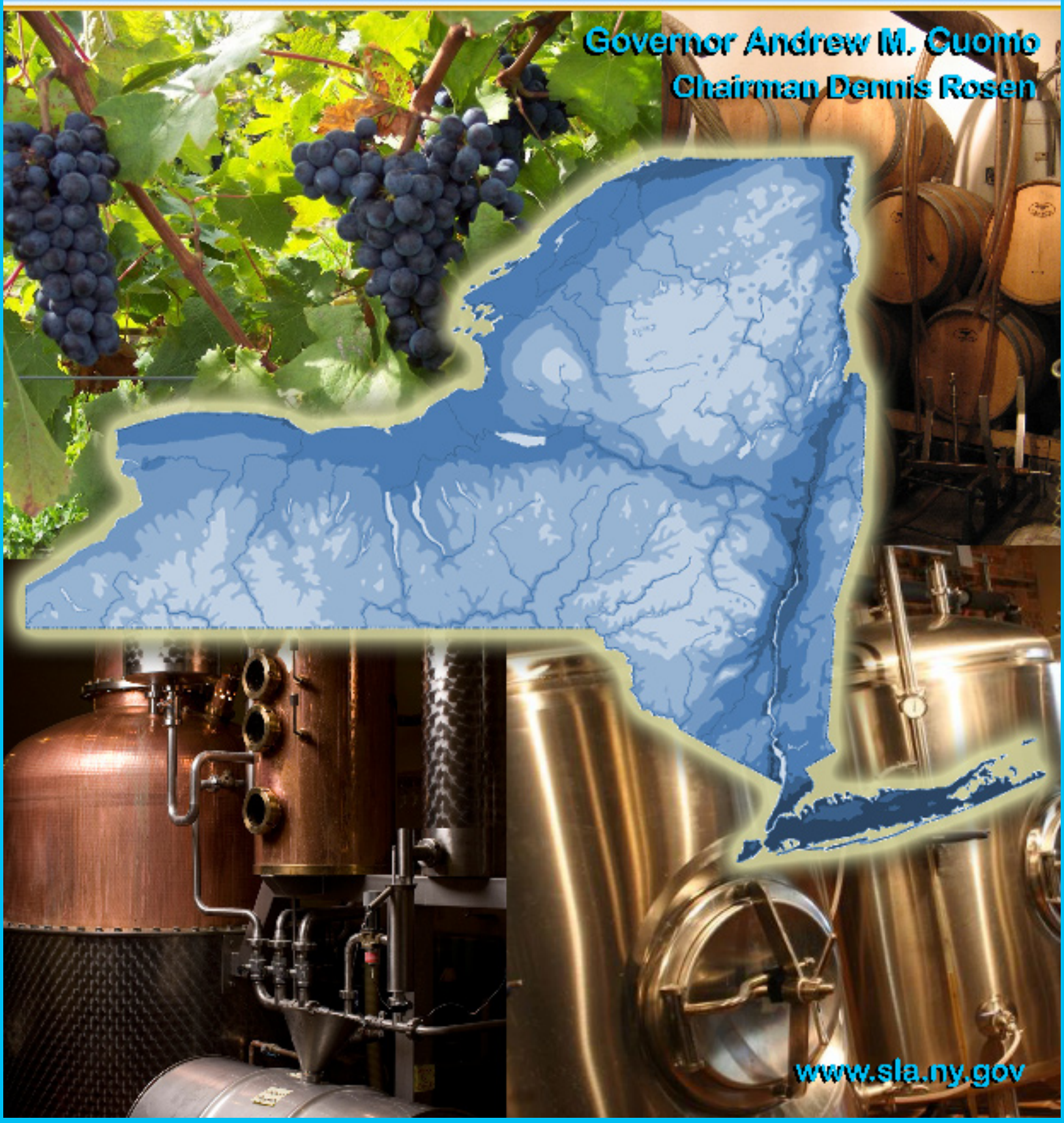
New York State Liquor Authority

2011 Annual Report



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Contact The NYS Liquor Authority

STATE OF NEW YORK
EXECUTIVE DEPARTMENT

DIVISION OF ALCOHOLIC BEVERAGE CONTROL

STATE LIQUOR AUTHORITY

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Dear Governor Cuomo and Members of the Legislature:

On behalf of the Division of Alcoholic Beverage Control, I am pleased to present the 2011 Annual report of the New York State Liquor Authority (SLA). This report presents comprehensive information and statistical data on the agency's activities over the past year.

The SLA is responsible for issuing liquor licenses and ensuring licensees comply with the Alcoholic Beverage Control Law (ABC Law). In order to carry out these functions, our agency works cooperatively with licensees, local law enforcement, community groups, and our other partners across the state to ensure the industry is regulated in a fair and consistent manner.

As this report will show, the SLA has worked to address the backlog of pending applications that has beleaguered this agency and the businesses we regulate for years. We have made tremendous progress in a short period of time, including cutting the backlog in half in 2011, significantly reducing the time it takes to open a business in New York State. We have also refocused our enforcement efforts to aggressively prosecute serious violations of the ABC Law. Included in this effort, for the first time in agency history, we began conducting massive underage sting operations utilizing our own decoy volunteers. This, in addition to focusing on sales to intoxicated persons, violent establishments, and other violations that negatively affect the quality of life around licensed premises, has helped the SLA meet our commitment to protecting the public health and safety.

Please be assured the SLA will continue to move forward in meeting our obligation to serve our licensees and all citizens of New York State. We appreciate your comments, suggestions, and continued partnership.

