

**REPORT
OF THE
2008-2009 LIQUOR RETAIL STORE
COMPLIANCE CHECK PROJECT**

**MINISTRY OF HOUSING AND SOCIAL DEVELOPMENT
LIQUOR CONTROL AND LICENSING BRANCH**

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Report of the 2008-2009 Liquor Retail Store Compliance Check Project Liquor Control and Licensing Branch

EXECUTIVE SUMMARY

The Liquor Control and Licensing Branch (LCLB), under the authority of the *Liquor Control and Licensing Act and Regulations*, is responsible for regulating and monitoring the sale of liquor in licensed establishments in British Columbia in order to protect the public from the harm that may be caused by alcohol abuse.

As part of its mandate to supervise the conduct and operation of licensed establishments, the LCLB has been conducting compliance checks of all types of liquor retail stores in the Province.

The 2008-2009 compliance check project followed a series of identification check projects undertaken by the LCLB in 2003, 2004 and 2005, and early 2008. The 2008-2009 project carried out checks similar to previous years. The objective of the compliance check project was to assess compliance with the requirement to request 2 pieces of identification to verify age, and, where compliance problems were identified, to raise awareness and educate store operators on their requirements for checking identification, and to promote voluntary compliance.

The project team visited 790 (60%) of the 1317 liquor retailers across the Province between December 2008 and March 2009. The stores that were checked included Government Liquor Stores (GLS), Rural Agency Store (RAS), Licensee Retail Stores (LRS), and Other Retail Stores (these include VQA Wine Stores, Commercial and Land Based Wine Stores, Winery Stores, Independent Wine Stores, Tourist Wine Stores, and Brewery Stores). In total, 132 establishments (10%) were found to be closed and 658 establishments (50%) were successfully audited.

The compliance checks were performed under the direct supervision of an employee of the LCLB, who served as project coordinator of compliance checks. The checks themselves were undertaken by contracted agents, who were deliberately chosen because of their very youthful appearance, and were transported by the project coordinator of compliance checks to liquor retail stores throughout the Province for the purposes of conducting compliance checks.

The overall provincial compliance rate was 29%. Rates of compliance by type of store were as follows:

1. Government Liquor Stores – 56%
2. Rural Agency Stores - 22%;
3. Licensee Retail Stores - 27%; and
4. Other Retail Stores – 15% (these include VQA Wine Stores, Commercial and Land Based Wine Stores, Winery Stores, Independent Wine Stores, Tourist Wine Stores, and Brewery Stores).

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The compliance rate reflects the percentage of store employees who requested and checked two pieces of identification, as required under the *Act*.

The awareness rate reflects the percentage of stores where employees requested only one piece of identification, indicating an awareness of the requirement to check identification but not meeting the standard for full compliance.

Significantly higher numbers of stores showed an awareness of the identification requirement but only partial compliance, in that only one piece of identification was requested. These stores are not considered to be in full compliance as they do not meet the branch's requirement of requesting two pieces of identification. The overall provincial awareness rate was 64%.

Provincial compliance generally improved between 2003 and 2008, although it remained low, especially for private liquor retail outlets. The 2008-2009 results show a reversal of this trend. Government liquor stores showed a decline in the rate of compliance from a high of 77% in the January-March 2008 checks to 56%, although GLS still maintain the highest rate of compliance.

All other categories of stores showed a modest decline in compliance over the 2008 checks, with rates remaining low in all categories of private liquor retail stores. The RAS compliance rate almost doubled, from 13% in 2004 to 24% in 2008, but declined slightly to 22% in 2008-2009.

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Liquor Control and Licensing Branch

INTRODUCTION

The Liquor Control and Licensing Branch (LCLB), under the authority of the *Liquor Control and Licensing Act and Regulations*, is responsible for regulating and monitoring the sale of liquor in licensed establishments in British Columbia in order to protect the public from the harm that may be caused by making and selling liquor or products that contain alcohol. The LCLB issues and supervises liquor licences, and monitors the activities of all liquor licensees and appointees in British Columbia to ensure they are following the rules laid out in the Liquor Control and Licensing Act, its regulations, and their licence or appointment terms and conditions.

The LCLB oversees the operation of all types of liquor retail stores in British Columbia, with the exception of Government Liquor Stores (GLS) and Rural Agency Stores (RAS). The Liquor Distribution Branch (LDB) is responsible for the operation of GLS and RAS.

