

DIVISION OF ENFORCEMENT & LICENSING



MONTHLY REPORT FEBRUARY 2021



NEW HAMPSHIRE STATE LIQUOR COMMISSION

<https://www.nh.gov/liquor/enforcement/>

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EXECUTIVE SUMMARY

This report is a summary and description of the activity recorded by the Division of Enforcement and Licensing for February 2021. This document provides a comprehensive overview of work completed by personnel within the Division, both Sworn Officer and Civilian. The Division compiled this report as a way to track and assess this activity on a regular basis to recognize areas of success and to identify areas that require additional attention.

Division

The Division collected \$1,284,598.98 in revenue during the month of February. The majority of this came through the collection of the Beer Tax. The Division also collected \$270,094.00 in Renewal Fees and \$116,878.36 in Direct Shipping Fees, while there was \$19,065.97 collected in Wine Tax and \$18,179.00 collected in Initial License Application Fees.

Total Calls for Service: The Division recorded 1536 total calls for service. *Restaurant* was the most commonly administered licensee type with 621. There were 24 different CFS codes utilized with *Annual Premise Inspection* accounting for the most common type with a total of 587 entries.

Administrative

Calls for Service – Civilian: Civilian personnel within the Division tallied 66 calls for service. Of these CFS entries, *Audit by Examiners* was the most common type processed with 43 entries.

Licensing: There were 5614 total entities licensed for the sale of alcohol and/or tobacco products in the State of New Hampshire. The most common license type was *Restaurant* with 1413 establishments, followed by *Combination* licenses with 1362 and *Direct Shipper* licensees with 1310. There were 45 new license applicants in February 2021. The most commonly applied-for license type was *Direct Shipper* Licenses, which accounted for 17 of the new licensees.

Petitions Made by Licensees: There were 15 petitions approved in February 2021. There were three requests approved for *Extension of Service Area* while request for *Authorization for use of Other Areas* was approved 10 times during this month. There were zero requests from outside of the State.

Licensing Help Desk: There were 1570 Help Desk transactions processed during February 2021. The most frequently administered were *Renewal (Processed)* with 428 entries and *Renewal (Generated)* with 446.

Auditing: Licensee Compliance & Oversight: Staff completed 875 Product Approval-related tasks, including 373 New Product Approval Requests, while logging 523 total licensee requests.

Direct Shipping: Taxes, Applications and Carrier: There was \$116,878.36 in Direct Shipping revenue collected in February 2021. There were 100 Renewal Applications processed, 17 New Applications received, and one permit given an Out-of-Business designation. Carrier reports show 11,535 shipments into New Hampshire during the month, of which, there were 169 improper or illegal shipments into the state. There were 19 *Illegal Shipment* notification letters sent out, 15 companies added to the Seizure list, while 21 companies were removed from the same list.

Training & Public Outreach: During February 2021, the Training & Public Outreach Unit offered no in-person classes due to COVID-19 safety precautions. There were 336 attendees for online classes. The Division held no Public Program Event in February.

Enforcement

Calls for Service – Sworn: Sworn Personnel tallied 1470 calls for service. Of these CFS entries, *Annual Premise Inspection* was the most commonly used type with a total of 587 entries.

Total Arrests: Division personnel cited 34 individuals for law violations in February 2021. There were 22 summons issues, eight detained based on existing summons or warrants, and four detained due to statutory requirements. Hillsborough County had the most per county with 12, and Manchester had the most per municipality with four.

Compliance Checks: There were no Compliance Checks accomplished in February due to COVID-19 safety precautions.

Compliance Action Taken: There were 73 compliance investigations opened in February, with 18 still ongoing. Of the 43 investigations that were closed, 13 resulted in the issuance of a verbal warning, 16 saw a verbal counsel issued, and 12 administrative notices were issued.

Fines: The Division collected \$1,450 in Administrative Fines. These came from separate investigations resulting in six different fines. Two of the licensees were Veteran's Clubs and two were Combination Licensees, with a Retail Tobacco and a Direct Shipper licensee receiving one fine each.

Case Disposition: By the close of the month of February 2021, there were 23 open cases in active investigation by field personnel. During the month, investigators closed 37 total cases, while eight cases were suspended, and zero were deemed unfounded.

SCOPE AND METRICS

This report is a summary and description of the activity recorded by the Division of Enforcement and Licensing for February 2021. This review provides a comprehensive appraisal of work completed by personnel within the Division - Civilian and Sworn. The Division has developed this report as a way to track and assess this activity on a regular basis to recognize areas of success and to identify areas that require additional attention.

