

LICENSEE

Balancing effective public safety, excellent customer service and a reliable source of revenue.

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May I have an Arby's Roast Beef Sandwich, Curly Fries—and a Glass of Wine?

By Kristy Smith/Public Affairs



Store manager Gary Taylor poses in front of the wine and beer display at the Short Pump Arby's in Richmond.

When you think of a fast food restaurant, sandwiches, french fries and a soda will usually come to your mind at first. However, wanting to alter this perception, the Arby's restaurant located in the Short Pump area of Richmond has changed their menu so that their customers may now order a famous Arby's roast beef sandwich, or any other menu item, with a glass of wine or beer.

When the Short Pump Arby's opened in the Fall of 2000, a survey was conducted to see exactly what customers in that area were looking for when choosing a place to eat for dinner. "Our survey responses showed that when customers decide where they want to eat for dinner, they consider a restaurant that is serving beer and wine," said Bill Lowe, president of The Restaurant Company, which owns and operates the Arby's Restaurants in Richmond. "We wanted to be an option that is considered for dinner. Receiving an ABC license provided us an opportunity to compete with everyone else during dinner time."

Aside from offering beer and wine, this particular Arby's one-of-a-kind menu puts them above the average fast food restaurant. Of course they offer Arby's sandwiches and curly fries, but they also offer made-to-order salads at the Fresh Chef Station, burritos, smoked barbeque, rotisserie chicken and turkey, fresh vegetables, smoothies and frozen custard with delicious toppings to choose from. "The menu at this location is expansive," said Lowe. "There

are many dinner selections that we can provide."

When you enter this Arby's, you walk up to the front counter to order your food like at any normal fast food chain or you may order through the drive-through. However, unlike many fast food chains, this Arby's offers its customer's four high-definition television screens, marble and granite floors, a huge stone fireplace and they also issue papers that will buzz you when your order is completed. Since its grand opening, this Arby's has been the highest

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The grand entrance view of the highest volume Arby's in the world.

Arby's continued

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The Short Pump area is located in the Far West End of Richmond in Henrico County. The community is mostly known for its two story open-air mall, Short Pump Town Center. With a movie theater, shopping centers and many restaurants, the area has become a popular destination for locals and visitors alike. With so much competition surrounding Arby's, appealing to what the dinner crowd looks for when deciding where to eat is its main goal. "We always did well at lunchtime, but we slowed down during dinner," said Lowe while he discussed the company's reasoning for improving the dinner menu.

When this Arby's had its grand opening in the fall of 2000, they obtained an ABC wine and beer on- and off-premise license as well as a mixed beverage license. Currently, they just have a wine and beer on- and off-premise license. "As far as our menu mix, the alcohol is not a big seller," explains Lowe. "It's (wine and beer) provided as a convenience to our customers who may want a glass of wine or a beer with their dinner."

Although Arby's is considered a fast food restaurant with fast service being a focus point, they do strongly believe in checking identification for alcohol purchases, even if the line is long at



Gary Taylor, manager of the Richmond Arby's, carefully examines the identification of a customer purchasing wine at his restaurant.

lunch or dinnertime. "Underage buyers do attempt to purchase alcoholic beverages from us," said Lowe. "We take this very seriously and we catch them quite often."

Selling alcohol to underage persons is a serious offense that ABC takes seriously and encourages all licensees to do the same. Recently, Arby's management decided to change their policy on selling alcohol to customers to ensure that underage sales of alcohol are not made at their establishment. "We changed our policy so that now only managers are allowed to sell and serve alcoholic beverages," commented Lowe.

As a trial run, Arby's management decided to obtain an ABC license for several Arby's locations in the greater Richmond area. Although sales weren't bad, the decision was made to only renew the license at the Short Pump restaurant. "Dinner sales are growing rapidly, but wine and beer aren't sales leaders for us,"

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commented Lowe. "Our customers don't associate this type of restaurant with alcohol. That's one obstacle we have to overcome, but we all know it's a learning curve."