Regulatory practice in British Columbia has been based on the view that the public interest is not served by expecting people to take on the responsibilities that go along with alcohol purchase and consumption until they reach the age of majority, which in British Columbia is age 19. The Act includes both a general prohibition on providing liquor to a minor and a prohibition on minors possessing liquor – in other words, minors themselves commit an offence by possessing liquor.

Current research shows that effective and regular compliance checks may be the most effective method for enforcing age-of-sale laws and decreasing the commercial availability of alcohol to youth. Compliance checks have been shown to be an effective method of limiting commercial availability of alcohol to underage youth. In addition, compliance checks combined with administrative penalties may encourage alcohol establishments to adopt their own policies to reduce sales to youth, such as SIR training (already mandatory in BC), warning posters and checking the age identification of all customers.

The reasons behind the Act requirements and the policies that support them are public interest concerns about the effects of alcohol abuse on youth. Studies indicate that children are currently consuming larger amounts of alcohol, and at earlier ages, than before. Alcohol consumption by minors is associated with unwanted pregnancies, smoking, youth violence, poor school performance, youth suicide rates, and death and injury from driving accidents. It is also believed to have negative developmental impacts on the part of the brain responsible for higher-level thinking.

Access by minors to packaged liquor increases the safety risk significantly since large quantities can be obtained in a single visit and then consumed without supervision. Also, packaged products that may inadvertently appeal to minors

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(such as individual serving size multi-packs of coolers, shots, and pre-mixed drinks, sweetened with fruit and sugar, that often have a very high alcohol content) are increasingly available in liquor retail stores.

Under section 35 of the Act, minors are prohibited from entering or being on premises where liquor is sold or kept for sale, unless the minor is accompanied by a parent or guardian, with lawful excuse, or in certain prescribed circumstances. Minors are not allowed in liquor retail stores unless accompanied by a parent or guardian. It is against the law to sell, serve, or supply liquor to a minor.

Licensees and appointees of liquor retail stores are legally responsible for complying with all provisions of the Act, regulations and the terms and conditions of their licence or appointment, including, of course, the provisions that relate to minors. The Terms and Conditions Guides, provided to all licensees/appointees at the time the licence/appointment is issued or transferred, outline the requirements for checking identification. In British Columbia, satisfactory proof of age requires two pieces of identification. The first piece of identification must:

- be issued by a government agency (e.g. a passport or driver's licence); and
- include the person's name, signature, birthdate and picture.

The second piece of identification must:

- include an imprint of the holder's name (e.g. a credit card or Care Card); and
- include the person's signature and/or picture.

The licensee/appointee or their employee must refuse service to a patron if they cannot produce two pieces of acceptable identification that proves they are 19 or older upon request.

OBJECTIVE

As part of its mandate to supervise the conduct and operation of licensed establishments, the LCLB has undertaken several projects in recent years to conduct identification compliance checks of all types of liquor retail stores in the Province.

Compliance checks are a tool to identify alcohol establishments that sell alcohol to underage youth. Compliance checks can be used for two purposes:

- Enforcement of provincial statutes; and

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- To identify, warn, and educate alcohol establishments that serve or sell alcohol to underage youth.

The 2008-2009 compliance check project was an educational initiative, in that no further enforcement action was contemplated. It follows a series of projects undertaken by the LCLB in 2003, 2004, 2005 and 2008.

The objective of the compliance check project was to assess compliance with the identification checking requirements used to verify age. Where the project team identified potential compliance problems, the project results were used to raise awareness and educate store operators on the requirements for checking identification, in order to promote voluntary compliance.

METHODOLOGY

In December of 2008, the start date of the compliance check project, there were 1317 liquor retail outlets in British Columbia, including 660 Licensee Retail Stores (LRS), 197 Government Liquor Stores (GLS), 225 Rural Agency Stores (RAS) and 235 appointment stores, including On Site Commercial and Land Based Wine Stores, Winery Off Site Stores, Independent Wine Stores, Tourist Wine Stores, Vintner's Quality Alliance (VQA) stores, and brewery and distillery stores.

The project team visited 790 of the 1317 liquor retailers in the Province. Data was collected for the following retail outlets:

- Government Liquor Stores (GLS);
- Rural Agency Stores (RAS);
- Licensee Retail Stores (LRS); and
- Other Retail Stores, including
 - Vintner's Quality Alliance (VQA) Wine Stores,
 - Other Wine Stores (On Site Commercial and Land Based Wine Stores, Winery Off Site Stores, Independent Wine Stores, Tourist Wine Stores), and
 - Brewery and Distillery Stores.