The data for this report is sourced from multiple systems utilized by the Division of Liquor Enforcement

A number of data points are important and necessary for completion of this report. These metrics include, but are not limited to:

- Call for Service (CFS) number
- CFS Date and Time
- Location Information (County, City/Town)
- Licensee Number
- CFS Reason(s)
- Disciplinary Action code(s)

Additional data points not stored within the RMS are required as well. These items include:

- Active Case Updates
- Administrative Fines
- License Information & Totals
- Petitions Made by Licensees

QUALITY CONTROL

As part of the Division of Enforcement and Licensing's Quality Control efforts, customer surveys are available on the New Hampshire Liquor Commission's website: <https://www.nh.gov/liquor/enforcement/>

DIVISION METRICS

REVENUE

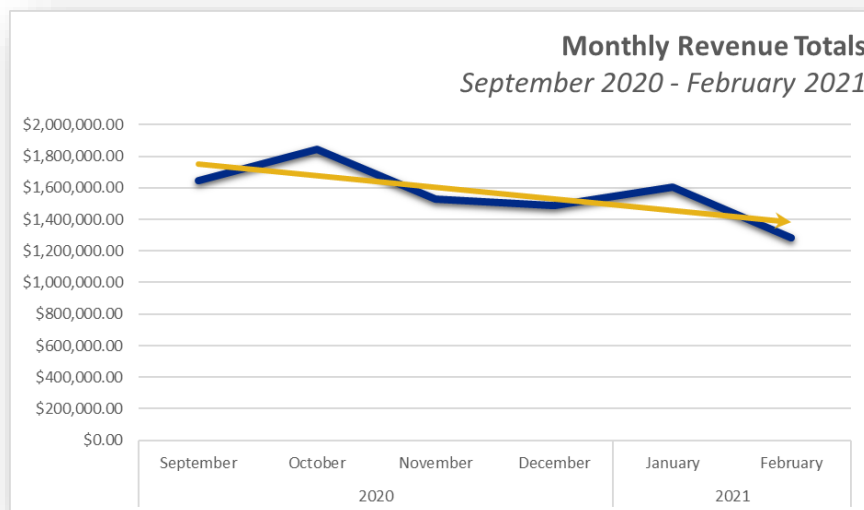
Through the regular course of business, the Division of Enforcement & Licensing is responsible, and in many cases required, to collect fees from licensees. The most commonly considered fees in relation to the Division are those attached to the issuance and/or renewal of a license to sell alcohol and/or tobacco in the State of New Hampshire. These fees are highlighted in RSA 178:29. The Division is also charged with collecting the fees proscribed in 178:26. This RSA establishes the \$.30 fee on each gallon of beer produced per month by licensees. Division staff also collect Liquor (178:6) and Wine (178:8) fees each month.

Summary

In February 2021, the Division collected \$1,284,598.98 in revenue. The majority of this came through the collection of Beer Taxes. The Division also collected \$270,094.00 in Renewal Fees. In all, there were five different categories that each saw more than \$10,000 in fees collected.

Type of Fee	Collected
Beer Tax	\$837,009.26
Renewal Fee	\$270,094.00
D/S Tax	\$116,878.36
Wine Tax	\$19,065.97
Initial License Fee	\$18,179.00
Liquor Tax	\$6,034.53
Application Fee	\$5,100.00
Distilled Spirits Tax	\$4,854.02
Wine Cooler Tax	\$3,646.84
Administrative Fine	\$1,450.00
9 Event Fee	\$1,000.00
B/W/L	\$600.00
Cocktail Lounge	\$360.00
2 or 3 Registers	\$197.00
Restaurant Sampler	\$130.00
TOTALS	\$1,284,598.98

Over the past six months, monthly revenue totals have trended down slightly. February saw another minor correction downward after January's slight jump upward. As COVID-19 safety precautions have impacted businesses statewide, there is an expectation that revenue totals will begin to trend back upward in correlation with COVID related obstacles and metrics decline. The February 2021 revenue is 13% higher than this point last year (\$1,140,983.85).

