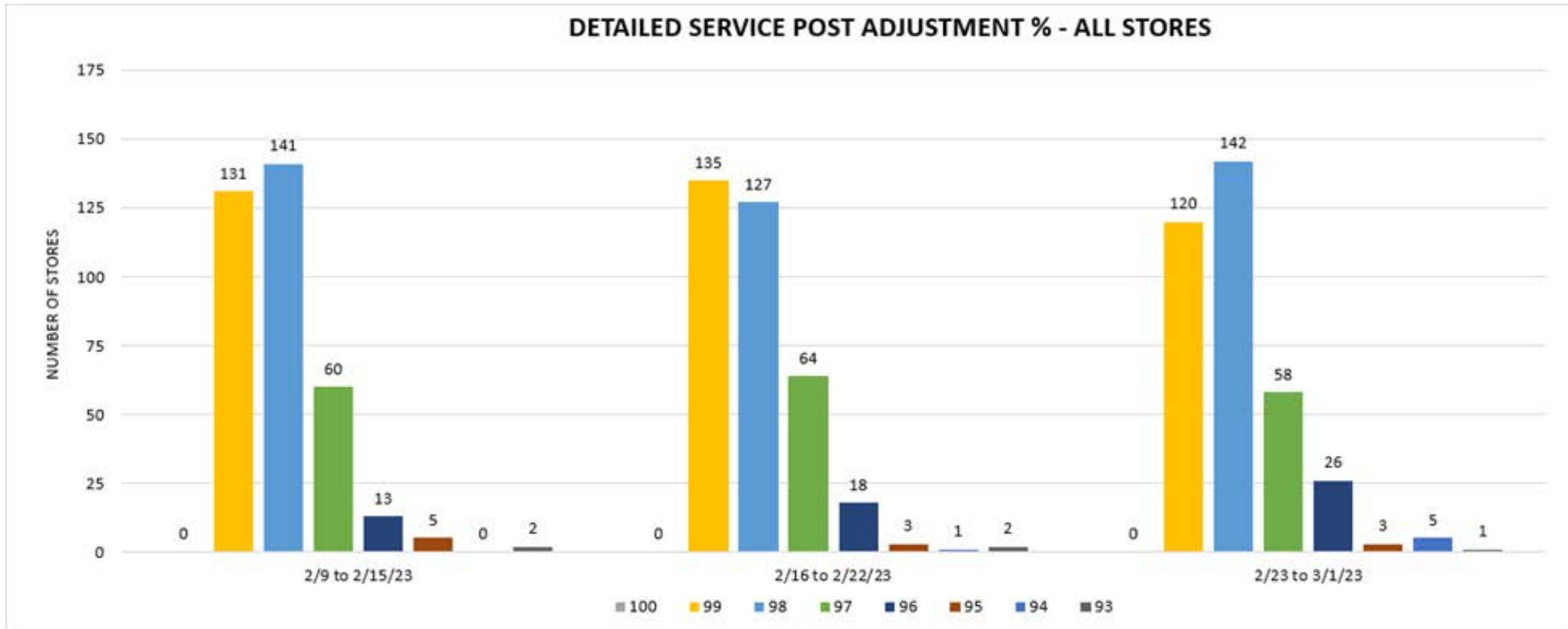
31 stores below 94% compared to 35 in February.



Retail Store Out of Stocks

Retail Store In-stock goal is 97%.

The below chart shows the same in-stock percentage for stores with DC out of stocks removed. This reduces stores below 97% in-stock to 35.



Distribution Center

Average cases shipped daily in February 24,819 with a peak day of 30,387.

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		
Apr	25,538	30,011		
May	24,974	30,753		
Jun	25,090	36,093		
Jul	25,292	34,323		
Aug	23,377	30,802		
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	24,090	29,776

Distribution Center Stabilization:

Jan – 31.77 cases per labor hour

Feb – 33.785 cases per labor hour

Calendar YTD shipped 71,767 cases above a forecast of 967,749

Marketing Update

February Big Game Spirited Thursday

All Diageo products in support of their NFL sponsorship

Sales increased \$52,166 or 97%. Bottle sales were up 2,400 or 715% versus a year ago.

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

- Store performance increased by 97% in sales year-over-year, 102% in bottles sold.
- Both Captain Morgan Original Spiced Rum SKUs were represented in the February 10, 2022 Spirited Thursday event.
- 26% of online orders contained a Spirited Thursday product.

February 9th Spirited Thursday Store Sales

Product	2/9/2023 Dollars	2/10/2022 Dollars	Dollar Increase	% Dollar Increase
Deleon Blanco 750ml	\$21,433	\$4,239	\$17,194	406%
Bulleit Bourbon 750ml	\$38,665	\$16,480	\$22,185	135%
Crown Royal 750ml	\$25,513	\$23,288	\$2,225	10%
Ketel One Vodka 750ml	\$11,674	\$400	\$11,274	2819%
Capt. Morgan Orig. Spiced Rum 750ml	\$5,555	\$6,058	-\$503	-8%
Capt. Morgan Orig. Spiced Rum (plastic) 750ml	\$3,281	\$3,490	-\$209	-6%
TOTAL	\$106,121	\$53,955	\$52,166	97%

February 9th Spirited Thursday Online Orders

Product	2/9/2023 Dollars	2/10/2022 Dollars	Dollar Increase	% Dollar Increase
Deleon Blanco 750ml	\$512	\$40	\$472	1180%
Bulleit Bourbon 750ml	\$1,238	\$70	\$1,168	1669%
Crown Royal 750ml	\$768	\$0	\$768	-
Ketel One Vodka 750ml	\$520	\$0	\$520	-
Capt. Morgan Orig. Spiced Rum 750ml	\$101	\$288	-\$187	-65%
Capt. Morgan Orig. Spiced Rum (plastic) 750ml	\$86	\$0	\$86	-
TOTAL	\$3,224	\$398	\$2,827	711%