In total, 1291 successful audits of 658 liquor retail stores were conducted. An additional 132 liquor retail stores were visited but were not open for business and could not be checked. These closures were most prevalent amongst wineries that were closed because of their seasonal nature; GLS that closed at 6 p.m. and LRS that were closed for various reasons.

The 2009 provincial compliance checks took place between December 2008 and March 2009. The compliance checks were performed under the direct supervision of an employee of the LCLB (Linda Hoy, Project Coordinator). The checks themselves were undertaken by four contracted agents, who were all between the ages of 19 and 22 years.

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The agents were deliberately chosen because of their very youthful appearance, and were transported by the project coordinator to liquor retail stores throughout the Province for the purposes of conducting compliance checks.

In selecting which liquor retail stores would be visited, the project team used a risk based approach based on compliance numbers obtained in the 2008 compliance check project. The team attempted to check 58% of GLS, 64% of LRS, 50% of RAS, and 60% of appointment liquor stores.

The audits were concentrated in the lower mainland, Vancouver Island and the gulf islands, the Thompson-Okanagan, and surrounding areas. Due to time, distance, and weather conditions, the following areas were not audited: north of Mackenzie, northern Vancouver Island, the Queen Charlotte Islands, and many coastal towns.

Industry associations were advised following the results of the 2008 compliance check project that compliance checks were to be integrated into the compliance and enforcement program on an ongoing basis, and were asked to notify their respective memberships.

The agents observed and reported on compliance with the requirement to check two pieces of identification when verifying age. The information was recorded in one of three categories:

1. No identification requested;
2. One piece of identification requested; or
3. Two pieces of identification requested.

The agents retained receipts for their liquor purchases and were responsible for recording store compliance on either an Observation Report form or in field notebooks. The information collected from agents regarding each store was used to assess compliance and awareness rates.

For a store to be in compliance, clerks would have to request and examine two pieces of identification. Where two agents purchased products in the same store, clerks would have to have checked two pieces of identification for both agents for the store to be deemed in full compliance.

The report also contains data on numbers of stores in which clerks requested only one piece of identification, indicating an awareness of the requirement to check identification but not meeting the standard for full compliance.

The template to record compliance rates was as follows:

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Compliance Check	0 pc of ID	1 pc of ID	2 pc of ID	Non-Compliance	Compliance
Outlet #1	A*	B**		X	
Outlet #2	A/B			X	
Outlet #3		A/B		X	
Outlet #4	A		B	X	
Outlet #5			A/B		X

*A is first agent

**B is second agent

The liquor purchases were varied for each trip. After the liquor was purchased it was delivered to the project coordinator. Receipts were attached to the agents' notes or Observation Reports. There was no specific requirement for logging this product as no enforcement action was contemplated beyond the letters of notice.

The liquor was stored until it could be returned to a LDB outlet. The product was subsequently returned to various store locations for a refund, and refunds were submitted to Financial Services, Management Services Division of LCLB.

Contravention notices were not issued, since the agents used on the covert project team were not, in fact, minors, although they appeared to be. In instances where concerns around non-compliance existed, letters were delivered to the liquor retail store advising them of the compliance check and its results (see **Appendix 1**).

FINDINGS

The compliance check project provided a statistical overview of awareness and compliance rates among all types of liquor retail stores in the Province with the requirement to request two pieces of identification for verifying age.

The compliance rate reflects the percentage of stores who requested and checked two pieces of identification, as required under the *Act*. The awareness rate reflects the percentage of stores where clerks requested only one piece of identification, indicating an awareness of the requirement to check identification but not meeting the standard for full compliance.

In total, 60% of liquor retail stores were visited. The overall provincial compliance rate was 29%. There was significant variation by store type.

Significantly higher numbers of stores showed an awareness of the identification requirement but only partial compliance, in that only one piece of identification was requested. The overall provincial awareness rate was 64%. These stores are not considered to be in compliance as they do not meet the legislative requirement of requesting two pieces of identification.

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Compliance and awareness rates by store type are as follows:

Store Type	Breakdown by Category (if applicable)	Compliance Rate (2 pieces ID checked)	Awareness Rate (1 piece of ID checked)
Government Liquor Stores		56%	74%
Rural Agency Stores		22%	69%
Licensee Retail Stores		27%	64%
Other Retail Stores - total		15%	46%
	VQA Wine Stores	33%	47%
	Other Wine Stores*	13%	50%
	Brewery Stores	0%	9%

* These include On Site Commercial and Land Based Wine Stores, Winery Off Site Stores, independent Wine Stores and Tourist Wine Stores.

