

Presentation to the Governor's Expert Review Panel on ABC Law Enforcement

May 4, 2015

Travis G. Hill, ABC Chief Operating Officer



Areas of Interest

- ▶ ABC Bureau of Law Enforcement – Structure and Authority
- ▶ Activities of ABC Special Agents
- ▶ Training of ABC Special Agents
- ▶ ABC Enforcement compared to other control states
- ▶ E.O. 40 Implementation

Agency Overview

Leadership

- Board: Jeffrey L. Painter (chair), Judy G. Napier, and Henry L. Marsh

Facilities

- Central Office and Warehouse located in Richmond
- 351 Retail Stores

Operating Budget

- FY 2014: \$551,902,197 (merchandise for resale is approximately 71% of expenses)
- FY 2015: \$577,917,496

Employees

- 1,031 Full Time, 2,286 Part Time (approximately a 556 increase from 2013, due to the implementation of the 29 hour cap)
- 20 contractors

Mission Critical Statistics

- Retail store customer transactions: 28 million
- Retail Licenses: 17,000+
- One-day banquet and special-event licenses: 19,525
- Total Cases shipped to ABC stores: 4,392,471

Bureau of Law Enforcement

Mission Statement

To improve the quality of life in the Commonwealth through the fair and impartial enforcement of laws and regulations governing the manufacture, distribution, sale and consumption of alcoholic beverages and tobacco while utilizing innovative educational and community partnerships.