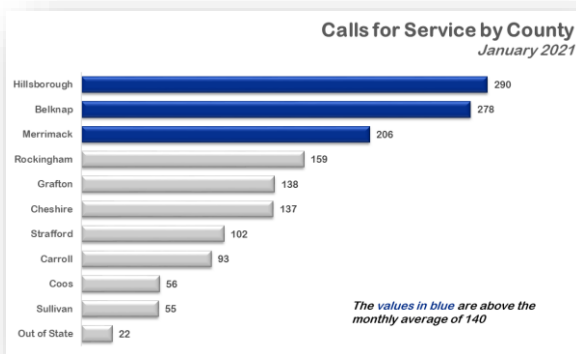
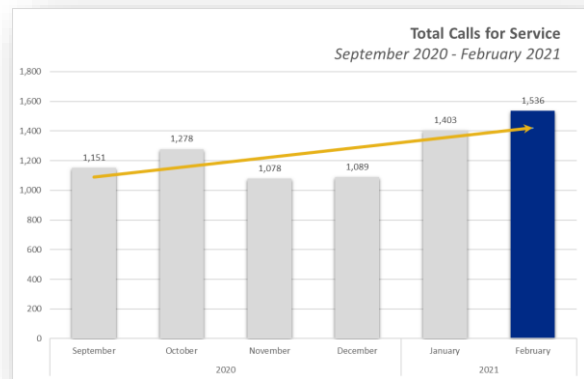


TOTAL CALLS FOR SERVICE

All activity completed by the Division is stored within the RMS as a Call for Service (CFS). This goes for both Civilian and Sworn personnel alike. This section of the report summarizes the number of CFS instances during February 2021. In addition, CFS totals by Civilian and Sworn staff fall into their respective areas of responsibility, providing a snapshot of work undertaken in this timeframe.

During February 2021, the Division recorded 1536 calls for service. This was a 9% increase from the previous month's report (1403). The most commonly visited licensee type was *Restaurant* with 621 entries. In total, there were 24 different service codes utilized, with *Annual Premise Inspection* accounting for the most common type with a total of 587 entries.

Total Calls for Service have returned to an upward trend over the past six months, and February's results shows a steady increase from the past few months. Overall, CFS totals are returning to pre-COVID-19 levels.



Each New Hampshire County had Calls for Service during February 2021. Hillsborough County had the most with 290 of the total records. Sullivan County had the fewest with 55 records. Including those Out-of-State CFS entries, the average per-area CFS total was 140; three of the Counties in New Hampshire were above this average point.

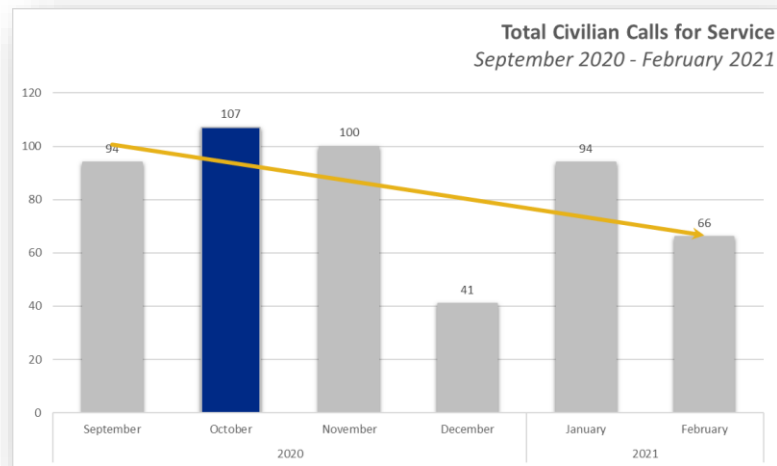
During February 2021, Enforcement and Licensing Personnel serviced 147 different municipalities throughout the state, down from 183 in January 2021. Of these, the 10 cities & towns visited most are as follows:

- | | | | |
|--------------|-----|------------------|----|
| • Manchester | 151 | • Nashua | 58 |
| • Laconia | 123 | • Moultonborough | 50 |
| • Merrimack | 108 | • Hooksett | 49 |
| • Keene | 105 | • Plymouth | 39 |
| • Concord | 79 | • Durham | 31 |