Licensees who failed to comply have received a letter from the Branch advising them of their responsibility and recommending they review their policies with staff.

The following tables and charts summarize overall compliance by store type, overall provincial compliance, awareness rates (where at least one piece of identification was checked), and compliance rates by category of store.

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GLS = Government Liquor Store; RAS = Rural Agency Store; LRS = Liquor Retail Store;
OTHER = on-site manufacturer stores (winery, brewery, distillery), off-site manufacturer stores,
independent wine stores, VQA stores, and tourist wine stores

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OVERALL PROVINCIAL STATISTICS

Store Checks		
	Number	Percentage
Stores visited	790	60%
Stores closed	132	10%
Stores checked	658	50%
Total - liquor retail stores	1317	

* number visited - number closed = number checks

Number of Compliance Checks		
	Stores	Checks
Single agent*	25	25
Double agent**	633	1266
Total	658	1291

* single agent = one agent attending one store, each conducting an independent audit, resulting in one check being performed

** double agent = two agents attending one store, each conducting an independent audit, resulting in two checks being performed

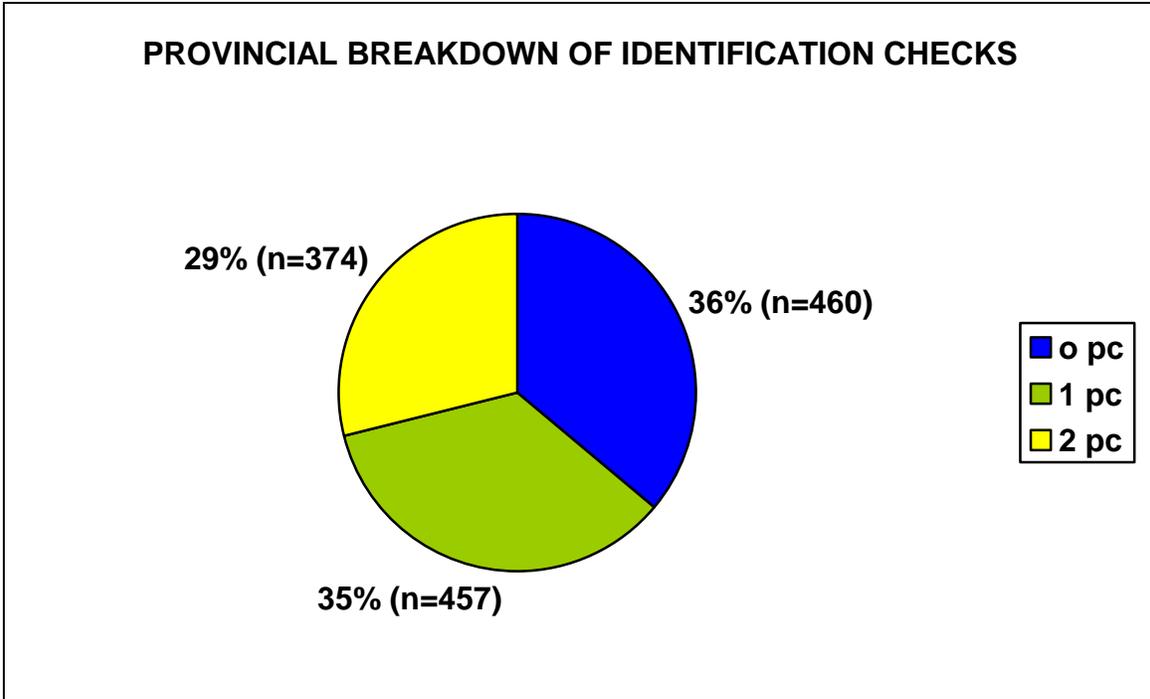
Breakdown of Compliance Checks		
	Number	Percentage
0 piece identification checked	460	36%
1 piece identification checked	457	35%
2 piece identification checked	374	29%
Total	1291	100%

Compliance and Awareness Rates		
Store Type	Compliance Rate*	Awareness Rate
GLS	56%	74%
RAS	22%	69%
LRS	27%	64%
Other Retail Stores	15%	49%
Provincial Average	29%	64%