Sincerely,

Dennis Rosen
Chairman

General Overview

HISTORICAL

On December 5, 1933, President Franklin Delano Roosevelt signed Presidential Proclamation 2,065, officially declaring the 18th Amendment to the U.S. Constitution replaced by the 21st Amendment. The 21st Amendment repealed Prohibition and gave each state the power to regulate the trafficking of alcoholic beverages within its borders. Chapter 180 of the Laws of 1933 provided for the manufacture of malt beverages and wine not exceeding 3.2 percent alcohol content under the guidance of an Alcoholic Beverage Control Board.

In May 1934, New York State enacted Chapter 478, known as the Alcoholic Beverage Control Law, creating the State Liquor Authority and the Division of Alcoholic Beverage Control effective July 1, 1934. The State Liquor Authority's first Annual Report noted that Chapter 478 was enacted by the Legislature to provide for "the protection, health, welfare and safety of the people of the State."

AUTHORITY OPERATIONS / RESPONSIBILITIES

The State Liquor Authority is part of the executive department of New York State with a Board consisting of three Commissioners, appointed to three-year terms, one of whom is the Chairman. The Chairman serves as the day-to-day administrator and has a salary set by statute; the other two Commissioners are compensated on a part-time basis. Current Authority responsibilities include, but are not limited to:

- Reviewing applications and investigating applicants to determine eligibility;
- Issuing licenses and permits for the manufacture, wholesale distribution and retail sale of all alcoholic beverages;
- Regulating trade and credit practices related to the sale and distribution of alcoholic beverages at wholesale and retail;
- Limiting, in the Authority's discretion, the number and type of licenses issued as determined by public interest;
- Working with local law enforcement agencies to ensure compliance with the Alcoholic Beverage Control Law;
- Investigating licensees for alleged violations of the Alcoholic Beverage Control Law;
- Bringing disciplinary charges, conducting disciplinary proceedings, revoking, canceling or suspending for cause any license or permit, and/or imposing monetary penalties where appropriate; and
- Promulgating rules to implement the Alcoholic Beverage Control Law.

General Overview

MISSION STATEMENT

The State Liquor Authority has two main functions: 1) issuing licenses and permits; and 2) ensuring compliance with the Alcoholic Beverage Control Law. The Authority's licensing activities focus on the timely processing of permits and licenses. The Authority's enforcement activities focus on the protection of the public by working with local law enforcement agencies and local communities to bring administrative actions against licensees who violate the law.

The Authority currently operates three offices:

New York City (Zone 1); Albany, which serves as the headquarters (Zone 2); and Buffalo (Zone 3).

TYPES OF LICENSES

There are 96 distinctly defined license types and 91 permit types, which allow for various means of trafficking in alcoholic beverages, with approximately 50 of these constituting the majority of application categories. During 2011, the State Liquor Authority was responsible for the regulation of over 53,000 active licensees and 35,000 permitees.

By State Fiscal Year 2014 -15, the Authority, with other state agencies, will implement an Enterprise "E-Licensing" System which will essentially make the licensing process "paperless," increase transparency, and expidite the issuance of licenses.

Licenses are issued for durations that range from one to three years, depending on license type, after which licensees may apply for renewal. Licenses fall into three major categories: manufacturer, wholesaler and retailer.

MANUFACTURER LICENSES Include several classes of distiller licenses for the production of spirits, winery and farm winery licenses for winemaking, and brewers' licenses for beer. To encourage the growth of small businesses and New York based homegrown industries, within each category there are provisions allowing for licenses to be issued at a lower cost for businesses with limited production capabilities, as well as provisions for businesses that manufacture alcoholic beverages made primarily from New York agricultural products. In addition to selling their goods to wholesalers and retailers, certain manufacturers, such as farm wineries, wineries, and brew-pubs are also allowed to sell directly to consumers.

WHOLESALER LICENSES Allow licensees to purchase alcoholic beverages from manufacturers, importers and other wholesalers and to sell those products to retailers. There are separate licenses for liquor, wine and beer wholesalers. In limited situations, wholesalers can sell directly to consumers.

RETAILER LICENSES Are available for both on-premises and off-premises sales. Specifically:

ON-PREMISES LICENSES Issued to businesses such as restaurants and taverns that serve alcoholic beverages to be consumed at the establishment. These licenses may allow for the sale and consumption of all types of alcoholic beverages, or may be limited to the sale of wine and beer, or beer only.

OFF-PREMISES LICENSES Allow alcoholic beverages to be sold "to go." Off-premises beer licenses are issued to grocery and drug stores, while package stores are authorized to sell spirits and wine, or wine only.

Applications to modify the conditions upon which a retail license was originally granted are required to be filed and approved in many instances before any changes may be made. Examples include moving to a new location; altering the layout of an establishment; changing principals, officers, or LLC members of a licensee; upgrading the type of license currently held; or changing the method of operation originally approved by the Authority.

DISCIPLINARY PROCESS

The State Liquor Authority Counsel's Office prosecutes licensees in administrative proceedings for violations of the Alcoholic Beverage Control Law and Rules of the Authority. An investigation into a disciplinary matter typically begins with one or more of the following:

- An on-site, announced inspection of a licensed establishment;
- An on-site, undercover investigation by Authority investigators and other law enforcement agencies;
- A review of reports or investigations by other law enforcement and regulatory agencies; and/or
- Interviewing witnesses and collecting evidence.

Disciplinary proceedings are commenced by the issuance of a Notice of Pleading setting forth the alleged violations. The licensee may enter one of the following pleas:

- Not Guilty;
- No Contest;
- Conditional No Contest.