Marketing Plans

Planned Activity – Rolling 90 Days

	THEME	PODs	FRONT COUNTER	SPIRITED THURSDAYS/ DOORBUSTERS	MINI-MONDAY	IN-STORE DISPLAYS	LOTTERIES & BARREL PICKS
MARCH	Cocktails Through the Decades	Cocktails Through the Decades - Martini - Brandy Smash - Tequila Sunrise - Cosmopolitan	Citrus Old Fashioned - VHW Port Cask Finished Whisky - Keep It Simple Syrup Lemon Zest - Angostura Bitters	St. Patrick's Day Jameson Proper 12 Irish Proper 12 Irish Apple Baileys Dead Rabbit Tullamore D.E.W. Redbreast 12	Irish Proper 12 Irish Apple	Baileys Bacardi Evan Williams Jack Daniel's Jim Beam Jose Cuervo New Amsterdam Tito's	3/8 - 3/12 - Pappy Lotto #2 3/29 - 3/31 - Ragged Branch Lotto
APRIL	Botanical & Flavored	Botanical/Flavored - Spring Sparkler - Spring Fling - Limoncello - Blood Orange Mule	French Martini Grey Goose & Chambord	Flavored Vodka Absolut Mandarin Absolut Lime Deep Eddy Lemon Deep Eddy Peach Grey Goose – White Peach & Rosemary Grey Goose – Watermelon & Basil Ketel One – Citroen Ketel One – Cucumber & Mint	Flavored Bird Dog Black Cherry & Peach	Absolut Bulleit Captain Morgan Grey Goose Jose Cuervo Authentic Lunazul Pinnacle Teremana Wild Turkey/Russell's Reserve	4/5 - 4/9 - BTAC Lotto 4/22 - In Store Barrel Pick (Ragged Branch)
MAY	Botanical & Flavored	Botanical/Flavored - Spring Sparkler - Spring Fling - Limoncello - Blood Orange Mule	Vodka Varieties - Ciroc Red Berry - Ciroc Apple - Ciroc Vodka	Derby de Mayo Blade & Bow Four Roses Knob Creek Maker's Mark Woodford Reserve Yellowstone Select Don Julio Repo Espolon Repo Lunazul Anejo Milagro Silver Patron Silver Tres Agave Anejo	Bacardi Mango Chile	Evan Williams Fireball Hennessy VS Jose Cuervo Jose Cuervo Authentic Maker's Mark Patron Tito's Woodford	5/10 - 5/12 - Lottery (assorted brands)



Real Estate and Facilities Update

New Store Update:

Store 302 (Powhatan)	Awaiting completion of space by Landlord; anticipated Commencement Date June 2023
Store 405 (Norfolk)	Awaiting completion of space by Landlord; anticipated Commencement Date July 2023
Store 442 (Hanover)	Awaiting completion of space by Landlord; anticipated Commencement Date July 2023
Store 523 (Great Falls)	Store Opened 02/26/23
Store 525 (Winchester)	Revised draft Lease is with the Landlord for review; we have no anticipated Commencement Date at this time
Store 526 (Chesterfield)	Draft Lease is with the Landlord for review; anticipated Commencement Date October 2023
Store 527 (MOCK STORE)	Awaiting delivery of fixtures for this location; painting will begin week of 02/12
Store 528 (Jonesville)	Draft Lease is with Landlord for review
Store 529 (Alexandria)	Draft Lease is with the Landlord for review
Store 530 (Leesburg)	Draft Lease with the Landlord for review
Store 531 (Lovettsville)	Awaiting ownership documentation from Landlord

Project Type No. of Stores

Expansions	6
Modernizations	4
Relocations	10

CAO Report – David Alfano

Financial Summary:

Summary of Delegated Items

Financial Update

To be provided at meeting due to timing of the month's end.

Summary of Delegated Items

HUMAN RESOURCES							
Requestor: 02/01/2023 - 02/28/2023 Approver: David Alfano							
Working Title	Position	Pay	Reason Needed	Date Approved	Notes	Approver: CAO	
Sr. Licensing Support Specialist	83002	55,230.00	New Position	2/21/2023		SINGLETON, JOHN - Director of HR	
ITEM: Travel Authorization Reports (3 or more people or excess of \$5000)							
3+ Attending	Participants	Meeting Information/Name	Location and Dates	Cost	Reason Travel Required	Approver: CEO	
	Tyler Moore	VIBE Conference	San Diego, CA	\$2,395.00	Conference to	Alfano, Dave	
	Emily Burke	VIBE Conference	San Diego, CA	\$2,265.00	Conference will give	Alfano, Dave	
	Abby Pendleton	VIBE Conference	San Diego, CA	\$2,205.00	Conference will give	Alfano, Dave	
	John Moreland	VIBE Conference	San Diego, CA	\$2,295.00	Conference will give	Alfano, Dave	
ITEM: Recognition/Rewards of \$750 or higher							
Cash Award	Employee to receive LAST	FIRST	Manager	Reasoning	Amount	Notes	Approver: CAO
Cash Award	MARROW	MALINDA	WADE, JENNIFER	PERFORMANCE	\$750.00		N/A
Cash Award	POWER	LACEY	WADE, JENNIFER	SERVICE	\$750.00		N/A
Cash Award	FOWLER	MEGAN	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	SCHULTZ	DENNIS	KUTI, DAVID	SERVICE	\$750.00		N/A
Cash Award	ARNOLD	JAMES	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	FIDEN	DAVID	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	SAINI	POONAM	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	GUAN	SEN	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	DODSON	SHELLEY	WADE, JENNIFER	INEGRITY	\$750.00		N/A
Cash Award	TRIPLETT	MARIE	WADE, JENNIFER	PERFORMANCE	\$750.00		N/A
Cash Award	TRIPLETT	MARIE	WADE, JENNIFER	INTEGRITY	\$750.00		N/A
Cash Award	RACZ	RICHARD	WADE, JENNIFER	SERVICE	\$750.00		N/A
Cash Award	ZLATKIN	RENAITA	MCENHIMER, ANDREW	ACCOUNTABILITY	\$750.00		N/A
Cash Award	ZLATKIN	RENAITA	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	MORALES	TATIAANA	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	TRENT	LUKE	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	EVERITT	CHRISTOPHER	MCENHIMER, ANDREW	SERVICE	\$750.00		N/A
Cash Award	CREWS	ROSE	WADE, JENNIFER	SERVICE	\$750.00		N/A
Cash Award	FIDEN	DAVID	WADE, JENNIFER	SERVICE	\$750.00		N/A
Cash Award	POWER	LACEY	WADE, JENNIFER	ACCOUNTABILITY	\$750.00		N/A
Cash Award	MORALES	TATIANA	WADE, JENNIFER	INTEGRITY	\$750.00		N/A
Cash Award	AUSTIN	JESSE	KUTI, DAVID	PERFORMANCE	\$750.00		N/A
Cash Award	LONEY	RAPHEL	KUTI, DAVID	SERVICE	\$750.00		N/A
Cash Award	JONES	SHELLY	SATTELMAIER, JOSEPH	PERFORMANCE	\$750.00		N/A
Cash Award	ELLIS	DONALD	KUTI, DAVID	PERFORMANCE	\$750.00		N/A



CIO Report – Paul Williams

IT Monthly Summary

IT KPIs (Work in Progress)

IT Support Summary

IT Monthly Summary

Introduction

A few minor bumps in reliability in January but no serious events. Largest item was a server at Azure went down and would not allow new POS logins to a number of stores until it was restored which contributed to lost POS hours. We are adding failover capacity to mitigate the effect of any future fails.