*stores requested and checked 2 pieces of identification

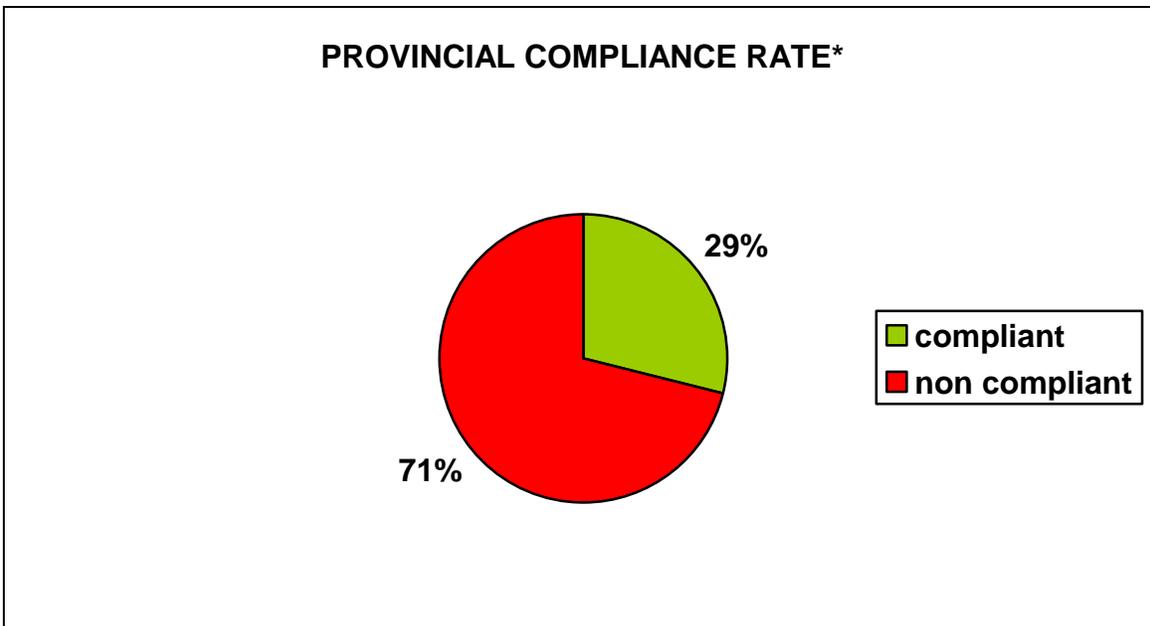
**stores requested and checked only 1 piece of identification

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n = number of checks

Of the 1291 checks performed, 36% resulted in 0 pieces of identification checked, 35% resulted in 1 piece of identification checked, and 29% resulted in 2 pieces of identification checked



* Compliance is defined as a liquor retail outlet checking two pieces of identification to verify age. Non compliance is defined as a liquor retail outlet checking one or zero pieces of identification to verify age.

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COMPLIANCE RATES BY STORE CATEGORY

1. GOVERNMENT LIQUOR STORES (GLS)

GLS Store Checks		
	Number	Percentage
GLS visited	114	58%
GLS closed	17	9%
GLS checked	97	49%
Total - GLS	197	

GLS – Number of Compliance Checks		
	Stores	Checks
Single agent*	1	1
Double agent**	96	192
Total	97	193

* single agent =one agent attending one store, each conducting an independent audit, resulting in one check being performed

** double agent = two agents attending one store, each conducting an independent audit, resulting in two checks being performed

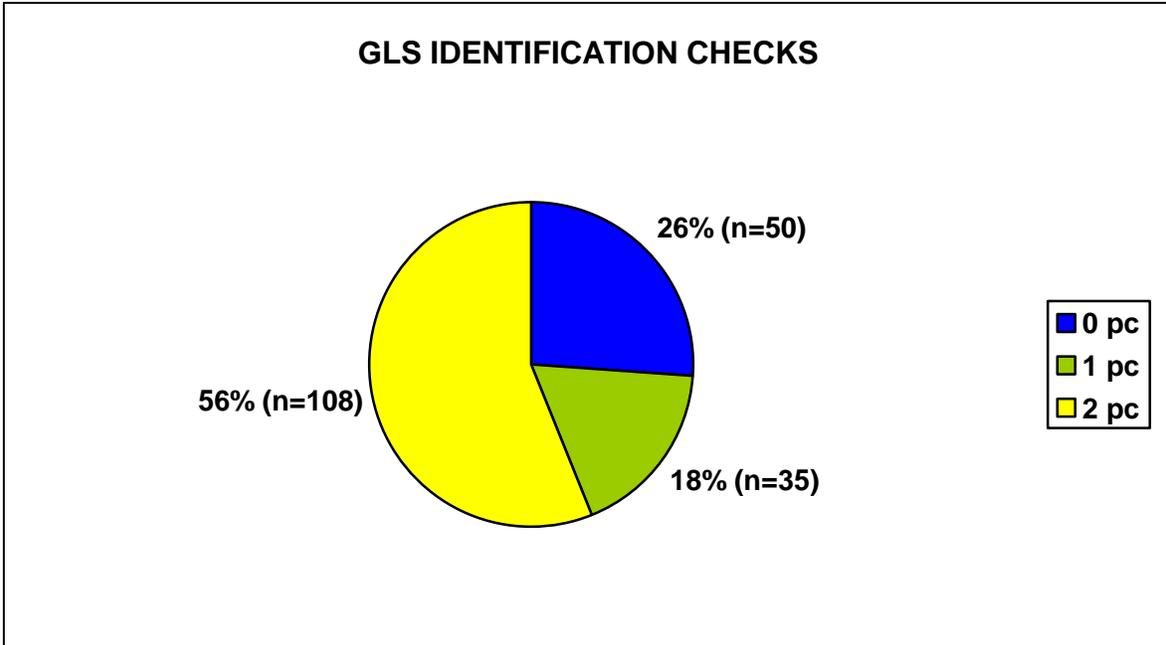
Breakdown of Compliance Checks		
	Number	Percentage
0 piece identification checked	50	26%
1 piece identification checked	35	18%
2 piece identification checked	108	56%
Total	193	100%