If a licensee pleads "not guilty," a hearing date is scheduled with an Administrative Law Judge (ALJ). At the hearing, the Authority and the licensee may produce witnesses, which are subject to cross-examination, and submit documentary evidence. Findings are made by the ALJ and presented to the State Liquor Authority's Board for final approval. If the licensee admits to committing the violation with a "no contest" plea, the Board imposes an appropriate penalty. If the licensee submits a "conditional no contest" plea, the licensee's offer of settlement is forwarded to the Board for consideration. If the offer is rejected by the Board, the matter is returned to Counsel's Office to schedule an administrative hearing. Each case brought to the Board is examined on its individual merits. If a disciplinary charge is sustained, the Board may impose one or more of the following:

LETTER OF WARNING A letter sent which notes although the licensee may have committed a violation, only a warning is warranted under the circumstances.

CIVIL FINE A monetary penalty is imposed.

BOND CLAIM A claim for payment is made against the surety bond that was filed with the license application.

SUSPENSION The license is seized for a specified number of days.

CANCELATION The license is terminated, but there are no time restrictions on reapplying for another license.

REVOCATION The license is terminated, and the licensee cannot apply for a license for two years.

PROSCRIPTION A two-year ban is imposed on the issuance of a license to any part of the building containing the revoked licensed premises.

ACCOMPLISHMENTS

Wells Fargo Lockbox Implementation

In 2011, the Authority embarked upon a public-private partnership lockbox arrangement with Wells Fargo to streamline the intake process for license and permit applications, as well as the collection of filing and license fees. The use of the lockbox has made the licensing process more efficient while greatly enhancing internal controls for the receipt and deposit of agency revenues.

Elimination Of Licensing Backlog

As noted in the Authority's 2009-2010 Annual Report, the Authority significantly addressed the licensing application backlog; it went from over 3,100 to 750 (all 750 being in New York City). However, though great progress was made, more business efficiencies were needed in 2011. By the end of 2011, the total backlog was reduced by more than half to 307.

Call Center Implementation

In 2011, the Authority implemented a computerized Voice Over Internet Protocol (VOIP) call tree and call center to connect callers directly to the person they need to speak with. This solution resulted in the agency providing efficient and consistent responses to license applicants, licensees, and the public. In 2011, the call center responded to nearly 100,000 calls.

Targeted Underage Compliance Stings

In 2011, the Authority made underage compliance a top priority, including using volunteer underage decoys. Enforcement investigators conducted 143 Underage Compliance Details, including joint efforts with law enforcement entities. These details visited 1,627 licensed premises and resulted in 612 sales to minor violations.

Alcohol Training Awareness Program Participation (ATAP)

In 2011, the Authority continued to oversee the certification and monitoring of ATAP, through which licensees and servers are properly trained in the appropriate and lawful sale of alcoholic beverages focusing on preventing sales to underage and intoxicated patrons. By the end of 2011, there were 10 approved ATAP classroom programs statewide, two approved online programs, and two approved programs which offer online and classroom instruction. The 14 ATAP training programs held 410 classroom training sessions and 646 online sessions resulting in 5,157 industry participants being certified.

STATUTORY / REGULATORY CHANGES

Wineries

Legislation was enacted in 2011 to significantly reduce the regulatory burdens placed on New York State wineries, providing a huge boost for all wineries across the state, and allowing them to continue to prosper as a key tourism, agricultural, and economic engine for New York State. The new law included:

Branch Store Capabilities Provides farm wineries the ability to operate up to five "branch stores." Previously farm wineries could operate up to five "satellite stores;" however, those stores had to obtain separate licenses and were subject to the same restrictions imposed on liquor stores. The new "branch store" system allows such stores to be considered extensions of the farm winery, making it much easier for the stores to be opened anywhere in the state. Also, licensees may offer in these stores, in addition to any New York State labeled wine, products related to wine, such as cheese and glassware.

Custom Crush Capability Clarifies the ability of farm wineries to provide and/or utilize custom crush services for purchasers of New York grapes. By reducing capital costs, the statutory changes encourage smaller vineyards to enter the industry and in turn foster rural economic growth.

Reducing Direct Wine Shippers' Reporting Burdens Since 2005, wineries have been allowed to ship directly to consumers in other states. However, they have been required to produce very costly, time consuming and underutilized reports. The new law now simply requires wineries to maintain reports on-site, and provide them to the Authority only upon request.

License Consolidation New York wineries, which manufacture less than 1,500 gallons of wine annually, are no longer required to apply for a separate micro-winery license; rather, all farm wineries have the same license, with micro-winery licenses continuing to cost $50 annually.

Streamlining Charitable Events Permit Filings New York wineries seeking to participate in charitable events are no longer restricted to five per year. Wineries may now obtain an annual permit and notify the Authority of the event, greatly reducing the burden on both wineries and the Authority, while ensuring the same level of oversight.

Simplifying Requirements for Obtaining a License

Historically, the Alcoholic Beverage Control Law required applicants and licensees to show ownership or control of their licensed premises by providing either a deed or lease. Due to legislation in 2011, effective January 16, 2012, management agencies, concessionaires and other applicants who can demonstrate control over the food and beverage service at the premises through a management agreement will be able to apply for liquor licenses without providing a deed or lease.

2011 Calendar Year Highlights

Temporary Retail Permits for New Applicants

In 2010, the Alcoholic Beverage Control Law was amended to establish Temporary Retail Permits for new applicants outside of New York City for the first time. The new permit section of the statute was set to "sunset" after one year. This provision was extended in 2011 and will be in effect until October 12, 2012.

Notifications to Municipalities

Certain 30-day advance municipal notification requirements by licensees, prior to filing an application with the Authority, were changed in 2011. Specifically:

New York City

Substantial corporate changes, defined as an 80% or more change in ownership interest, now require 30 days prior notification to community boards. Alteration and license renewal notification requirements remain in place for New York City licensees with the exception of off-premises licensees who no longer need to notify Community Boards of alterations.