ADMINISTRATIVE

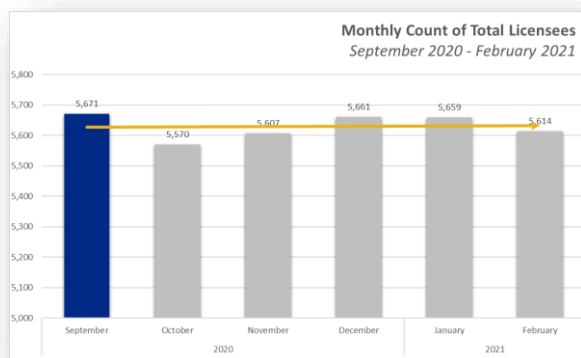
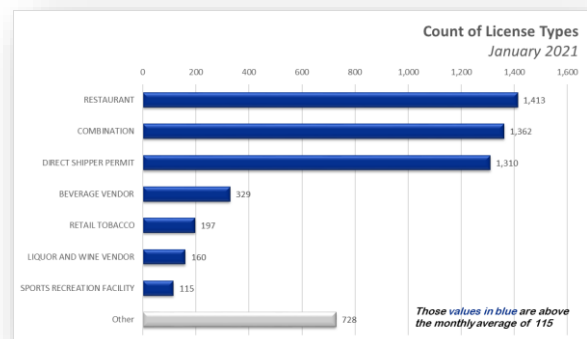
CALLS FOR SERVICE – CIVILIAN PERSONNEL

The number of Calls for Service among Civilian personnel dropped once again in February to a total of 66 after a short lived rebound in January.



LICENSING

The Division is responsible for issuing all liquor and tobacco-related licenses in the State of New Hampshire. The records associated with these licenses are stored in a shared DOIT-managed system called MyLicense Online (MLO). MLO is a web-based system that the Division utilizes to create, maintain and categorize all records related to the 49 different license types.



At the end of February 2021, there were 5614 entities licensed for the sale of alcohol and/or tobacco products in the State of New Hampshire. The most common license type was Restaurant with 1413 licenses on file at the end of this month. The next most common were Combination licenses with 1362, followed by Direct Shipper permits with 1310.

Data for the past six months shows settling in the number of total licensees in the State of New Hampshire. The total licensee count recently peaked in September 2020 and current trends indicate the numbers of Licensees will maintain levels above previous years.

New Licensees

During February 2021, Initial License Fees were collected from 45 applications. Of the 10 different license types applied for, the most commonly applied for license types was Direct Shipper Permit, which accounted for 17 of the new licensee applications while seven of the new applications were for Beverage Vendor licenses. Initial License Fees totaled \$18,179.00.

Petitions Made by Licensees

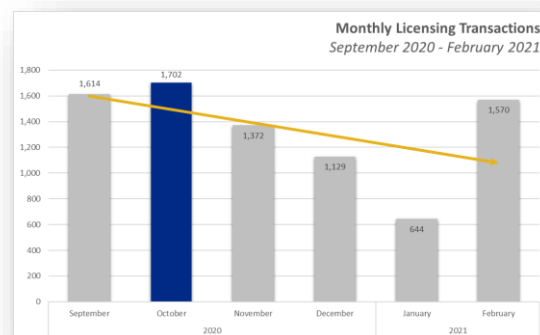
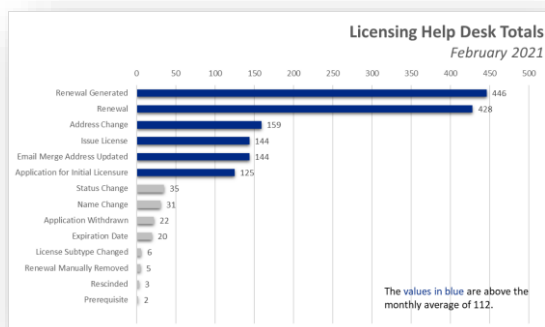
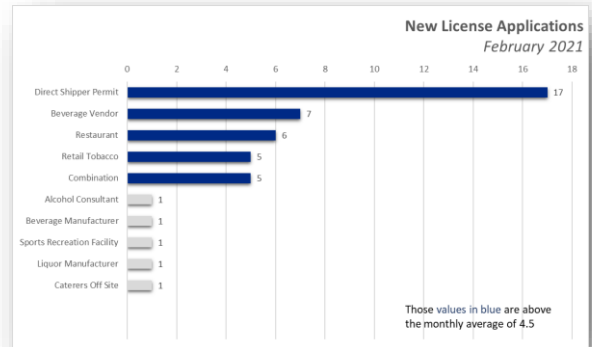
In the course of business, licensees may find that they need to make changes or accommodations that were not a part of their initial license application. This could be a temporary or permanent outdoor location, the addition of a new type of beverage, or even a modification of the licensee's premises. In any instance where a submission of a petition occurs, the Division reviews each petition prior to a final review during the Commission's Weekly Agenda Meeting; this is where recommendation for either approval or denial occurs. The Chairman and the Deputy Commissioner then vote upon that recommendation.