IT KPI's are good for January, with improvements in both open positions (down to 9) and in Allocatable project hours meeting target

We have begun socialization of the new IT strategy (refreshed from 2018) and will complete that process in March with the directors. We pivoted after BAR went live through the pandemic, and this is really a documentation of the strategy we have been following - mainly focused on users and user experience / Optimization

We are also starting a body of work to look at email retention policy and archiving. This will likely lead to user warnings if your mailbox is near capacity in the near term. At completion we expect to have created an Email Retention Policy, with procedures and processes for archiving and deletion that will keep us compliant with record retention as well as a sustainable steady state for email capability

IT Performance

Some of the Oracle optimization (data shrink) has been deferred to February, but the remainder has executed cleanly.

We are seeing some communication issues between Oracle and our private cloud – not critical but are affecting technical performance.

Store cameras roll out continues – we are treating as Proof of Concept (POC) until we can get to a reliably repeatable deployment.

We are also running into some sever supply chain issues for Cameras, switches and other PC and network equipment.

We will be continuing conversations with Applexus on system performance and will move the GK POS off to its own database over the summer.

This will also create an opportunity to look at the infrastructure of CAR that is deficient today.

People

The staff resourcing environment remains challenging, but we are seeing some improvement – less exits (of MEL – contractor turnover is still high) and we are already back down below 10% vacancy rate (although the remaining vacancies are mainly senior technical roles which are harder to fill)

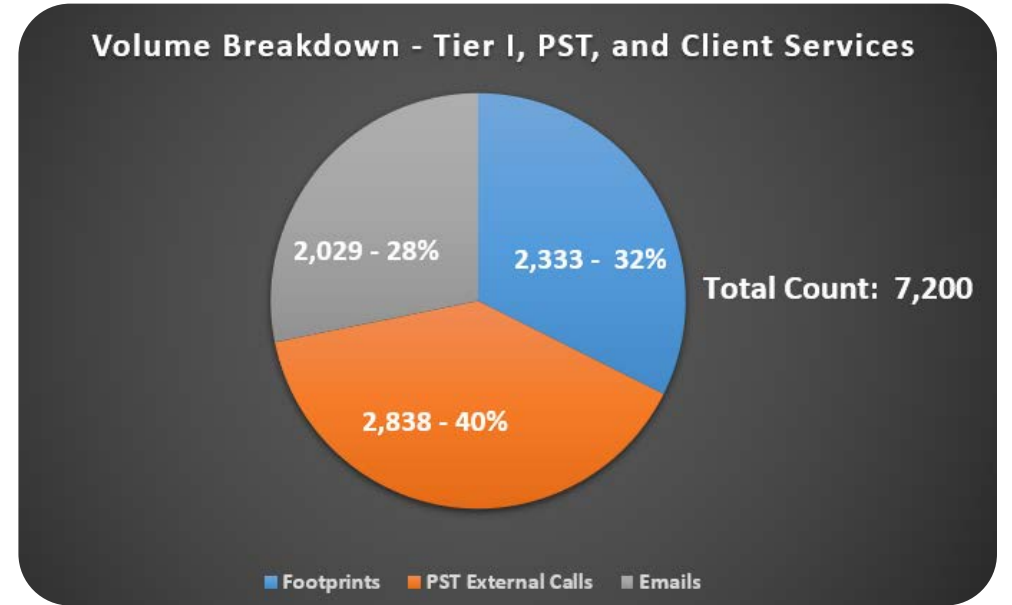
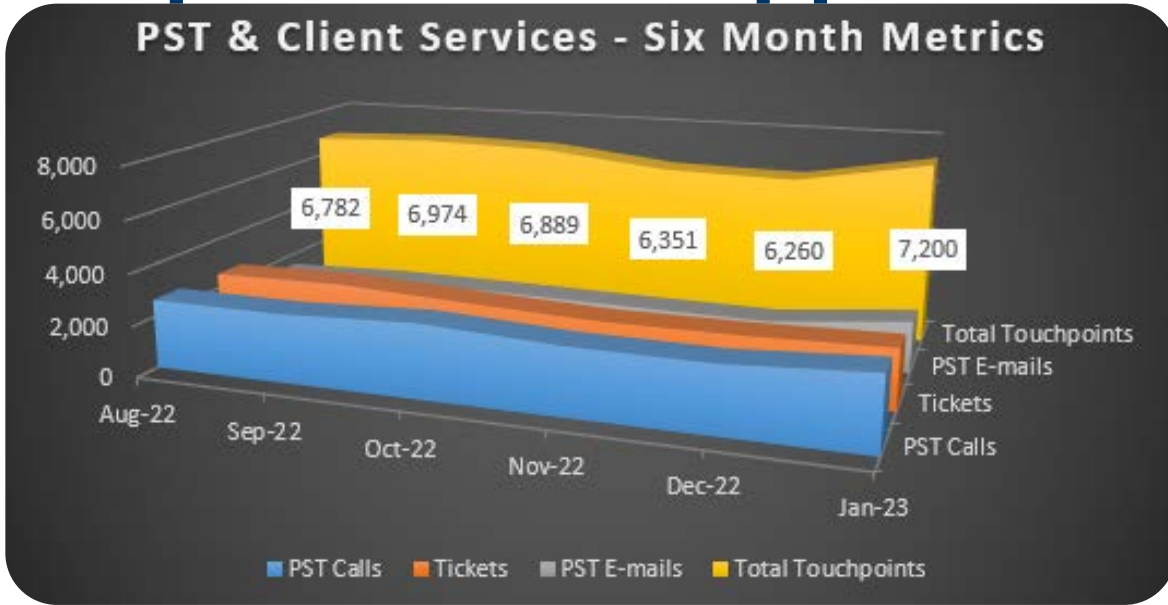
Many of our open positions are being filled by internal promotions or contractor conversions - which is great for our team, but creates vacancies as backfills for those that move.