Arby's is known for many firsts in their industry of quick service foods. In 1991, Arby's was the first to introduce a complete Lite Menu featuring three sandwiches and four salads under 300 calories and 94 percent fat free. In 1994, Arby's banned smoking in all company-owned restaurants, another first in the quick service segment. Now, with wine and beer added to their menu selections, they are adding another option for the other fast food restaurants that follow their lead.



Customers can enjoy the cabin-retreat décor while dining inside the Richmond Arby's.

Top Selling Virginia Wines are Back in Select ABC Stores

One of the issues receiving recent attention involves the sale of Virginia wines in state ABC stores again. About 25 years ago, the Virginia General Assembly decided to eliminate wine sales in state stores, since private sector retailers also sold wine. However, in an attempt to support the state's fledgling wine industry, ABC was allowed to continue selling wines produced by Virginia farm wineries. In April 2005, a federal judge ruled that the statute limiting ABC stores to Virginia wines to the exclusion of those from other states was unconstitutional and ABC stopped purchasing Virginia wines at that time. Conversely, in September 2006, the U.S. Court of Appeals for the Fourth Circuit reversed the ruling and plans immediately began for selling Virginia wines in ABC stores again.

ABC stores with the highest volume of wine sales were stocked with the highest selling wines first. Wine sales for 12 months were queried from the data warehouse on a store-by-store basis. The

data warehouse is fed by each store's cash register polling at the end of each business day, so any bottle of wine that sells at any store is recorded. After checking wine sales for 12 months, 38 wines were selected as best sellers across the state. These 38 wines represented 50 percent of

ABC stores with the highest volume of wine sales were stocked with the highest selling wines first.

ABC's total wine business when wines were previously sold. Next, sales of the 38 best selling wines for each and every store were researched. ABC determined how many of the 38 best selling wines had good sales in what particular stores. Any store with at least six wines selling well was determined as eligible to have a wine department.

ABC then contacted the vineyards and asked for wine pricing and availability. During this time, it was discovered that two of the 38 top selling wines are no longer available. Because of this, they were not reinstated. These items are Chateau Morrisette Black Dog Blanc and Barboursville Pinot Noir.



Virginia wines are displayed in an ABC store.

It is ABC's commitment to be able to provide wine for its customers and to have additional wines added to the stores in the future. Plans are being developed to incorporate a special listing session for Virginia wines.

Reminder To Read the Red Lines

Over the years, DMV has changed the format of the driver's license issued to those less than 21 years of age. Until the most recent change, a profile shot was used for those under the age of 21. However, it was changed to the full-face shot to allow for a better check of the person's identity. While some persons, once they turn 21, will go to DMV and obtain a new license without the profile/vertical text, some do not. So, as you regularly check identifications, you may encounter some licenses that, from the format used, would suggest the person is less than 21 when they are actually over the age of 21.

Being familiar with the Virginia driver's license is perhaps the most useful tool to prevent sales to underage individuals. To assist sellers and servers of alcohol and tobacco products, it is important to read the "red lines". The red lines indicate the person's 21st birthday for alcohol purchases and the person's 18th birthday for tobacco purchases.

Although this may only assist with Virginia IDs, there are several companies who offer guides for purchase that illustrate formats of identifications from every state in the United States. Additionally, it is possible for any identification presented to be fraudulent. Listed on the ABC Web site is a link for the Drivers License Guide Company, publishers of an annual edition of the ID Checking Guide that helps retailers identify fake IDs.

So when a young person enters your establishment to purchase tobacco or alcohol and presents a Virginia ID, don't just card the person, red line them.