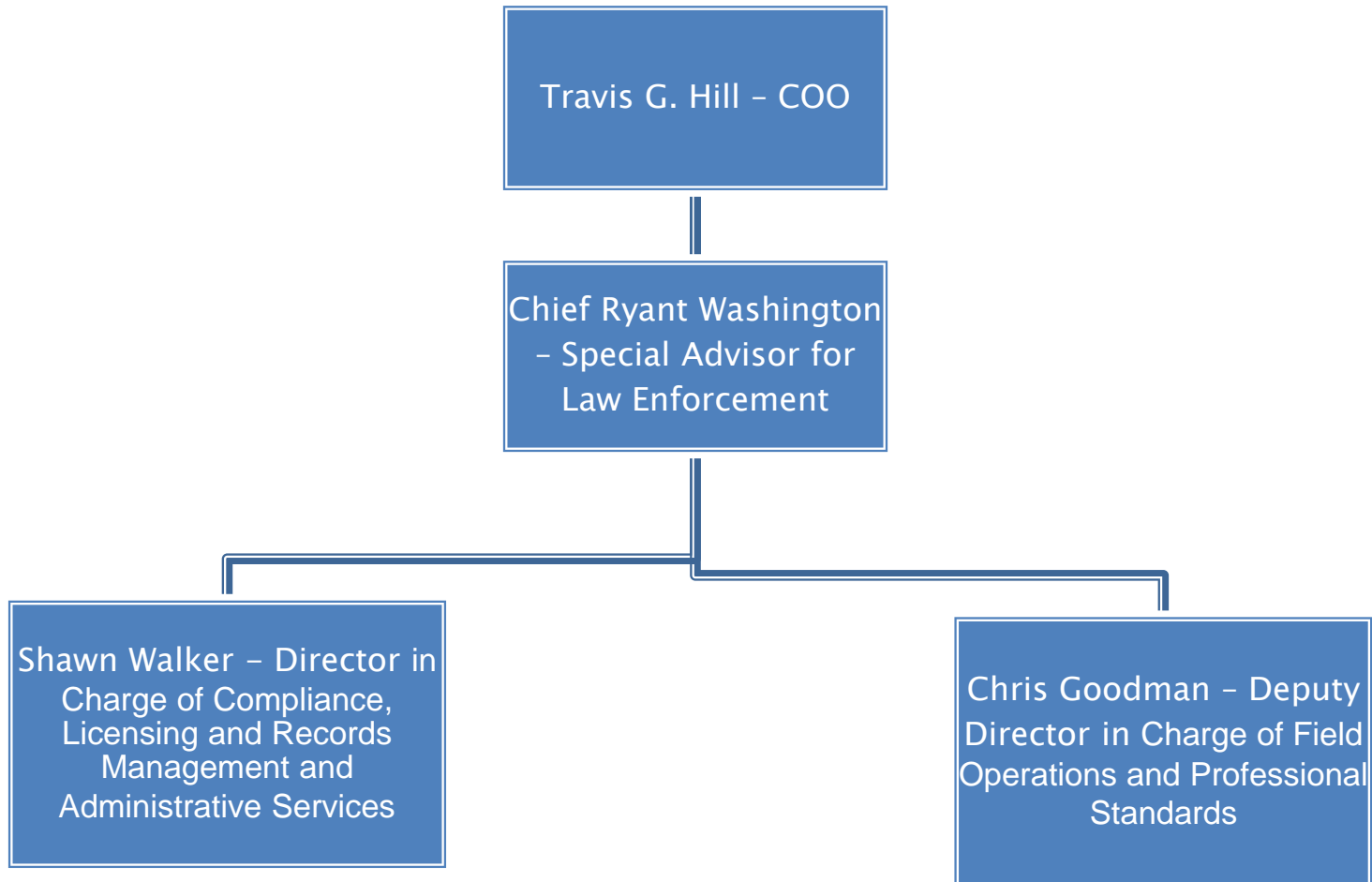
Bureau of Law Enforcement

- ▶ The ABC Bureau of Law Enforcement is charged with enforcing the alcoholic beverage control laws and regulations in the Commonwealth
- ▶ ABC special agents are sworn and certified police officers, vested with statewide authority of arrest for ABC violations as well as any other Virginia criminal statute