IT KPI's (Work in progress)

Measure	Indicator	Current	C-1	C-2	C-3	Comments
Staffing (MEL)	Open + Exits (10,2)	9/1	12/1	9/1	15/2	
Reliability – Core	Ops hrs uptime (99.9%)	99.9%	99.9%	99.3%	99.9%	Short but recurrent instability in VAL, POS hub failure
Reliability POS	Lost Hours (all registers)	24	7.5	0.5 hrs.	0	A hub failure at Azure blocked new logon attempts for some stores until resolved
Operational Support Requests	Total Footprints tkts, PST ext calls & Emails	7,200	6,260	6,351	6,889	
Registered Users (avg)	Domain Accounts,	4,708	4,794	4,690	4,657	
Resource Allocation	Hours Target / Alloc	100.4%	79.9%	73.44%	122.6%	Allocatable hours on target again
First contact ticket resolution	Tickets closed on 1 touch	94.54%	96.73%	95.04%	93.55%	70% is industry standard
Calls accepted	Answered calls	96.7%	97.6%	97.33%	97.54%	90% of calls answered is target
Average wait time	Customer wait time	22 sec.	35 sec.	28 sec.	24 sec.	1 minute max target. Increased wait time drives call abandonment.
Daily ticket average	Footprint tickets	92	68	78	81	
Average call handle time	Time to resolve	3.82 min.	4.05 min.	3.9 min.	4.03 min	15-minute target / estimate (industry)

Operational Support Metrics



PST KPIs:

- First Contact Ticket Resolution (FCR): **94.54%**
- Total Call Handling Time: **~172 hours**
- Average Call Time: **~3.82 minutes**
- Calls Accepted: **96.70%**
- Calls Rejected: 1.08%
- Average Customer Wait Time: **22 seconds**
- Average Callback Wait Time: 5.53 minutes
- Daily Ticket Average: 92

Additional Information:

- Call and ticket volume spiked 15% from December 2022
 - First contact resolution remained consistent with these increases
- The Win11 Microsoft Patch on 1/10/23 caused users to lose calculator, notepad and home printing
 - The 1/19/23 patch remedied most of the issues
 - Different versions of Windows had varied results (21H2 vs 22H2)
- Newest Android versions are not compliant with various Zebra devices in stores and DC
 - IT is partnered with Barcoding for resolutions while getting exceptions from ISO in the interim

Outages & Store Movement:

- 172 stores were impacted by an Azure Hub issue on 1/19/23, business was not impacted for most
 - Of those stores, 8 experienced downtime of 36 total hrs., for a monthly outage of .0123%
- s524 opened on 1/24/23. Five stores began remodel process (s051, s188, s263, s370, s381)



CEO Report

Real Estate Leases

Monthly Management Review

New Distillery Stores



Real Estate Leases Signed

Store Number and Location	Leased Space	Term	REC Vote	Board Approval
Renewal of Store #348 (Richmond) 7036 Forest Hill Avenue Richmond, Virginia 23225	3207 square feet	7 years	6-16-21	7-15-21
Renewal of Store #062 (Fredericksburg) Central Park Shopping Center 1416 Carl D. Silver Parkway Fredericksburg, Virginia 22401	3500 square feet	5 years	8-16-22	9-8-22
Renewal of Store #147 (Monterey) 58 Water Street Monterey, Virginia 24465	1440 square feet	5 years	10-18-22	11-30-22
Renewal of Store #270 (Henrico) Parham One Shopping Center 809-823 East Parham Road Richmond, Virginia 23227	4437 square feet	5 years	1-17-23	2-23-23

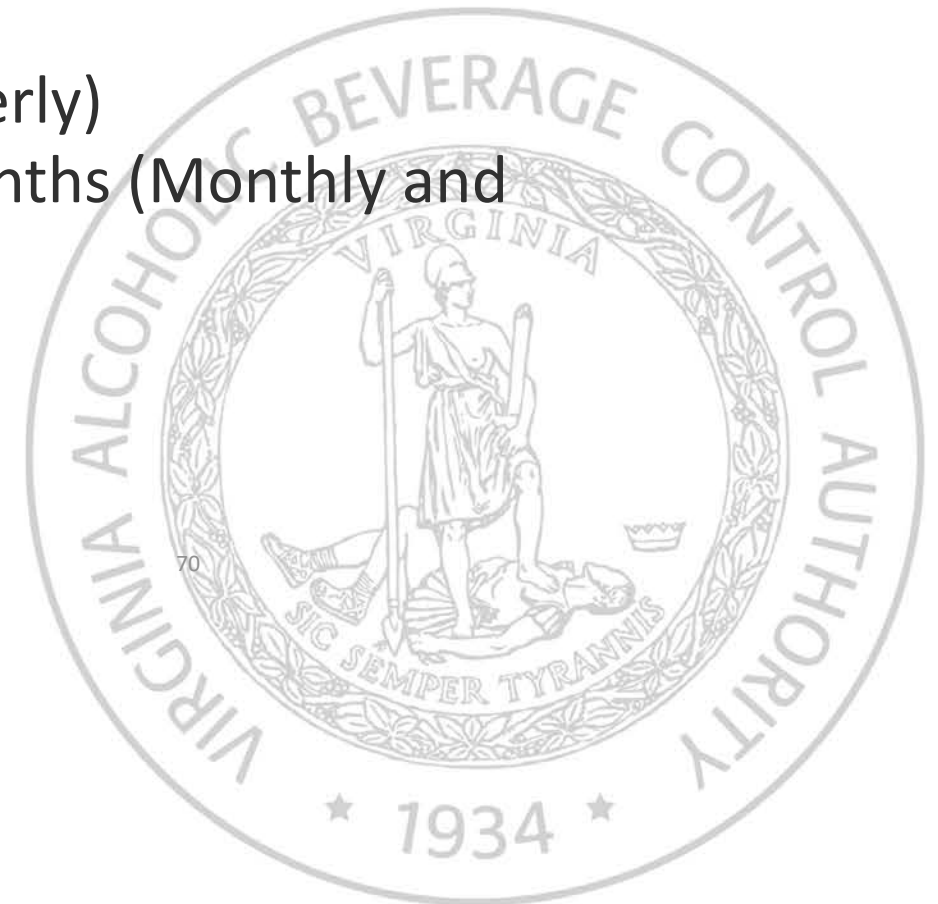
Monthly Management Review Period Ending January 31, 2023