Outside of New York City

All alteration and license renewal notification requirements have been eliminated outside of New York City.

Statewide

30-day municipal notification for original on-premises applications remains in place.

Motion Picture Theater Restaurants

The Alcoholic Beverage Control Law permitted licensed restaurants to show motion pictures as long as they otherwise conformed to Authority's requirements. In 2011, the statute was amended to permit motion picture theaters that otherwise meet the definition of a restaurant to be licensed.

Frozen Desserts Made with Wine

The types of wine-flavored frozen desserts are not considered alcoholic beverages (5% alcohol by volume or less) were expanded to include other frozen desserts made with wine.

Finger Lakes Performing Arts Center Exempt from Tied House Provisions

The property in the Town of Hopewell, Ontario County, known as the Finger Lakes Performing Arts Center, was exempted from the tied house restrictions in the Alcoholic Beverage Control Law. As a result, alcoholic beverages can be manufactured on the premises as well as sold at retail.

2012 Calendar Year Initiatives

INTERNAL

Business Intelligence Dashboard

In 2012, the Authority will bring online a Business Intelligence Dashboard ("Dashboard") to cull information from various databases and present over 60 flexible reports and visual cues to monitor agency performance. These internal reports will be available automatically and refreshed daily. They will assist Authority management with defining best practices and performance metrics.

Liquor Authority Mapping Project (LAMP)

In 2012, the Authority will release LAMP, a website that maps and indicates key information for 54,000 active and pending licenses using standard GIS techniques. The site will assist the industry with application requirements and improve community board oversight without the need to contact the Authority for information previously available only through a FOIL request. LAMP endows the licensing process and decisions with greater transparency.

Special Event Database

In 2012, the Authority will complete implementation of the Special Events Database that leverages lockbox services provided by Wells Fargo Bank to improve tracking, reduce processing time, and speed delivery of special event permits. Staff will be able to assign, review, and process an entire application without the need to print certificates or wait for the receipt of the physical application. Certificate images will now be emailed or faxed to recipients within a week.

STATEWIDE (MULTI-AGENCY)

Enterprise E-Licensing System

The Authority is embarking upon a Public-Private Partnership to be part of an Enterprise "E-Licensing" System for six state agencies: the Office for Technology Services, the Department of Agriculture and Markets, the Department of Environmental Conservation, the Department of State, the State Education Department and the State Liquor Authority. In 2011, Requests for Proposals (RFPs) were solicited and a vender was chosen to begin work. Behind-the-scenes work will progress throughout 2012 and early 2013, with the first tangible deliverables by the summer of 2013 and final deliverables in 2014 - 2015.

SAGE Commission Recommendations

The Spending and Government Efficiency (SAGE) Commission was created to "modernize and right-size State government." In December 2011, the SAGE Commission approved recommendations centered on: 1) organizational streamlining; 2) operational improvements; 3) building a culture of performance and accountability; and 4) focusing on core mission.

Statewide Financial System (SFS) – Implementation

The Statewide Financial System (SFS) was created to be a modernized enterprise-wide accounting and financial management system for New York State government. It will impact all agencies, including the Authority. The system will go "live" in April 2012.

APPROPRIATIONS AND REVENUE

Calendar Year 2011 covers parts of two State Fiscal Years (SFY): SFY 2010-11 and SFY 2011-12. All finance and human resource activities are hosted by the New York State Office of General Services (OGS).

State Fiscal Year	Appropriation	Budgeted FTEs
2010-11	$22,335,000	140
2011-12	$16,860,000	123

Total Revenues for 2011 were $64,992,799.

OFFICE OF THE CHAIRMAN AND EXECUTIVE

The Office of the Chairman and Executive includes Deputy Commissioners and an Administrative Support Team.

The Office coordinates the daily operations of the agency, providing external support to a wide variety of public and licensed interests, as well as internal support to all agency program areas (e.g. supply and equipment acquisition, maintenance and inventory control, internal controls, telecommunications and tenancy, etc.). The Administrative Support Team provides direct support to the Chairman and functions as program liaisons with our host partner, OGS, on all finance and human resource activities for all three zone offices.

OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs (OPA): fosters positive working relationships with federal, state and local legislators, community groups and their staffs; engages in discussion in support of the State Liquor Authority's annual legislative program and, where appropriate, Governor's Program Bills bearing on alcoholic beverage control policy; responds to media requests, distributes press releases, and coordinates press-related events; assists in the management of the content of the agency's website; and responds to requests for agency records as provided for in the New York's Freedom of Information Law (FOIL). In 2011, the OPA handled 421 FOIL requests. The OPA is committed to keeping the media, licensees and the public up to date on news, policies and current events concerning the Authority.

LICENSING BUREAU

The Licensing Bureau coordinates statewide licensing policies, standards and initiatives, and ensures that all applicants meet the statutory requirements to obtain a license or permit. Staff reviews all license and permit applications, and prepares detailed reports to ensure that either the Licensing Board or the Members of the Authority are able to make a proper determination on each application. Specific Units, within the Licensing Bureau, are as follows.

INTAKE UNIT The intake and data entry of applications is the first step in the licensing process. This function was centralized in Albany in 2011 to reduce the backlog and redirect staff resources in New York City and Buffalo. This Unit reviewed and processed 7,230 applications in 2011.

LICENSING UNIT After intake is completed, new and change applications are distributed to staff in all three zones for appropriate review and analysis. Applications include those for manufacturing, retail and wholesale. This activity generated $12.9 million in revenue in 2011.