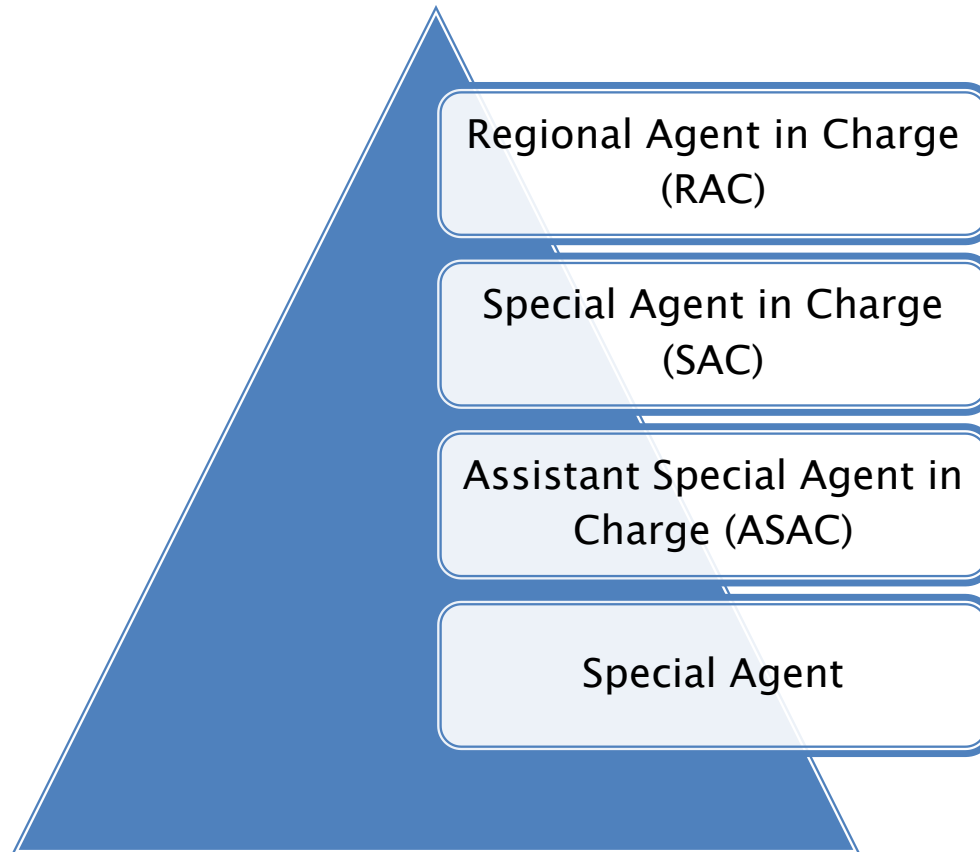
Bureau of Law Enforcement

- ▶ Va Code §4.1-105 vests Members of the Board and agents with the authority to enforce the ABC Act (Title 4.1) and the criminal laws of the Commonwealth
- ▶ While it has general law enforcement authority and training, ABC acts by policy within the specialized field of alcohol law enforcement
- ▶ Bureau utilizes its specialized knowledge to work with communities on issues related to alcoholic beverages and issues directly associated with the outlets that distribute these products
- ▶ Agency goal is to be seen as a reliable resource for localities and licensees with regard to the enforcement of ABC laws

Bureau of Law Enforcement - Leadership



Bureau of Law Enforcement – Regional Structure



Bureau of Law Enforcement – Recent Changes

- ▶ Establish new Charlottesville region
- ▶ Create RAC positions
- ▶ Progressing through final stages of accreditation through Virginia Law Enforcement Professional Standards Commission
- ▶ Shifting emphasis in training from classroom environment to scenario-based
- ▶ Increase uniformed operations

Units of Bureau

- ▶ Field Operations
- ▶ Special Operations
- ▶ Professional Standards
- ▶ Industry Compliance Unit
- ▶ Licensing and Records Management
- ▶ Administrative Services

Field Operations Unit

- ▶ 9 regional offices situated throughout the Commonwealth and 1 satellite office in Abingdon.
- ▶ 81 Agents, 9 SACS and 11 ASACS conduct and manage Bureau field operations in the 95 counties and 38 cities that make up the Commonwealth
- ▶ Regulate 17,000+ licensees, review and investigate approximately 20,000 one day event licenses issued yearly and provide support and resources to local law enforcement agencies

Special Operations Unit

- ▶ Staffing - 4 agents, 1 SAC and 2 part-time analysts
- ▶ Assists regional offices with complex financial and public safety investigations
 - Complex cases, often involving violence in and around licensed establishments
 - Complex financial investigations, including computer forensic examination, of establishments that are deemed a public safety concern due to violence occurring on the premises.
 - Illegal sales in “nip joints” - providing undercover officers, equipment and experience to help a region/locality to close down these operations.

Special Operations Unit (cont'd)

- ▶ Illegal distilleries
- ▶ Develops investigative protocols on how to conduct various complex investigations
- ▶ Cigarette trafficking – VA Code §58.1-1017 - working active cases involving ABC licensees as primary targets. Also, assist localities with resources to aid investigations

Training and Professional Standards Unit

- ▶ 1 SAC, 2 Senior Special Agents and 1 non-sworn administrative technician
- ▶ SAC serves as the Director of the agency's Training Academy that oversees and coordinates all Bureau training. Additionally, all internal investigations are coordinated and tracked through this office

Compliance Unit

- ▶ 1 SAC, 6 agents, 4 Compliance Auditors, 1 non-sworn full time and 3 part-time specialists
- ▶ Engage with manufacturers and wholesalers to provide regulatory guidance for licensees in these two tiers
- ▶ Providing guidance on complex issues of the law and regulation regarding quickly evolving business models and marketplace

Compliance Unit (cont'd)

- ▶ **Oversee complex trade practice regulations between the three tiers of the distribution system: retail, wholesale, manufacturers;**
 - **Examples: advertising issues, business entertainment, payments for taps, unauthorized discounts, providing unauthorized services, equipment, etc.**
 - **Conduct inspection reviews of each wholesale licensee in Commonwealth**
 - **Verify qualifications of manufacturers in Commonwealth**
 - **Investigate instances of under reporting of excise tax by beer or wine wholesalers. Coordinate complex audits when there are discrepancies in record reviews and tax monies remitted by wholesaler.**
 - **Audit tax reporting shortages by in state and out of state shipper licensees.**