In February 2021, the Division approved 15 petitions. There were 10 requests approved for Authorization for use of Other Areas while request for Extension of Service Area was approved three times during this month. There were no requests from outside of the State.

Licensing Help Desk

The Division's Licensing Help Desk's mission is to work with and assist members of the public as they attempt to obtain or renew a license, modify an existing license, or in closing out a license that is no longer in use. Civilian personnel at the Licensing Help Desk include one full-time licensing specialist and two part-time licensing support staff members. An export of User Activity from the MLO system provides a count of all Licensing Personnel activity. Additional Licensing-related work completed by non-Help Desk personnel is also captured here.

Based on the information found in MLO's User Activity report, there were 1570 transactions recorded by Division personnel during February 2021. The most commonly recorded transaction type was Renewal (Generated) that was processed 446 times. The next most commonly processed transaction type was Renewal (Processed) with 428 instances.



While February saw a large spike in Help Desk activity, total transactions processed by the Licensing Help Desk are trending lower over the past six months.

Feedback

The Licensing Department did not receive any survey feedback in February 2021.

AUDITING AND DIRECT SHIPPING

The Division maintains a unit dedicated to dealing with issues around Auditing and Direct Shipping activities within the State of New Hampshire. This unit consists of one Supervisory Auditor, two Field Auditors, one Direct Shipping Auditor and one support staff member. These individuals handle issues related to the following license types among others:

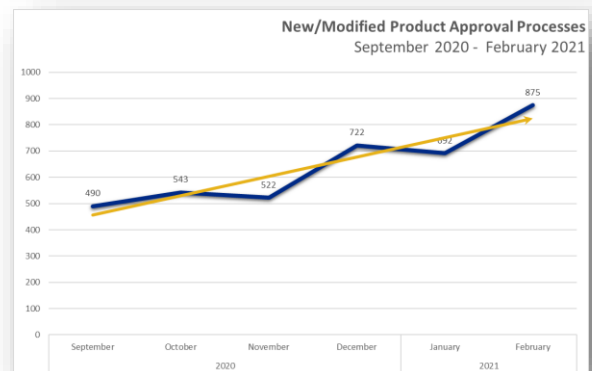
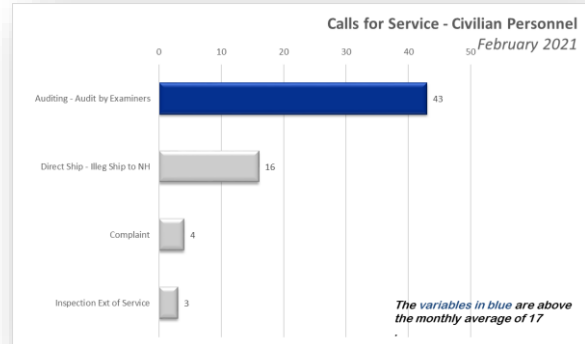
- Beverage Wholesalers
- Direct Shippers
- Beverage Manufacturers
- Alcohol Consultants
- Liquor/Wine Vendors
- Nano-Breweries
- Liquor/Wine Representatives
- Wine Manufacturers
- Carriers
- Liquor Manufacturers
- Warehouses
- Rectifiers

Auditing: Licensee Compliance & Oversight

In addition to the Calls for Service recorded in the Division's RMS, there are a number of other metrics captured by the Auditing and Direct Shipping personnel. These metrics afford a more-complete view of the tasks and responsibilities delegated to these small but important units, which serviced 5659 different licensees in February 2021.

Auditing and Direct Shipping Civilian Personnel recorded 66 calls for service during February 2021; this is down 30% from the 94 recorded the month before. The most commonly used CFS type with 43 entries was Audit by Examiners.

In addition to the Calls for Service recorded in the RMS, the Auditing staff completed 875 Product Approval-related tasks. This metric continues to trend significantly above totals from prior months and years. For reference, total Product Approvals in February 2020 totaled only 322 and 267 in February 2019. Personnel received and processed 523 separate departmental requests in February 2021. Of these requests, there were 83 Label Revisions approval requests, as well as 56 size revisions assessed for approval.



Feedback

Of the 12 survey responses received by the Auditing Department in February 2021, over 95% found the processes and personnel to be effective and efficient.