RENEWAL UNIT Centered in Albany, it was merged with the Licensing Unit in 2011 to better cross-train and utilize staff where needed. The Authority, on average, processes 33,000 license and permit renewals per year. Renewals generated $38 million in revenue in 2011.

PERMIT UNIT Processes all permits, including Temporary Beer and Wine Permits (TPAs) [e.g. special time limited events such as family gatherings, concerts, New Years Eve parties], Caterer's Permits [e.g. allows catering at locations other than licensed premises], Transportation Permits, Solicitor's Permits and all other miscellaneous permits [e.g. allow permittees to sell alcoholic beverages that come into their possession]. This function was centralized in Albany in 2011 to reduce backlog and redirect staff resources in New York City and Buffalo. This Unit processed 15,562 TPA's, 10,217 Catering Permits, 2,187 Transportation Permits, 818 Solicitor's Permits and 2,556 other miscellaneous permits in 2011. This activity generated $6 million in revenue in 2011.

PHONE UNIT *(AKA CALL CENTER)* The Authority made significant changes to its customer service approach by implementing a Voice Over Internet Protocol (VOIP) call tree and call center. Direct and appropriate responses greatly reduced interruptions to licensing staff, strengthened internal controls and provided callers with immediate, consistent answers. The call center responded to nearly 100,000 calls in 2011.

Organizational Structure

Overall in 2011, the Licensing Bureau issued over 48,000 licenses, license change requests and permits and issued 33,255 license renewals. As noted in the 2010 Annual Report, the Authority confronted a backlog of over 3,100 license applications in 2009; by the end of 2011, the backlog was reduced to 307. By instituting changes in business processes, implementing updated technologies, centralizing functions and reorganizing the Licensing Bureau, not only has the backlog been reduced but application cycle processing is down as well; specifically, the time it takes to process applications has been cut from an average of seven months upstate and over a year downstate, to one to three months upstate and two to six months downstate, depending on the nature and complexity of the application.

2011 Licensing Statistics

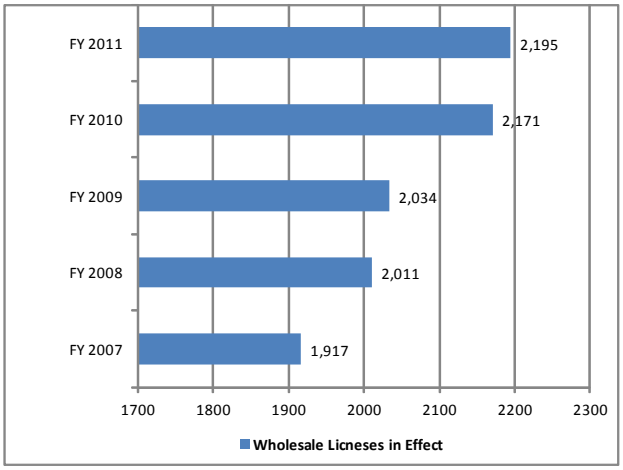
Licenses		On Premises	Off Premises	Wholesale	Sub-Totals
Zone 1	Received	2,748	1,985	80	4,813
	Approved	2,553	1,895	89	4,537
Zone 2	Received	945	425	220	1,590
	Approved	729	352	177	1,258
Zone 3	Received	580	214	33	827
	Approved	420	177	29	626
			Statewide Total	Received	7,230
				Approved	6,421

Permits		Brand Label	ST Permits	Other	Sub-Totals
Zone 1	Processed	1,769	2,842	944	5,555
Zone 2	Processed	358	1,188	1,402	2,948
Zone 3	Processed	202	361	210	773
				Statewide Total	9,276

Special Event Permits	TPA's	Caterer's	Totals
	15,562	10,217	25,779

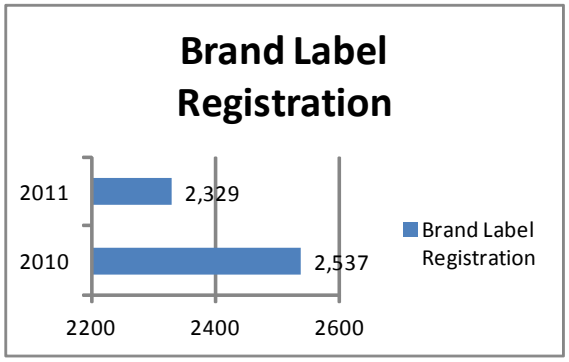
License Changes				
		Zone 1	Processed	3,768
		Zone 2	Processed	1,736
		Zone 3	Processed	1,091
			Statewide Total	6,595

WHOLESALE BUREAU



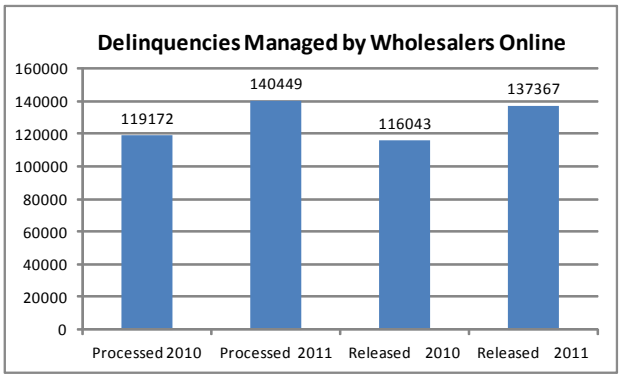
The State Liquor Authority regulates the distribution and sale of alcoholic beverages through a tiered system of three independent components: manufacturers, wholesalers and retailers. The Wholesale Bureau provides on-going assistance and guidance to the industry on trade practices and policy issues. The Wholesale Bureau specifically handles the following;

WHOLESALE PRICE POSTING The Alcoholic Beverage Control Law requires wholesalers of spirits and wine to post their prices monthly with the Authority to enable it to detect patterns that might indicate collusive practices or tied houses (i.e., the control of a licensee at one level of the three-tier system by a licensee at another level). These statutory provisions were enacted to eliminate predatory pricing schemes that encouraged irresponsible sales practices and forced many licensees out of business. Wholesalers provide this information to the Authority through an electronic price filing system.



