



State of North Carolina
ALCOHOLIC BEVERAGE CONTROL COMMISSION

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N.C. Alcoholic Beverage Control Commission Hears 66 Permit Violation Cases, including Resolution of Mecklenburg Dinner

RALEIGH – At its Feb. 18 meeting, the North Carolina Alcoholic Beverage Control Commission levied fines for the alcohol law violations that occurred at a November 2009 dinner at which distiller Diageo hosted members of the Mecklenburg County ABC staff and the former chairman of the Mecklenburg County ABC Board to a dinner with a total bill of more than \$12,000.

After reviewing the NC Alcohol Law Enforcement Investigation report and conducting independent interviews, the ABC Commission legal staff determined the local ABC senior management had requested the dinner, not the distiller. The resulting offer in compromise for an ultimate fine of \$6,000 to be paid by Diageo reflected the ABC Commission's findings, was accepted by the distiller and ratified by the Commission unanimously.

"The ABC Commission is satisfied this dinner was not initiated by Diageo," said Jon Williams, chairman of the state ABC Commission. "The local board has been held accountable by the resignations of the former board chairman and the former board CEO and by the repayment of most of the expense. These fines, which are greater than the standard penalty for first-time violations, demonstrate the Commission's commitment to hold the distiller appropriately accountable for their shared responsibility in this unauthorized event."

The Commission imposed penalties and fines totaling approximately \$100,000 on representatives of retail bars, restaurants, groceries, stores and clubs found to be in violation of their permits. In addition to the fines, many of the violations resulted in suspensions of permits for five days or more. The fines are to be paid by March 12, 2010 with suspensions beginning March 19, 2010. Fines benefit the local school systems where the violations occurred.

Since its last meeting, held Jan. 13 the Commission:

- ◆ provided template resolutions for local boards to review and adopt the Governor's Executive orders banning gifts and meals
- ◆ directed local boards to update travel policies
- ◆ reminded local boards that tickets are things of value and are not permitted to be accepted as gifts
- ◆ reviewed the ALE Investigation report and subsequent receipts produced by distillers and referred corrective action to local boards of Boone, New Hanover, Carteret, Triad, Statesville, Orange, High Point, Mooresville, High Country about violations of existing alcohol laws and regulations where staff had accepted meals or gifts valued at \$100 or less. ABC staff continues to review receipts for entertainment in excess of \$100.

Jonathan S. "Jon" Williams, serves as chairman of the N.C. Alcoholic Beverage Commission. A.D. "Zander" Guy and J.D. Lyon Jr., are commissioners. The three are charged with regulating alcohol sales throughout the state of North Carolina.

ABOUT THE ABC COMMISSION

North Carolina is one of 19 states to regulate alcohol through a control system. Since 1937, the North Carolina Alcoholic Beverage Control Commission has provided regulation and control over the sale, purchase, transportation, manufacture, consumption and possession of alcoholic beverages in the state of North Carolina. The Commission oversees more than 25,000 permits allowing alcohol sales by more than 17,000 retail outlets across the state. In fiscal year 2009, the Commission returned more than \$250 million in taxes and revenue to benefit the General Fund and the budgets of local cities and counties that sell alcoholic beverages.

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