Direct Shipping: Taxes, Applications and Carrier Reporting

On top of the Calls for Service recorded in the Division's RMS, there are a number of other important metrics captured by the Direct Shipping personnel. These metrics afford a more complete view of the tasking and responsibilities delegated to this small but important Unit.

During February 2021, the Direct Shipping personnel collected \$116,878.36 in revenue as part of the State's program for out of state suppliers. A total of 503 checks were processed during the month.

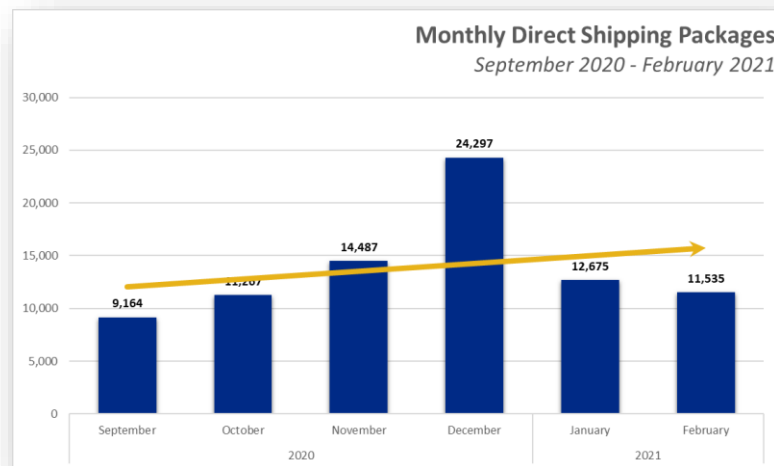
Direct Shipping personnel also processed 100 Renewal Applications during February 2021. Furthermore, there were 17 New Applications processed, while one permit received an Out-of-Business designation in the Division's systems. There were 13 instances where a permittee did not return the required paperwork, and Direct Shipping personnel were able to process 132 renewal permits during February 2021.

The processing of Carrier reports in February 2021 ensured that all Direct Shipping permittees are adhering to the State of New Hampshire's rules and guidelines. Out of these reports, there were a total of 169 improper or illegal shipments into

the state and there were 19 notification letters of Illegal Shipment sent to Direct Shippers in February 2021. Staff added 15 companies to the State's Seizure list, while there were 21 companies removed from this same list. The statistics for the authorized carriers are as follows:

<i>Carrier</i>	<i># of Packages</i>
<i>FedEx Express</i>	555
<i>FedEx Ground</i>	5451
<i>UPS</i>	5535
<i>Total</i>	11535

Historical data shows that the number of packages shipped into the State of New Hampshire are trending back up. Total package saw a significant jump in December, however February's totals dropped again to more normal numbers.



Feedback

Of the one survey response received by the Direct Shipping Department in January 2021, 100% found the processes and personnel to be effective and efficient.

TRAINING AND PUBLIC OUTREACH

The Division of Enforcement & Licensing is committed to providing superior educational programs for licensees and employees that focuses on proper sales/service of alcohol or tobacco and for parents, students, local communities, and enforcement personnel that encourages responsible alcohol consumption. The Division's goal is to serve the citizens of New Hampshire through its educational training efforts and move closer to achieving the Division's overall goals; reducing the number of alcohol related incidents.

Summary

During February 2021, the Training & Public Outreach Unit offered no in-person classes due to COVID-19 safety precautions. There were 336 attendees for online classes offered. The Division held no Public Program Events with 30 attendees.

Feedback

Of the 25 survey responses received by the Training and Outreach Department in January 2021, over 95% found the processes and personnel to be effective and efficient.

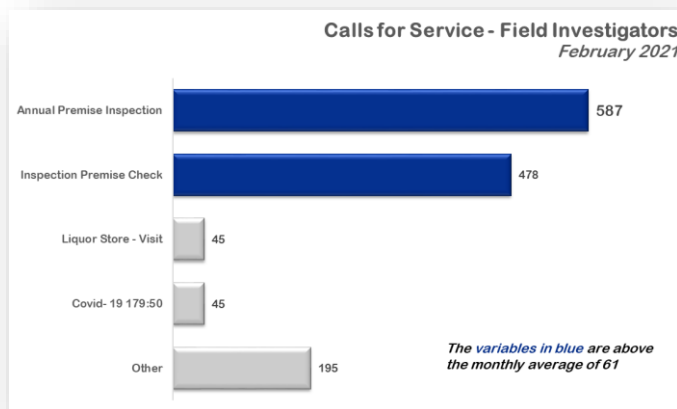
ENFORCEMENT

CALLS FOR SERVICE – SWORN PERSONNEL

During February 2021, the Sworn Personnel within the Division tallied 1470 calls for service, up 12% from the 1309 calls for service recorded in January 2021. Of these CFS entries, Annual Premise Inspection was the most commonly used type with a total of 587 entries.