Virginia ABC
March 15, 2023



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 2. Financial (Monthly and Quarterly)
 3. Major Initiatives for the Month (Monthly and Quarterly)
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 7. People (Quarterly)
 8. Risks (Quarterly)
 9. Objectives and Key Results (Quarterly)
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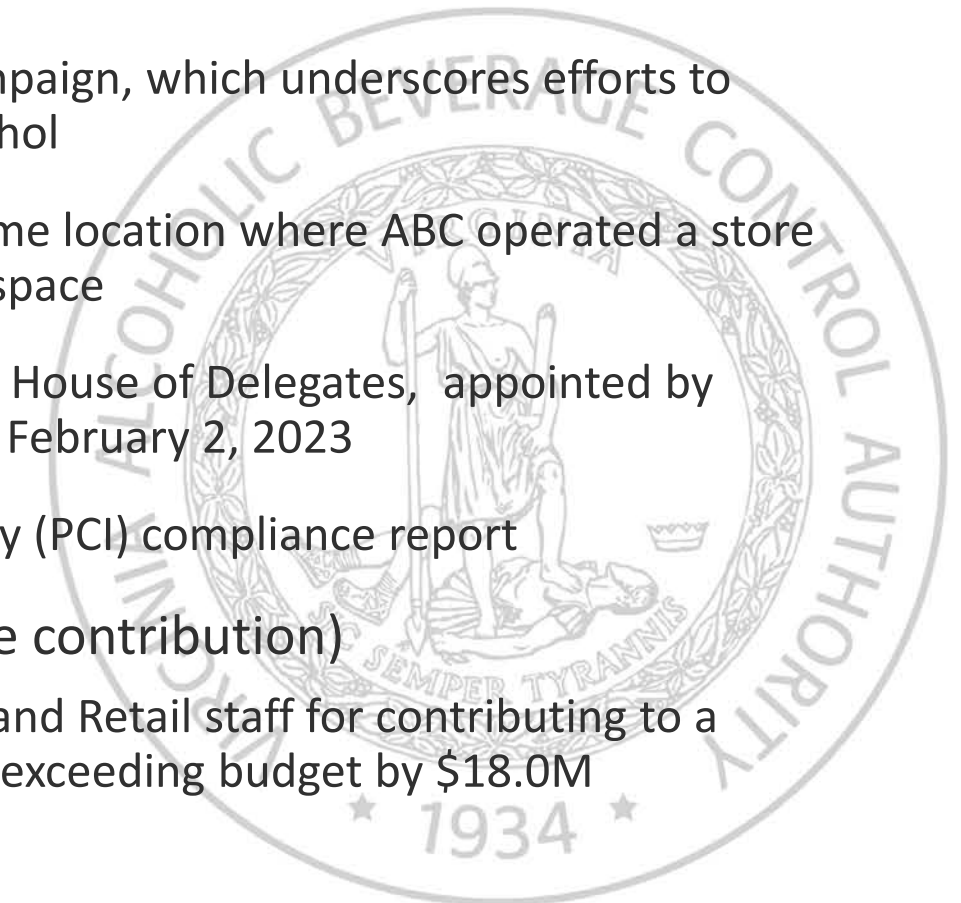
1. Accomplishments:

1. Significant achievements/milestones for the agency

- January was a record-breaking month for store sales at Virginia ABC, with \$102.8M of sales eclipsing \$100M for the first time in the month of January, which is historically the slowest store sales month following the holiday season
- Virginia ABC launched its first ever “Sip Responsibly” campaign, which underscores efforts to empower customers to make mindful choices about alcohol
- Virginia ABC opened its 398th store in Roanoke in the same location where ABC operated a store from 1952 until 1983 when it relocated to a larger retail space
- The Honorable Tim Hugo, former member of the Virginia House of Delegates, appointed by Governor Youngkin as the Board Chair of Virginia ABC on February 2, 2023
- Virginia ABC received an issue free Payment Card Industry (PCI) compliance report

2. Specific individuals who should be recognized (include contribution)

- Special recognition to Virginia ABC’s Distribution Center and Retail staff for contributing to a successful holiday season, as reflected in YTD store sales exceeding budget by \$18.0M



Financial: Management Observations (Accrual Basis)

Virginia ABC: Store Sales and Profit Comparisons Jan'23

In \$M	Current Month	Current Month FY'22	Current Month FY'21	Growth vs FY'22	Growth vs FY'21	CAGR
Store Sales	102.3	95.9	97.1	6.7%	5.3%	2.6%
Profits	11.9	10.5	16.5	13.8%	-27.7%	-15.0%

In \$M	Quarter to Date	Quarter to Date FY'22	Quarter to Date FY'21	Growth vs FY'22	Growth vs FY'21	CAGR
Store Sales	102.3	95.9	97.1	6.7%	5.3%	2.6%
Profits	11.9	10.5	16.5	13.8%	-27.7%	-15.0%

In \$M	FY to Date	FY'22 to Date	FY'21 to Date	Growth vs FY'22	Growth vs FY'21	CAGR
Store Sales	860.0	818.5	784.9	5.1%	9.6%	4.7%
Profits	134.6	139.5	147.6	-3.5%	-8.8%	-4.5%

Source: SmartView



Overall Results Summary

Current Month and Quarter-to-date vs Prior Year:

- Favorable net revenues; partially offset by unfavorable operating costs as follows:
- Higher personnel costs due to the state pay increase & comp. adjust. to align with market
- Higher leasing costs due to converted short-term leases to Finance leases with higher amortization expense (GASB 87)

YTD vs Prior Year:

- Favorable net revenues; more than offset by unfavorable operating costs as follows:
- Higher personnel costs due to the state pay increase & comp. adjust. to align with market
- Impairment charge related to software licenses (perpetual licenses in Licensing group)
- Higher leasing costs due to converted short-term leases to Finance leases with higher amortization expense (GASB 87)
- Increased outbound freight costs due to an increased contract rate and fuel prices
- Increased media services costs for sales promotions
- Higher contractual services costs related to IT projects



VIRGINIA ALCOHOLIC BEVERAGE CONTROL AUTHORITY
Contribution Margin - Income Statement (In Millions)
Fiscal Year 2023 - YTD as of 1/31/2023

(Accrual Basis)

	FY 2023		FY 2023		FY 2023		FY 2023		FY 2022	
	Actual	Budget	Variance	Percentage			Actual	Variance	Percentage	
Revenue Sources:										
Alcoholic Beverages (Store Sales)	\$ 854.4	\$ 836.4	\$ 18.0	2.2%			\$ 813.4	\$ 41.0	5.0%	
Online Sales	5.6	5.9	(0.3)	-5.1%			5.0	0.6	11.7%	
Other	13.5	12.9	0.6	4.7%			12.6	0.9	7.5%	
Gross Revenue	873.5	855.2	18.3	2.1%			831.0	42.5	5.1%	
Less: Spirits Excise Tax	142.3	139.5	(2.8)	-2.0%			135.4	(6.9)	-5.1%	
Net Revenue	731.2	715.7	15.5	2.2%			695.6	35.6	5.1%	
Variable Operating Costs:										
Cost of Goods Sold	412.1	404.9	(7.2)	-1.8%			391.8	(20.3)	-5.2%	
Variable Administrative Costs	123.9	127.6	3.7	2.9%			114.9	(9.0)	-7.8%	
Total Variable Costs	536.0	532.5	(3.5)	-0.7%			506.7	(29.3)	-5.8%	
Contribution Margin	195.2	183.2	12.0	6.5%			188.9	6.3	3.3%	
Contribution Margin as a % of Store Sales	22.7%	21.7%					23.1%			
Fixed Operating Costs:										
Fixed Administrative Costs	47.3	54.1	6.8	12.6%			38.1	(9.2)	-24.0%	
Regulatory Costs (Enforcement & Hearings)	13.3	18.1	4.8	26.6%			11.3	(2.0)	-17.8%	
Total Fixed Costs	60.6	72.2	11.6	16.1%			49.4	(11.2)	-22.6%	
ABC Net Profit	\$ 134.6	\$ 111.0	\$ 23.6	21.3%			\$ 139.5	\$ (4.9)	-3.5%	
As a % of Store Sales	15.7%	13.2%					17.0%			

● Favorable Variance
● Unfavorable Variance

NM = Not Meaningful

Notes: 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.