Licensee violations and penalties — August 2006 - November 2006

Compiled by Public Affairs

As a result of ABC Bureau of Law Enforcement investigations and the ABC hearings process, the following businesses received a minimum sanction of a 10 to 30-day suspension and/or at least a \$1,000 fine. These sanctions were selected

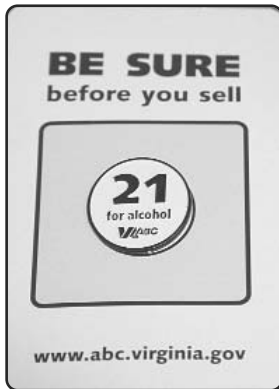
randomly from the final Board Orders issued from August 2006 to November 2006. The sanctions are reported to raise the awareness of licensees by informing them of the potential penalties for violating Virginia's ABC Laws and Regulations.

It is the hope that making licensees aware of these major violations will serve as a deterrent. Most licensed establishments operate clean and safe businesses as encouraged by the Virginia ABC Board.

| Licensee | Violation | Penalty |
|-------------------------------------|--|--|
| Club/Moneta | Licensee allowed illegal gambling upon the premises; allowed lewd or disorderly conduct | 90 days suspended or 60 days suspended and \$3,000 |
| Club/Portsmouth | Sold unauthorized alcohol to person; Allowed persons not members or friends of members patronize the establishment; Licensee did not operate a private establishment | Accepted penalty of \$2,500 |
| Club/Richmond | Fails to qualify as a restaurant | Accepted \$1,000 penalty |
| Convenient/Grocery Store/Franklin | Licensee defrauded or attempted to defraud the Board and City of Franklin by making a fraudulent report | Accepted penalty of \$1,000 |
| Convenient/Grocery Store/Winchester | Sold to underage person (first offense) | 25 days suspended or \$2,000 fine |
| Distributor/Milwaukee, WI | Licensee offered unauthorized refund coupons | Accepted \$500 penalty |
| Restaurant/Annandale | Licensee kept or allowed to be kept alcoholic beverages not authorized to sell; failed to obliterate the mixed beverage stamp immediately; licensee kept beverages not authorized to sell at the place | Accepted 5 days suspended and penalty of \$3,000 |
| Restaurant/Arlington | Licensee entreated, urged, or enticed a patron or allowed other persons to; conducted a happy hour contrary to regulations; advertised about happy hour contrary to Board rules | 25 days suspended or \$2,500 fine |
| Restaurant/Blacksburg | Licensee allowed consumption of alcohol beverages to underage persons on premises; sold to underage persons on two occasions | 30 days suspended or 10 days suspended and \$2,500 fine |
| Restaurant/Charlottesville | Sold to underage person (first offense) | 25 days suspended or \$2,000 fine |
| Restaurant/Falls Church | Licensee cannot demonstrate financial responsibility to meet requirements of business | Suspended until such time as the outstanding tax indebtedness has been satisfied |

Licensee violations and penalties (continued)

| Licensee | Violation | Penalty |
|-------------------------|--|---|
| Restaurant/Fairfax | Sold to underage person (first offense) | 30 days suspended or 3 days suspended and \$2,500 fine |
| Restaurant/Manassas | Licensee sold to intoxicated person; allowed lewd or disorderly conduct; sold alcoholic beverage in unauthorized area or place | Accepted \$4,500 fine |
| Restaurant/McLean | Sold to underage person; licensed premises are such that the establishment ceases to qualify as a restaurant | 25 days suspended or \$4,000 fine; and licensee has to meet the qualification standards for wine and beer on-premise and mixed beverage restaurant licenses, and kitchen remain open to serve food at all times that alcoholic beverages are being served |
| Restaurant/Newport News | Licensee sold to intoxicated persons; allowed the consumption of alcohol by intoxicated persons; allowed persons to loiter upon premises; allowed employee to consume alcohol while on duty; allowed noisy or disorderly conduct on premises | 30 days suspended or \$4,000 fine |
| Restaurant/Norfolk | Licensee allowed noisy or disorderly conduct | Accepted penalty of \$2,500 |
| Restaurant/Richmond | Licensee allowed lewd or disorderly conduct upon premises | 45 days suspended or \$1,000 and 30 days suspended |
| Restaurant/Topping | Licensee not the legitimate owner of business conducted under the license issued by Board | Accepted penalty of \$750 |
| Restaurant/Verona | Sold to underage person (first offense) | Accepted \$1,500 fine |



Compliance Pins Still Available

Complimentary marketing tools are still available to all licensees. Compliance pins were developed for sellers and servers in Virginia as an effort to prevent underage selling. The pins symbolize efforts by owners and employees of licensed establishments toward preventing the sale of alcohol to underage youth.