Licensing and Records Management Unit

- ▶ 1 SAC and 19 non-sworn personnel
- ▶ Licensing Section
 - Serve as initial point of contact with public in ABC licensing process – customer service focus
 - Consistent point of contact and process for gathering information in license application process
 - Completed files are sent to field for review and license issuance
- ▶ Records Management Section
 - Custodian of agency official records/files for licensees
 - Fulfill Freedom of Information Act requests

Administrative Services Unit

- ▶ 1 SAC and 26 non-sworn
 - Project Management – IT Procurements
 - Grants and Contracts Administration
 - Emergency Operations Coordinator
 - Fleet and Equipment Management
 - Mixed Beverage Annual Review (MBAR) Analysis
 - Physical Security for ABC complex and remote security for stores and regional offices

Enforcement Numbers FY2014

Regulatory

- ▶ 144 License Types
- ▶ 18,171 Current Licensees
- ▶ 19,525 One Day Events
- ▶ 8884 Inspections
- ▶ 730 Violation Reports
- ▶ 1154 Written Warnings

Criminal

- ▶ 8675 Investigations
- ▶ 56 Illegal Distillery Investigations
- ▶ 1626 Charges
 - 1353 Summons
 - 273 Physical Custody
- ▶ 3600 UAB Alcohol Checks
- ▶ 1221 UAB Tobacco Checks

Incidents of Serious Injury 2010-2015

Incidents of Response to Active Resistance/Injury by ABC agents.

- 2010 – 0
 - 2011 – 1
 - 2012 – 0
 - 2013 – 0
 - 2014 – 1
 - 2015 – 1
-
- NOTE: ABC policy requires this reporting if there is any injury to a suspect once agent takes into custody, even if the arrest was not the cause of the injury.

License Types

Current ratio of agents to retail licensees – 1:211

Field Operations (81 agents)

- ▶ 7174 Restaurants
- ▶ 391 Hotels & Resorts
- ▶ 483 Private Clubs
- ▶ 40 Common Carriers
- ▶ 15 Charter Boats
- ▶ 5103 Grocery & Convenience
- ▶ 1016 Gourmet Shops
- ▶ 56 Gift Shops
- ▶ 58 Food Concessions
- ▶ 27 Performing Arts Amphitheater
- ▶ 5 Hospitals
- ▶ 1 Gourmet Oyster House

Compliance (6 agents)

- ▶ 35 In-State Distilleries
- ▶ 114 In-State Breweries
- ▶ 294 In-State Wineries
- ▶ 0 Bottlers
- ▶ 406 Wine & Beer Wholesalers
- ▶ 199 Wine & Beer Importers
- ▶ 263 Wine Importers (out of state)
- ▶ 111 Beer Importers (out of state)
- ▶ 1196 Internet Wine & Beer/Wine Direct Shippers

ABC Special Agents

- ▶ 124 Sworn personnel and 30 Civilian Support Staff, staffing 9 Regional Offices
- ▶ Agents recruited based on investigative experience with an emphasis toward business and financial experience, and investigative background.
- ▶ Agents are authorized to enforce the ABC Act, ABC Regulations and Virginia's Criminal Code.
- ▶ All agents are DCJS certified law enforcement officers and graduates of DCJS academies such as Central Virginia Criminal Justice Academy, the Virginia State Police Academy and other regional and independent academies.