BRAND LABEL REGISTRATION The Alcoholic Beverage Control Law requires that all brand labels for beer, low-alcohol wine, liquor, alcoholic cider and wine products be registered and approved by the Authority before they are sold in New York State.

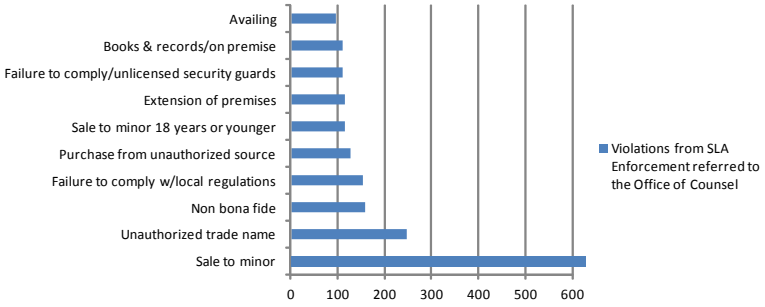
CASH ON DELIVERY (COD) LISTING The Alcoholic Beverage Control Law requires the monitoring of delinquent retail accounts. The Wholesale Bureau tracks these accounts via the COD List and delinquent retail accounts must pay cash for their purchases from wholesalers. The intent of the statute is to avoid a wholesaler illegally favoring one retailer over another, or controlling a retailer by providing unlimited credit. If this protection were not in place, a consequence might be the creation of tied houses and retailers being forced to purchase all or most of their products from one wholesaler.



ENFORCEMENT BUREAU

The Enforcement Bureau is responsible for investigating possible violations of the Alcoholic Beverage Control Laws, rules and regulations relating to the manufacturing, wholesale, retail, transportation, and storage of alcoholic beverages. The Enforcement Bureau works with law enforcement agencies and community groups across the state, performs undercover investigations, and conducts training for police departments, licensees, servers and other beverage industry members on alcohol related issues.

In 2011, the State Liquor Authority made underage compliance a top priority. Enforcement investigators conducted 143 Underage Compliance Details, including joint efforts with law enforcement entities. These details visited 1,627 licensed premises and resulted in 612 sales to minor violations. Specific details included the largest underage sting operations in the 77 year history of the Authority.



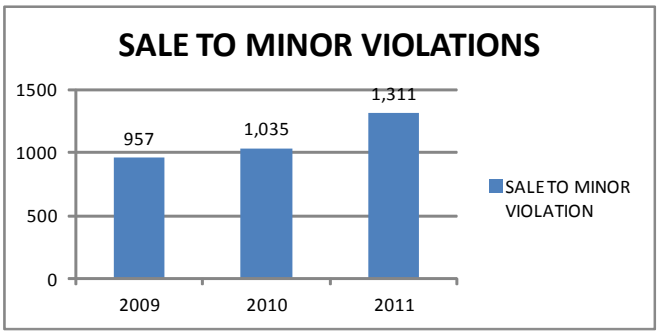
WESTERN NEW YORK (JULY 2011) Decoys were sent into 124 grocery stores in Buffalo, Rochester, and Niagara Falls; 41 were cited with selling alcohol to minors.

NEW YORK CITY (AUGUST 2011) Decoys visited 212 grocery stores over a three day period, citing 123 stores.

SLA Underage Compliance Initiatives 2011:	143
Licensed Premises visiting during SLA details:	1,627
Sale to Minor Violations during SLA details:	612

CAPITAL DISTRICT (SEPTEMBER 2011) Decoys visited 108 licensed groceries and liquor stores in Albany, Rensselaer and Schenectady Counties; 23 establishments were cited.

NEW YORK CITY (NOVEMBER 2011) Decoys visited 234 licensed establishments in New York City; charging 118 with sales to minors.



Organizational Structure

The Authority continued to foster its relationships with law enforcement and licensees throughout the state. These activities included:

Integrated Municipal Police Action Community Teams (IMPACT) The Authority collaborated with multiple police agencies designed to support strategic crime-fighting and violence reduction initiatives in 17 sites across the state. Staff also attended statewide IMPACT meetings in which agencies shared criminal intelligence. This enhanced the Authority's efforts to aggressively investigate and prosecute violations that jeopardize the public health and safety.

Multi-Agency Response to Community Hotspots (MARCH) Program The Authority worked closely with the NYPD through the MARCH program to monitor potentially problematic premises. The MARCH program is directed by the New York City Criminal Justice Coordinator's office (CJC), coordinated by the NYPD, and includes investigators from the Authority, the Fire Department of the City of New York, the New York City Department of Buildings and the New York City Department of Health. In 2011, The Authority participated in 91 MARCH details; making visits to 395 licensed premises, resulting in 784 Alcoholic Beverage Control Law violations.

Alcohol Training Awareness Program (ATAP) The Authority oversees the certification and monitoring of ATAP, in which licensees and servers are trained in the appropriate and lawful sale of alcoholic beverages. By year's end, there were 10 approved ATAP classroom programs, two approved online programs, and two approved programs which offer online and classroom instruction. The 14 ATAP Training Programs held 410 classroom training sessions and 646 online sessions which resulted in 5,157 industry participants being certified. Overall, since 2009, there have been a total of 2,510 ATAP classroom and online classes held with 15,511 attendees.