The number of Calls for Service among all Sworn has trended upward through February since the low of 803 in June 2020. Calls for Service from SIU personnel had remained steady overall but jumped substantially in August. February has seen another rise in Calls for Service by Sworn Personnel. Overall, CFS totals are returning to patterns observed prior to the COVID-19 outbreak period.

Field Investigators



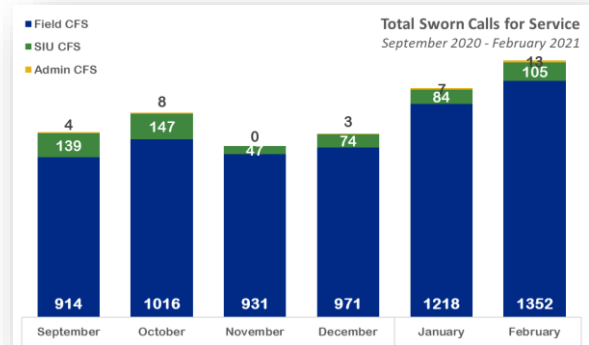
Special Investigations Unit

In addition to the Field Investigators, the Division has three Investigators who work in the Special Investigations Unit (SIU). These members of the Division will work cases across the State, not just within a set geographical area.

SIU Personnel recorded 105 calls for service during February 2021; this was up 25% from the 84 observed in January. Of the 13 different CFS in February, three of the top four SIU Calls for Service involved investigative activities at State Liquor Stores with the most common Call for Service a tie between *Liquor Store - Willful Conceal* and *Liquor Store - Visit*, both with 28 calls.

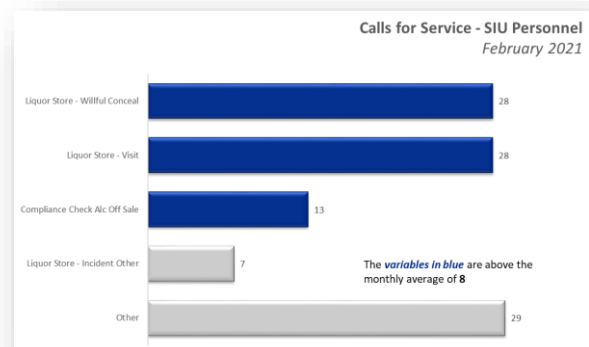
Administrative Sworn Personnel

The Division has three Sworn personnel members who work primarily out of Headquarters. These three individuals are a Field Operations Lieutenant, an Administrative Lieutenant, and a Staff Sergeant. Their main duties center on managing most of the Division's Civilian personnel and their respective units.



The Division has a number of Investigators assigned to the field. In an attempt to provide uniform coverage across the State of New Hampshire, Investigators work in two separate teams, each of which cover different geographical areas.

Field Personnel recorded 1352 calls for service during February 2021; this is up 11% from the 1218 recorded the previous month. The most commonly used CFS type was *Annual Premise Inspection*, which occurred in 43.4% of all recorded incidents.



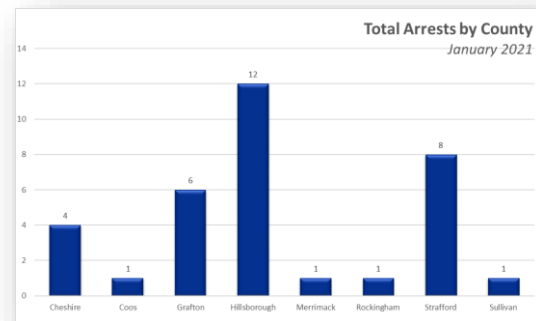
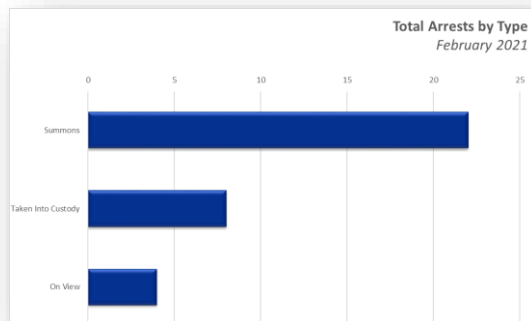
The three Administrative Personnel recorded 13 calls for service during February 2021; this is up from seven during the previous month. Of the seven different CFS types used, the CFS types utilized most frequently was *Inspection Premise Check* with five total instances.