ABC Special Agent Profile

▶ Training

- Over 950 hours of basic law enforcement training received at DCJS certified academies
- Additional 600 hours of ABC specific training.
 - Comprised of 120 hours of specialized, in-house, mission specific training, provided by instructors who are DCJS certified or subject matter experts and 480 hours of closely supervised field training
 - During field training, agents are evaluated on a daily basis on over 200 DCJS and ABC mission specific training standards
- Mission specific topics include:
 - complex financial and corporate structure investigations
 - de-escalation and disengagement techniques
 - illegal alcohol manufacturing and sales investigations
 - industry compliance training
 - regulatory vs criminal enforcement training,
 - biased based policing and cultural diversity training

ABC Special Agent Profile

- ▶ Background
 - Approximately 85% of Agents come to ABC with prior law enforcement experience and training
 - Currently have sworn personnel with experience ranging from 1 year to almost 40 years
- ▶ Demographics
 - 100 male
 - 24 female
 - 13% minority

Agent Activities

- ▶ Agents only focus on investigations and performing other regulatory compliance functions where there is a clear nexus to alcohol.
- ▶ Conduct background investigations of businesses or organizations applying for an ABC license in order to ensure suitability to possess a license pursuant to Code of Virginia;
- ▶ Annual inspections of ABC establishments
- ▶ Educate general public and licensee community;
- ▶ Conduct ABC specific investigations relating to alcohol issues in the Commonwealth;
 - Responding to complaints by community members or local law enforcement
 - Inspections for food service, underage service and public safety
- ▶ Assist and work with a number of local, state and federal law enforcement agencies and task forces.

ABC Licensee Investigations

- ▶ At least 70% of agent time is spent on activities directly relating to licensed establishments. Many of those duties include:
 - License suitability background investigations
 - Inspections of licensed places
 - Annual or bi-annual depending on license type.
 - For on premise establishments, there are additional requirements regarding qualifications as a restaurant.
 - Ratio
 - Food sales
 - Food inventory
 - Providing training to retail licensees and banquet licensees.
 - RSVP
 - MART
- ▶ Many licensee investigations involve both criminal and regulatory aspects

ABC Alcohol Related Public Safety Investigations

- ▶ Alcohol Related Public Safety Investigations – take approximately 30% of agents' time
 - The offenses adversely affect the quality of life for residents in the area where the offenses occur
 - Most investigations tend to be purely criminal in nature
 - Illegal Manufacture of Alcohol - Moonshine
 - Illegal Sale of Alcohol (Nip Joints/Shot Houses)
 - Source investigations (fatality or severe injury investigation with a nexus to an ABC licensed establishment. Agents conduct investigation of the licensee).

ABC Special Event Operations

- Short duration, high density
 - Amphitheaters;
 - Stadiums;
 - Richmond International Raceway, Martinsville Speedway;
 - Equestrian events;
 - Virginia State Fair;
 - 100+ alcohol licensed festivals statewide.

Other Investigations

- ▶ All related to a primary alcohol beverage issue or license
 - ABC acts at the invitation and in partnership with federal and local enforcement agencies
 - Typically part of a larger operation where ABC handles alcohol issues

Comparing ABC Enforcement Across States

- ▶ There are 17 control states similar to VA
 - 5 states (Alabama, Mississippi, New Hampshire, Vermont, Virginia) have law enforcement within ABC agency
 - 5 states (Idaho, North Carolina, Ohio, Pennsylvania, Utah) have law enforcement dedicated to alcohol NOT within ABC agency
 - 7 states (Iowa, Maine, Michigan, Oregon, West Virginia, Wyoming) have no dedicated law enforcement and rely on localities to perform function

Ongoing Initiatives

▶ Accreditation

- Efforts for accreditation by the Virginia Law Enforcement Professional Standards Commission are almost complete.
 - Mock assessments June 2015
- Process allows us to conform with best practice standards in Virginia law enforcement
- Will strengthen culture of fairness, consistency and uniformity in law enforcement and will require constant oversight and accountability both internally and externally
- Create a mindset of looking for ways to improve processes in order to comply with standards

Ongoing Initiatives

▶ E.O. 40 Implementation

◦ Training

- 80 hours of training
- June 1-5 or 22-26: Response to Active Resistance (Use of Force)
- July 6 – 10 or 20-24: Required training under E.O. 40, to include; Cultural Diversity and Community Policing

◦ MOUs

- Currently developing template for use with various jurisdictions