Complimentary pins can be ordered on the ABC Web site at: pubrel@abc.virginia.gov, or by calling (804) 213-4413.

ABC Works to Prevent the Selling and Serving of Alcohol & Tobacco Products to Underage Youth

A person attempting to buy alcohol may be an underage operative or they may be a teen attempting to purchase alcohol or tobacco. No matter what the situation, selling and serving alcoholic beverages and tobacco products to underage youth is a serious crime that carries consequences including a Class 1 misdemeanor punishable by up to \$2,500 and a year in jail. As a public safety agency, ABC partners with licensees and store employees to form an alliance for compliance.

The Underage Buyer Program is an effective measure of compliance. ABC special agents accompany the program's underage operatives during attempts to purchase cigarettes or alcohol at grocery stores, convenience stores, restaurants and other businesses. The operatives are instructed not to alter their appearance, mannerisms, or mislead clerks in any way while attempting to make a purchase. Operatives carry their own valid identification. If the store clerk asks for ID, the underage buyer presents his or her valid identification. If the clerk asks for the operative's age, the underage buyer states it in a clear, audible voice.

During Fiscal Year 2006, ABC agents conducted 5,891 alcohol compliance checks of licensees and 319 checks of ABC stores. Alcohol compliance rates for retail establishments were 87 percent. ABC found that in 56.2 percent of the violations the retail licensee's employee checked the underage buyer's valid ID and completed the sale.

Alcohol compliance rates for ABC stores were 97 percent. ABC found that in 37.5 percent of the violations the ABC store's employee checked the underage buyer's valid ID and completed the sale.

Also during Fiscal Year 2006, ABC special agents conducted 4,685 tobacco compliance checks. Tobacco Syнар compliance rates are calculated from May 1 to



September 30 of each year, and tobacco retailers had a compliance rate of 90 percent in 2006. The Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services is the recipient of a federal substance abuse prevention and treatment block grant. Syнар compliance is a federal mandate for continuation of this grant. Additionally, the Virginia Tobacco Settlement Foundation provides some funding for ABC's Tobacco Underage Buyer Program.

The selling and serving of alcoholic beverages is a privilege that can be jeopardized if an employee is found guilty of selling and serving alcohol or tobacco products to underage youth. Whether the underage buyer is an operative or a teen attempting to purchase alcohol or tobacco, it is up to each and every one of us to prevent the sale. Preventing the sale and consumption of alcoholic beverages and tobacco products by underage youth is paramount in achieving a safe, orderly and regulated system in Virginia.

Attention Licensees—Did You Know?

Did you know that you could access important licensee forms and file a Mixed Beverage Annual Review (MBAR) online from the Licensee Resources section on ABC's Web site? Just go to www.abc.virginia.gov, click on Licensee Resources, then Forms & Reports. At the bottom of the page, you will see Licensee Forms. Here, you will be able to download the instructions for the MBAR and Inventory Report. Additionally, there is a link you can click on that will take you to the MBAR online homepage where you can sign on, using a valid user ID and password, to file an MBAR online. If you do not currently have an MBAR online ID and password, click on register and follow the login instructions (this is a one-time process).

Don't Miss Out—Winter 2007 RSVP Training Classes are Here

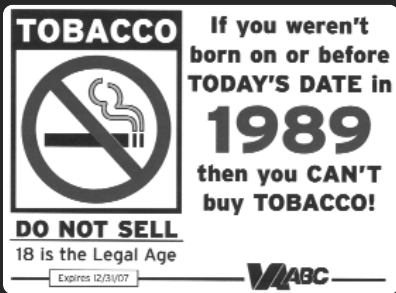
RSVP today for your spot in one of ABC's popular training classes, Responsible Sellers/Servers: Virginia's Program (RSVP). This program covers laws and administrative regulations that govern alcohol sales and consumption, detecting fake identifications, preventing intoxicated customers and managing confrontational situations. Taught by ABC special agents, the training is designed for bartenders, clerks, cashiers, waitstaff and other "front-line" employees and is offered quarterly in every region of Virginia.