COUNSEL'S OFFICE

The Counsel's Office is responsible for providing a full range of legal services to the State Liquor Authority.

Specific Duties include:

- Prosecuting licensees in administrative proceedings for violations; representing the Authority in administrative review proceedings; and defending the Authority in litigation.

- Responding to requests regarding interpretations and applications of the law; and reviewing information from the Enforcement Bureau, and other law enforcement agencies for rapid enforcement action, including emergency orders of summary suspension where there is an imminent threat to the public health, safety or welfare.

- Advising Authority staff/units on legal and compliance issues; developing rules, regulations and policy directives; and preparing and commenting on legislation.

- Attending meetings of the Full Board; acting as legal advisor to, and advising the Members of the Authority on requests for declaratory rulings.

LEGAL MATTERS SUBMITTED TO THE SLA BOARD			
Year	Calendared Items	Non-Calendared Items	Total
2010	2,729	920	3,649
2011	3,298	927	4,225

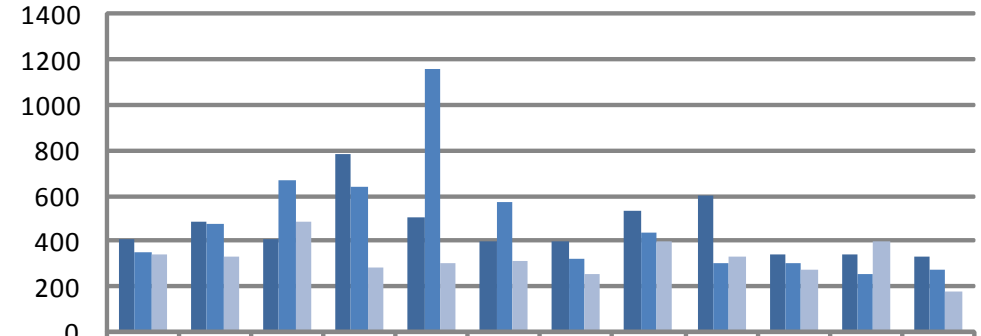
HEARING BUREAU

The Hearing Bureau is comprised of part-time Administrative Law Judges (ALJs). Licensees charged with violations, such as sales of alcoholic beverages to underage purchasers, have the right to a fair and impartial hearings. The Hearing Bureau conducts all such disciplinary proceedings. All cases are prosecuted by the Authority's Office of Counsel. Additionally, the Hearing Bureau holds: 1) hearings which review Licensing Board decisions denying licenses; and 2) hearings pertaining to license applications when such hearings are mandated by statute, primarily "500 Foot Rule Hearings" which afford a forum for public comments regarding applications for bar, restaurant or cabaret licenses in a municipality of 20,000 or more people where there are already three or more "on-premises" liquor licensees within 500 feet of the applied for premises.
Hearings are formal, "of record" adjudicatory proceedings of the Authority. Proceedings are governed by the State Administrative Procedure Act (SAPA) and by Executive Order 131, which require that they be conducted in a manner that is impartial, efficient, timely, expert and fair. After a hearing is held, the ALJ sorts out the facts and renders a written determination. The hearing record, including a transcript (or an audio recording) of testimony taken at the hearing, constitutes the basis upon which all succeeding reviews, including reviews by the Members of the Authority, or on appeal to the courts of the State of New York, are heard.

In 2011, the Hearing Bureau held 566 disciplinary hearings – 491 in New York City (Zone 1), 25 in Albany (Zone 2), 50 in Buffalo (Zone 3). In addition, the Hearing Bureau held 608 500-Foot Hearings – 548 in New York City (Zone 1), 35 in Albany (Zone 2), 25 in Buffalo (Zone 3).

SECRETARY'S OFFICE

The Secretary's Office oversees the preparation of the agendas for the "Full Board" meetings of the Members of the State Liquor Authority. The Office receives matters from the Licensing Bureau, Counsel's Office and Hearing Bureau, as well as miscellaneous matters presented by other units within the Authority.



	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
2009	407	489	406	784	501	400	401	535	600	338	346	330
2010	350	474	668	641	1158	569	323	436	304	305	250	274
2011	344	332	485	288	299	317	254	396	330	277	401	175

In 2011, there were 25 regular Full Board Meetings and 10 special meetings in New York City. Members of the public who wished to attend or participate could do so in person in the NYC office or from the Authority's offices in Albany and Buffalo through video conferencing. All Full Board meetings were also webcast live and archived on the Authority's website. In all, there were a total of 3,898 items scheduled for the Full Board to review; of those, 3,631 were new submissions while the remaining 267 had been re-scheduled from previous meetings.

The Secretary's Office is also responsible for implementing all disciplinary determinations made by the Board and processing/collecting returned checks. Specifically:

DISCIPLINARY DETERMINATIONS In 2011, the Secretary's Office collected a total of $7,858,466 in payments consisting of civil penalties and bond claims. This was a 7% increase from the previous year. Furthermore, in 2011, individual members of the Authority, on a rotating basis, were delegated to make final determinations on routine disciplinary matters meeting certain prescribed criteria. The Secretary's Office processed 927 such determinations which generated $633,800 in fines, 125 Adjudicated Letters of Warning and nine license cancellations.