TOTAL ARRESTS

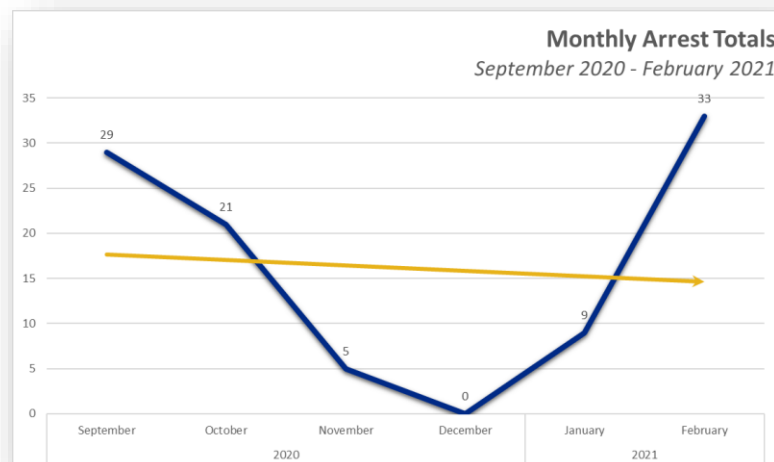
In the course of their statutory duties and responsibilities, Sworn personnel are sometimes required to cite individuals for violations of New Hampshire law (with a primary focus on RSA Title XIII and RSA 126-K). The reason for these events can vary, and this section will identify these actions that occurred during February 2021.

Summary

There were 34 individuals cited during February 2021. Of these, 22 individuals were issued a Summons and released while eight individuals were taken into custody based on an existing summons or warrant. Additionally, there were four individuals taken into temporary custody due to statutory requirements. The County with the most incidents was Hillsborough County with 12 and the municipality with the most was Manchester with four.



While trending for individuals cited and/or taken into custody is down during the past six months, February saw the second highest total of detained individuals over the past 12 months. Only August 2020's total of 42 arrests was higher.



COMPLIANCE CHECKS

Compliance checks have been used as an educational tool throughout the state for several years, and are an important part of the enforcement of the Prohibited Sales statute in New Hampshire (RSA 179:5). Investigators will obtain a list of licensees within a municipality and with the aid of a Division-Approved Underage Buyer, the Investigator will go site-to-site to ensure that all licensees assessed for compliance are in fact adhering to RSA 179:5.

Summary

There were zero Compliance Checks accomplished in February 2021 due to COVID-19 safety precautions.

COMPLIANCE ACTION TAKEN

Whenever an investigator/licensing specialist/examiner discovers a violation of administrative rules enforced by our Division which requires administrative action be taken, the investigator/licensing specialist shall be responsible to follow the case through to its completion. Investigators shall make a recommendation for administrative action consisting of either a verbal or written warning, administrative fine, or suspension of the license.

In the case of an Administrative Notice, personnel will document that corrective action is required. In addition, some form of punitive action occurs; a fine or mandatory education of a licensee's staff are a pair of examples. A Verbal Warning is a way of keeping a record that corrective action is required, though in a way that does not carry a punitive measure (i.e. no fine). This section summarizes all instances of compliance actions taken during February 2021, a breakdown of the different types, and a tally of the fines issued.

Summary

During February 2021, personnel logged 73 Compliance investigations. Of these, 18 cases are still ongoing. Of the 43 cases that were closed, 13 resulted in the issuance of a verbal warning, 16 saw a verbal counsel issued, and 12 administrative notices were issued.

Fines

During February 2021, a total of \$1,450 in Administrative Fines were issued. These came from six separate instances from four different fine types. Two of the licensees were Veteran's Clubs and two were combination licensees, with a Retail Tobacco and a Direct Shipper licensee receiving one fine each.

CASE DISPOSITION

Investigators maintain caseloads respective to their assigned areas of responsibility (North, South, and Special Investigations). These metrics are comprised of active case investigations and those investigations closed during the current calendar year; investigations initiated in prior years may be included in these metrics.

By the close of the month of February 2021, there were 23 open cases in active investigation by Field personnel. During the month, investigators closed 37 total cases, while eight cases were suspended.