Financial: Summary (Cash Basis)

Total Expenditures

Public Safety and Homeland Security Secretariat

In Millions of Dollars As Of January 2023 (FY 2023)

	<u>Annual Expenditure Trends (Completed Fiscal Years)</u>					<u>Completed Quarterly Expenditures</u>			<u>Quarterly Growth</u>				<u>Current Year</u>	<u>YTD Expenditures</u>		<u>Monthly Expenditures</u>	
	2022	2021	2020	2019	2018	<u>Last Completed: Q2 FY 2023</u>			Q2 2023	Q1 2023	Q4 2022	Q3 2022	Approp	<u>As Of Jan 2023</u>		<u>Jan 2023 (FY 2023)</u>	
						5 Yr Avg*	Actual	Prior Year					(FY 2023)	5 Yr Avg*	Actual	5 Yr Avg*	Actual
Virginia Alcoholic Beverage Control Authority (999)	\$921.976	\$900.993	\$774.209	\$696.277	\$656.496	\$106.644	\$260.439	\$225.376	\$260.439	\$248.198	\$245.199	\$234.416	\$1,012.163	\$241.843	\$584.622	\$33.740	\$75.985
Year Over Year % Change	2.3%	16.4%	11.2%	6.1%			15.6%		15.6%	14.4%	7.4%	11.8%	4.4%	14.9%		14.4%	

Drivers of Expenditure Increases or Decreases vs the Prior Year:

January Expenditure increases were driven principally by higher alcohol purchases associated with increased sales and vendor price increases and higher personal services costs due to the impact of the 5% state-pay increase and increased wages due to the implementation of the \$15/hour minimum wage and related compression.

January YTD Expenditure increases were driven by higher alcohol purchases associated with increased sales, vendor price increases, and including \$15 million in advance purchases to avoid vendor price increases, higher outbound freight costs, higher skilled services costs for projects and higher personal services costs due to 14 salaried payrolls in FY 2023 vs 13 in FY 2022 as well as the impact of the 5% state-pay increase, one-time state bonus and compensation adjustments to align with market pricing.

Detailed Monthly Data

Public Safety and Homeland Security Secretariat - Detailed Monthly Expenditure Report Total Dollars in Thousands As of January 2023 (FY 2023)

(Cash Basis)

	Approp / Operating Plan	Approp % Chang	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD Tot	YTD Expend Chang	12 Month Expend Total	Monthly Expend A
Virginia Alcoholic Beverage Control Authority (999)																		
FY 2023: Personnel Expenses	149,723		15,203	13,810	19,161	8,503	13,853	23,249	9,201						102,979	9.8%	102,979	14,711
FY 2022: Personnel Expenses			18,876	12,696	12,793	7,944	12,911	20,088	8,467	13,075	18,403	13,132	8,141	13,445	93,776	6.7%	159,972	13,397
FY 2021: Personnel Expenses			16,240	11,399	11,374	11,637	11,883	13,126	12,190	11,731	11,782	12,168	13,326	8,582	87,849		145,438	12,550
FY 2023: Contractual Services	41,165		3,311	2,417	2,909	2,622	1,715	3,671	4,118						20,764	32.9%	20,764	2,966
FY 2022: Contractual Services			2,281	1,408	2,041	1,652	1,197	3,481	3,563	2,173	2,570	2,062	2,283	3,933	15,623	8.5%	28,644	2,232
FY 2021: Contractual Services			1,984	1,548	2,233	1,657	1,439	2,161	3,381	1,818	2,553	1,756	2,094	1,958	14,402		24,580	2,057
FY 2023: VITA Info Tech/Telecomm			12		10			1	0						23	-98.8%	23	3
FY 2022: VITA Info Tech/Telecomm			331	236	188	744	350	30	22		246	13	12		1,901	-76.2%	2,173	272
FY 2021: VITA Info Tech/Telecomm			4,612	485	913	669	110	675	516	1,247	127	876	319	378	7,980		10,927	1,140
FY 2023: Other Info Tech/Telecomm	10,806		1,579	1,241	812	1,369	636	923	714						7,275	-38.0%	7,275	1,039
FY 2022: Other Info Tech/Telecomm			1,047	1,218	2,518	1,382	2,030	1,504	2,029	1,980	1,581	1,343	1,622	1,327	11,727	-32.8%	19,580	1,675
FY 2021: Other Info Tech/Telecomm			1,256	3,278	5,227	1,863	2,349	2,459	1,008	1,787	1,663	1,550	1,463	1,342	17,440		25,245	2,491
FY 2023: Supplies and Materials	754,139		67,375	49,630	56,790	60,914	60,552	69,352	57,827						422,440	17.8%	422,440	60,349
FY 2022: Supplies and Materials			50,122	51,590	46,496	52,039	52,250	57,043	48,953	59,613	61,547	68,508	58,145	59,207	358,492	-6.7%	665,512	51,213
FY 2021: Supplies and Materials			54,867	50,978	53,710	50,948	56,236	61,533	56,115	42,335	51,164	59,017	52,383	59,857	384,387		649,143	54,912
FY 2023: Transfer Payments	773		79	33	27	1	3	12	3						157	-25.6%	157	22
FY 2022: Transfer Payments			41	67	23	0	57	14	8	17	52	6	31	60	211	-58.2%	377	30
FY 2021: Transfer Payments			34	2	179	1	219	54	16	80	3		7	66	505		661	72
FY 2023: Insurance and Other Continuous Charges	37,914		2,332	456	272	263	650	740	302						5,015	7.6%	5,015	716
FY 2022: Insurance and Other Continuous Charges			2,611	332	316	382	264	395	363	263	341	208	363	245	4,662	14.3%	6,083	666
FY 2021: Insurance and Other Continuous Charges			2,295	287	396	377	157	328	239	274	431	218	305	195	4,079		5,501	583
FY 2023: Operating Lease Payments			3,137	3,285	2,921	3,193	2,982	3,315	3,447						22,281	6.6%	22,281	3,183
FY 2022: Operating Lease Payments			612	5,138	3,498	2,807	2,950	3,013	2,876	2,834	2,919	3,053	4,032	3,048	20,893	-3.0%	36,779	2,985
FY 2021: Operating Lease Payments			5,192	2,504	2,659	2,786	2,992	2,616	2,798	2,702	2,684	2,981	2,787	3,459	21,547		36,160	3,078
FY 2023: Property and Improvements			1			1		1							3	54.5%	3	0
FY 2022: Property and Improvements									2						2	0.0%	2	0
FY 2021: Property and Improvements																		0
FY 2023: Equipment	17,643		293	152	948	693	331	895	372						3,685	144.7%	3,685	526
FY 2022: Equipment			94	99	316	396	46	407	149	259	109	287	407	287	1,506	17.3%	2,855	215
FY 2021: Equipment			260	169	201	86	221	235	110	237	670	190	244	712	1,284		3,338	183
FY 2023: Bonds, Loans, and Debt Service Expenses																-100.0%		0
FY 2022: Bonds, Loans, and Debt Service Expenses						1									1	0.0%	1	0
FY 2021: Bonds, Loans, and Debt Service Expenses																		0
FY 2023 Total	1,012,163	4.4%	93,322	71,025	83,850	77,559	80,721	102,159	75,985						584,622	14.9%	584,622	83,517
FY 2023 % Expended			9.2%	7.0%	8.3%	7.7%	8.0%	10.1%	7.5%						57.8%		57.8%	8.3%
FY 2023 Rest of Year Avg										85,508	85,508	85,508	85,508	85,508				
FY 2023 Rest of Year Avg %										8.4%	8.4%	8.4%	8.4%	8.4%				
FY 2022 Total	969,792	7.0%	76,015	72,782	68,188	67,346	72,055	85,975	66,433	80,215	87,768	88,611	75,036	81,552	508,794	-5.7%	921,976	72,685
FY 2022 % Expended			7.8%	7.5%	7.0%	6.9%	7.4%	8.9%	6.9%	8.3%	9.1%	9.1%	7.7%	8.4%	52.5%		95.1%	7.5%
FY 2021 Total	906,461		86,741	70,650	76,891	70,024	75,605	83,188	76,372	62,211	71,077	78,756	72,929	76,548	539,471		900,993	77,067
FY 2021 % Expended			9.6%	7.8%	8.5%	7.7%	8.3%	9.2%	8.4%	6.9%	7.8%	8.7%	8.0%	8.4%	59.5%		99.4%	8.5%