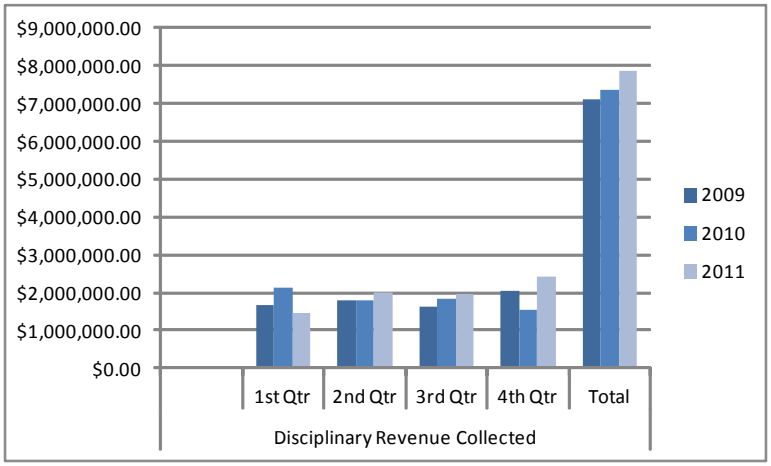
COLLECTING/PROCESSING RETURNED CHECKS Notifications are immediately sent to applicants and licensees for prompt payment on all returned checks. Applicants who fail to remit payment are forwarded to the License Bureau for disapproval, and licensees who fail to remit payment are forwarded to Counsel's Office for the commencement of disciplinary proceedings. In 2011, the total amount of returned checks was $684,495.99 (86% of the monies were replaced with 15% uncollectable and the accompanying applications subsequently disapproved). The amount of refunds statewide due to applicants for disapproved applications and licensees, and unused portions of their license periods, was over $3.8 million dollars paid through the Office of the State Comptroller (OSC).

DISCIPLINARY PENALTIES IMPOSED BY THE SLA BOARD

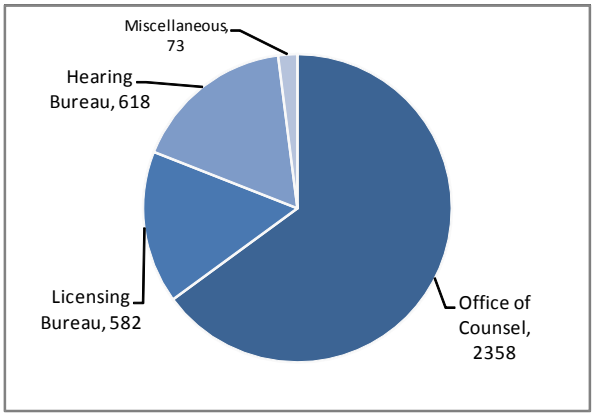
(BY PENALTY DUE DATE)

Year	Civil Penaties Imposed	Bond Claims Imposed	Revocations and Cancellations Imposed	Suspensions Imposed	Number of Days Imposed Suspensions
2010	$6,879,975	$461,650	499	167	2,489
2011	$7,460,449	$498,150	525	116	2,050

DISCIPLINARY REVENUE COLLECTED



DEPARTMENTS SUBMITTING AGENDA ITEMS



How to Contact the Liquor Authority

Enforcement If you would like to make a complaint or have questions on enforcement issues, please call (518) 474-3114 and select option 2 or send an email to: Enforcement@sla.ny.gov		**Office of the Secretary** If you have questions regarding the Full Board Calendar or questions on fines or penalties imposed by the Board, please call (518) 474-3114 and select option 4 or send an email to: Secretarys.Office@sla.ny.gov
Licensing If you have questions concerning how to obtain a license or permit, please call (518) 474-3114 and select option 1 or send an email to: Licensing. Information@sla.ny.gov		**Technology** If you have questions or suggestions regarding the Agency's use of technology, please call (518) 474-3114 and select option 5 or send and email to: Web.Master@sla.ny.gov
Wholesale If you are a manufacturer, wholesaler, retailer or other interested party with questions concerning trade practice, price schedules, brand label registrations or delinquent/credit statutes,please call (518) 474-3114 and select option 1 or send an email to: Wholesale.Bureau@sla.ny.gov		**Public and Legislative Affairs** If you are a memeber of the media with questions regarding the State Liquor Authority, please call (518) 474-3114 and select option 3 or send an email to: Press.Office@sla.ny.gov
FOIL If you would like to make a Freedom of Information request, please call (518) 474-3114 and select option 3 or send an email to: FOIL@sla.ny.gov		**Legal** If you have a legal question, please call (518) 474-3114 and select option 4 or send an email to: Legal@sla.ny.gov

Zone Offices and Representitive Counties

ZONE 1 317 Lenox Ave. New York, NY 10027	**ZONE 2** 80 S. Swan St. Albany, NY 12210-8002	**ZONE 3** 535 Washington St. Buffalo, NY 14203
Bronx	Albany	Allegany
Kings	Broome	Cattaraugus
Nassau	Cayuga	Chautauqua
New York	Chenango	Chemung
Queens	Clinton	Erie
Richmond	Columbia	Genesee
Suffolk	Cortland	Livingston
Westchester	Delaware	Monroe
	Dutchess	Niagara
	Essex	Ontario
	Franklin	Orleans
	Fulton	Schuyler
	Greene	Seneca
	Hamilton	Steuben
	Herkimer	Tioga
	Jefferson	Tompkins
	Lewis	Wayne
	Madison	Wyoming
	Montgomery	Yates
	Oneida	
	Onondaga	
	Orange	
	Oswego	
	Otsego	
	Putnam	
	Rensselaer	
	Rockland	
	St. Lawrence	
	Saratoga	
	Schenectady	
	Schoharie	
	Sullivan	
	Ulster	
	Washington	
	Warren	

New York State Liquor Authority
Division of Alcoholic Beverage Control
80 South Swan Street, Suite 900
Albany, New York 12210
http://sla.ny.gov