RSVP is free for off-and on-premise licensees throughout Virginia, but you are strongly encouraged to register two weeks prior to the class. When you register online, you will receive an automatic confirmation e-mail and any directions and/or parking instructions to the training site.

The winter 2007 schedule is now available. Visit the ABC Web site at www.abc.virginia.gov for more information, a current schedule of classes and to register online.



2007 Do Not Sell Stickers Coming Soon



The "Do Not Sell" stickers for 2007 will be mailed in December for arrival by January 1, 2007. Please remember to replace last year's stickers with the new 2007 ones. To aid you in checking IDs and to deter underage buyers, please post these stickers where both the seller and buyer can see them, possibly on the countertop or bar where purchase are made. Similar to the 2006 stickers, this year's stickers were designed using two different colors, one color for alcohol sales and one for tobacco sales.

Additionally, you may also download the "Do Not Sell" mini-posters that are available online. The mini-posters are printable and are available in both Spanish and English. You can download and print these mini-posters in the *Licensee Resources* section by selecting Licensee Links from the left menu.

It is extremely important, although not mandatory, that these stickers are displayed in all licensed establishments. To receive additional stickers, please call ABC's Public Affairs Division at (804) 213-4413 or e-mail the request to pubrel@abc.virginia.gov. Please indicate the number of stickers needed, mailing address and which version you need –



Need Additional Stickers?
Call 804-213-4413
or e-mail
pubrel@abc.virginia.gov

Ask ABC: Questions from the Field

“Ask ABC” is intended to provide answers to common and not-so-common questions that affect ABC retail licensees and their employees. This serves as an easy-to-use supplement to all of the education materials already offered through ABC, but is not a legal document and does not supersede the Code of Virginia, Virginia Administrative Code or any other statute.

Have a retail license question for ABC?

To submit a question to “Ask ABC,” please e-mail your question to:
pubrel@abc.virginia.gov

What is the process for donating wines or beer to any organization?

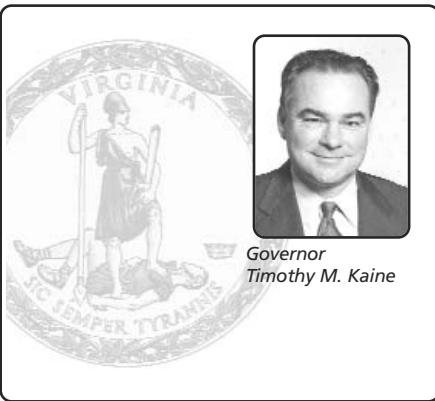
In Virginia, retail licensees have the authority to sell, not give away, alcoholic beverages covered under their license. Therefore, you may not donate alcoholic beverages under any condition.

Can I order alcohol online and have it shipped to another state?

As to whether you can order the alcohol in Virginia depends on whether the seller possesses a Shipper’s License that would allow such sales in Virginia. There are limitations to the amount of wine and beer (no distilled spirits may be shipped) that can be shipped to a person in a month’s time. As to having it shipped to another state, you must contact that particular state to find out their regulations on shipping alcohol.

Are patrons allowed to bring their own bottle of wine into licensed establishments, and are licensees allowed to charge a corkage fee for this?

A. No. BYOW (Bring your own wine) is illegal in Virginia. Patrons are not allowed to bring bottles of wine into licensed establishments. (§ 4.1-324, 325 and 225). However, if you are unable to finish a purchased bottle of wine at a restaurant, they may cork the unfinished bottle for you to take home (3 VAC 5 40 30 B).



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 Timothy M. Kaine

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