Variance Explanations on the Detailed Monthly Expenditure Report FY 2023 vs FY 2022 (Jan 23 vs Jan 22 and Jan 23 YTD vs Jan 22 YTD)

\$ in thousands				
Category of Expenditure	Increase (Decrease)		Increase (Decrease)	
	\$ change Jan 23 vs Jan 22	Explanation	\$ change Jan 23YTD vs Jan 22YTD	Explanation
Personnel Expenses	733	increased salaries and benefits due to the 5% state pay increase and increased wages due to the implementation of the minimum wage at \$15/hour and related compression	9,203	due to payment timing since January YTD FY23 had 14 salaried payrolls paid vs 13 in FY 2022 and increased salaries and benefits due to the 5% state pay increase, one-time state bonus payments and compensation study impacts
Contractual Services	555	higher skilled services \$0.8M and increased outbound freight services \$0.7M ; partially offset by lower media services \$0.3M and lower manual labor services \$0.6M	5,142	increased outbound freight services \$1.8M, higher skilled services \$3.7M and increased media services \$0.5M; partially offset by lower manual labor services \$0.6M
VITA Info Tech/Telecomm	(22)		(1,879)	decrease due to exit of VITA, (\$1.1M for telecom and \$0.8M for infrastructure)
Other Info Tech/Telecomm	(1,315)	decreased computer software development costs \$0.7M and computer software maintenance services \$0.4M	(4,451)	decrease due to lower software development costs \$2.3M, lower information mgmt costs \$0.8M, lower computer software purchases \$0.9M and lower net computer equipment \$0.3M
Supplies and Materials	8,875	increased alcohol purchases driven by higher volume and vendor cost increases	63,949	higher alcohol purchases are driven by higher volume and vendor cost increases and includes \$15M in advance buys to save on vendor price increases
Transfer Payments	(6)	lower awards and grant activity	(54)	lower awards and grant activity
Insurance and Other Continuous Charges	(61)	lower electrical service charges	352	increase agency service charges \$0.7M: partially offset by lower workers comp. \$0.2M and lower auto liability insurance \$0.1M
Operating Lease Payments	571	increase due to higher computer software and processor rentals \$0.4M and higher equipment rentals \$0.2M	1,387	increase due to rent escalation \$0.6M, higher equipment rentals \$0.6M and computer processor rentals \$0.2M
Property and Improvements	(2)		1	
Equipment	224	increased office equipment \$0.1M and motor vehicle equipment \$0.1M	2,179	higher fixture costs \$0.7M, built-in equipment \$0.4M, electronic equipment \$0.5M and motor vehicle equipment \$0.6M
Bonds, Loans, and Debt Service Expenses	0		(1)	
	9,552		75,828	






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	End Date	Status
E-Commerce Program	<ul style="list-style-type: none"> The 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. 	<ul style="list-style-type: none"> eCommerce is growing significantly. This growth is not only in response to the pandemic, but projections indicate that eCommerce will continue to grow over the next five years, with a conservative increase of annual online orders to 1.8M, representing a 5x to 10x growth over current levels. Virginia ABC cannot hope to support even a fraction of this demand, including concomitant increases in customer service needs, without a program for expanding our infrastructure, eCommerce, and order management capabilities. 	<ul style="list-style-type: none"> Vida Williams 	<ul style="list-style-type: none"> 01/01/2022 	<ul style="list-style-type: none"> 7/30/2025 	
Enterprise Workflow Automation (EWA)	<ul style="list-style-type: none"> VA ABC will leverage an industry leading Enterprise Workflow Automation platform that will promote automated routing of internal and external customer requests, automation within the work process, a knowledge management centralized record, audit and compliance trail, and an integrated reporting dashboard which pulls data from ABC functional platforms. 	<ul style="list-style-type: none"> As it exists today Virginia ABC currently provides help desk support for internal and external customers through a combination of email, walk-up, phone calls, and ticket entry. ABC help desk agents receive over 2,000 monthly service requests, incidents, or general help desk tickets. This represents only a portion of the work and leaves customer support disconnected and inefficient across ABC business groups. 	<ul style="list-style-type: none"> Keith Russell 	<ul style="list-style-type: none"> 03/01/2022 	<ul style="list-style-type: none"> 06/30/2023 	
Customer Support Process Reengineering	<ul style="list-style-type: none"> VA ABC will leverage an industry leading Enterprise Workflow Automation platform that will promote automated routing of internal and external customer requests, automation within the work process, a knowledge management centralized record, audit and compliance trail, and an integrated reporting dashboard which pulls data from ABC functional platforms. 	<ul style="list-style-type: none"> As it exists today Virginia ABC currently provides help desk support for internal and external customers through a combination of email, walk-up, phone calls, and ticket entry. ABC help desk agents receive over 2,000 monthly service requests, incidents, or general help desk tickets. This represents only a portion of the work and leaves customer support disconnected and inefficient across ABC business groups. 	<ul style="list-style-type: none"> Keith Russell 	<ul style="list-style-type: none"> 01/01/2022 	<ul style="list-style-type: none"> 06/30/2023 	
Human Resources Modernization - Phase 0	<ul style="list-style-type: none"> The current HR systems do not communicate well with each other and have outlived their support structure. Systems have become outdated in their ability to meet HR operational needs. The goal of the Human Resources Modernization Project is to implement agile tools and improve processes for all stakeholders. 	<ul style="list-style-type: none"> The current HR technology environment at Virginia ABC is a complex mix of internally developed, "homegrown" ABC systems and mandated integration with Commonwealth of Virginia state systems. The systems do not communicate well with each other and ABC has outgrown the current capabilities. Systems have become outdated in their ability to meet HR operational needs, needing frequent customizations and updates by HR and IT resources. 	<ul style="list-style-type: none"> John Singleton 	<ul style="list-style-type: none"> 07/01/22 	<ul style="list-style-type: none"> 05/30/2023 	

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	End Date	Status
Virginia ABC Licensing (VAL)	<ul style="list-style-type: none"> Virginia ABC Licensing (VAL) System Licensee Onboarding is an effort to roll out the new web-based licensing system that allows ABC license business transactions to occur on-line, any time. 	<ul style="list-style-type: none"> The web based licensing system will reduce manual processes and paperwork not only for the Authority but more importantly for our customers. Allowing customers to apply online and track their application through the licensing process. 	• Tom Kirby	• 09/20/2017	• based on onboarding month-to-month approach	
Pin Pad Upgrade	<ul style="list-style-type: none"> The project will upgrade all in-store VeriFone MX915 EMV (Europay, MasterCard and Visa) devices running PTS4 (Pin Transaction Security Version 4) software to VeriFone M440 EMV devices running PTS5 (Pin Transaction Security Version 5) software. 	<ul style="list-style-type: none"> The software to VeriFone Model M440 devices running PTS5 (Pin Transaction Security Version 5) will expire April 2024. The equipment and software needs to be upgraded to maintain compliance parameters set by Payment Card Industry (PCI). 	• David Walker	• 07/15/2022	• 09/30/2023	
Phase II Oracle WebLogic Upgrade Migration	<ul style="list-style-type: none"> During the Oracle database migration, WebLogic was moved to Oracle Cloud Infrastructure (OCI), but it was not upgraded. Much of the same team is needed to complete the application server upgrade. ABC's current version of WebLogic will end support in December 2023 and continuing the effort ensures that we will complete the upgrade ahead of time and have ample time to schedule the production upgrade when it is least impactful to the business. 	<ul style="list-style-type: none"> Upgrade should mitigate security and system downtime risks associated with out-of-date software infrastructure by upgrading WebLogic. 	• David Kuti	• 06/10/2022	• 09/30/2023	
VAL SaaS Migration	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 	• David Kuti	• 11/14/2022	• 10/30/2023	
Pay For Performance	<ul style="list-style-type: none"> This initiative continues the implementation of our strategic goal of investing in our people. The Pay for Performance plan reinforces a more comprehensive performance management structure. Moving to a Pay for Performance approach provides a consistent mechanism to compensate employees based on performance and level of contributions. 	<ul style="list-style-type: none"> The Authority is moving towards a pay for performance program that objectively measures performance and rewards differentiated contribution levels versus the prior year practices where everyone, regardless of contribution levels, receives the same salary increase percentage. Pay for performance is a plan that impacts base pay increases and should not be confused with other existing performance incentive or bonus plans, such as the current Retail and Distribution Center incentive plans 	• David Alfano	• 01/30/2022	7/30/2025	

5. Reg. Reduction

New Regulations [The list of all regulations currently in the Secretary's queue; not in the agencies queue]

Agency	Title of Regulation	Date Review Began	Projected End Date	Days of Review	Under 14 Day Target?	Owner
New Regulations						
Agency A	Regulation A					
	Regulation B					
	Regulation C					
Agency B	Regulation A					
	Regulation B					
	Regulation C					

Existing Regulations [the top 5-10 regs or guidance docs older than four years that are high priority for review, for the entire Secretariat]

Agency	Title of Regulation	Date Last Reviewed	Last Reviewed Over 4 Years Ago?	Projected Review Start Date	Projected Review End Date	Owner
Agency A	Regulation A					
	Regulation B					
	Regulation C					
Agency B	Regulation A					
	Regulation B					
	Regulation C					

Regulatory Requirements to be Eliminated [the top 5-10 regs or guidance documents targeted for reg reduction across entire Secretariat]

Agency	Title of Regulation	Date Last Reviewed	Number of Reg Requirements	Aspect of Regulatory Reduction	Date Proposed for Final Elimination	Owner
Agency A	Regulation A					
	Regulation B					
	Regulation C					
Agency B	Regulation A					
	Regulation B					
	Regulation C					

6. External Agency Reports Due in Next 3 Months

Agency Virginia ABC

Reports due through Quarter Ending : March 2023

Status
On track
Some issues
Off track

Report Requestor	Subject of Report	Authority for Report	Due Date for Report	Owner	Status
	Nothing to report this month				

8. Risks

Agency 99900 Risk Assessment Quarter Ending March 31, 2023

	Low	Medium	High
High		Economic Recession Public Safety Cases Loss of Skilled Contractor Resources	Store Larcenies
Medium		Allocated Items Process Breakdown	Supply Chain Interruptions Cybersecurity Event Shortage of qualified candidates to fill open positions
Low		Weather Events	

Retail Larcenies

Virginia ABC experiencing external and internal theft like other retailers

- ABC Enforcement and Retail working with local jurisdictions reporting increases in larcenies from ABC stores. Activities include store assessments to decrease opportunities for theft, focus on incidents with highest solvability factors as well as coordinated operations to arrest shoplifters in the act. Jurisdictions include:

Virginia Beach
Chesapeake
Portsmouth
Richmond
Newport News
Chesterfield

- ABC Enforcement and Retail also met with Virginia State Police Bold Blue Line team to discuss opportunities for collaboration with state and local resources
- System and process vulnerabilities identified that could enable internal theft

Responses to Retail Larcenies

Virginia ABC leveraging resources throughout Authority to address theft

System and Process Vulnerability

- Initiated Enforcement and Internal Audit investigation to determine extent of vulnerability exploitation
- Hardened Point of Sale (POS) processes
- Exception-based reporting being developed
- Instituted stronger monitoring controls of deposit logs in stores and daily deposits

Inventory

- Initiated full inventory of entire store fleet (398 stores) and distribution center during month of March to identify any lingering shrink issues caused by theft or poor processes

Collaboration with Law Enforcement

- Collecting shoplifting incidents to assist local law enforcement investigations

Formalize creation of a Loss Prevention Unit

Board Commentary

Public Comments