GLS Results	
Compliance Rate*	56%
Awareness Rate**	74%

*stores requested and checked 2 pieces of identification

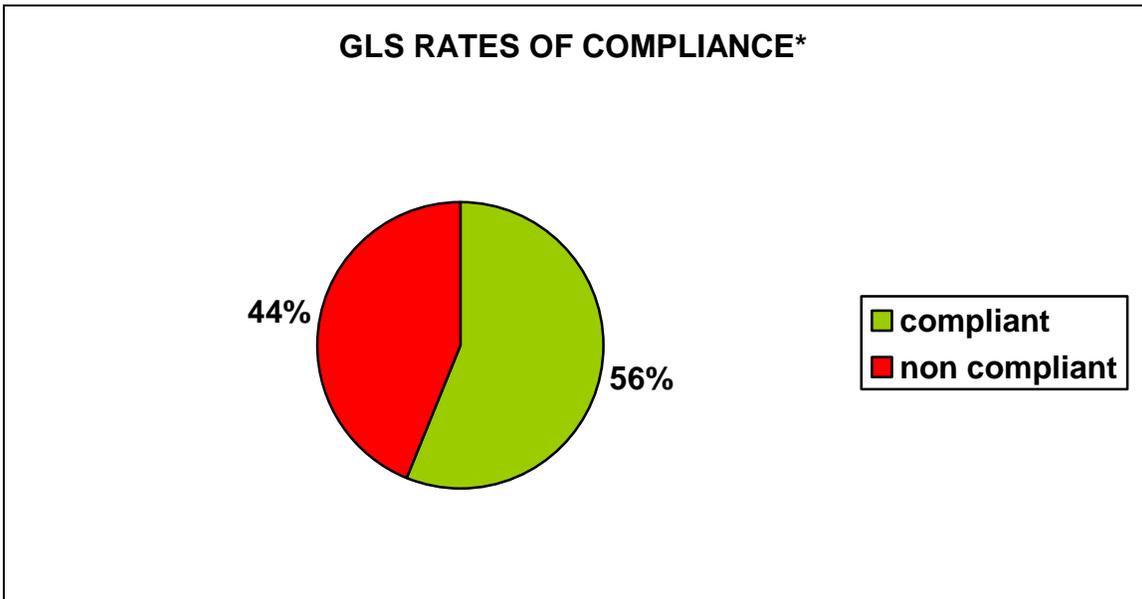
**stores requested and checked only 1 piece of identification

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n = number of checks

Of the 193 checks performed, 26% resulted in 0 pieces of identification checked, 18% resulted in 1 piece of identification checked, and 56% resulted in 2 pieces of identification checked.



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2. RURAL AGENCY STORES (RAS)

RAS Store Checks		
	Number	Percentage
RAS visited	113	50%
RAS closed	17	7%
RAS checked	96	43%
Total - RAS	225	

RAS – Number of Compliance Checks		
	Stores	Checks
Single agent*	3	3
Double agent**	93	186
Total	96	189

* single agent = one agent attending one store, each conducting an independent audit, resulting in one check being performed

** double agent = two agents attending one store, each conducting an independent audit, resulting in two checks being performed

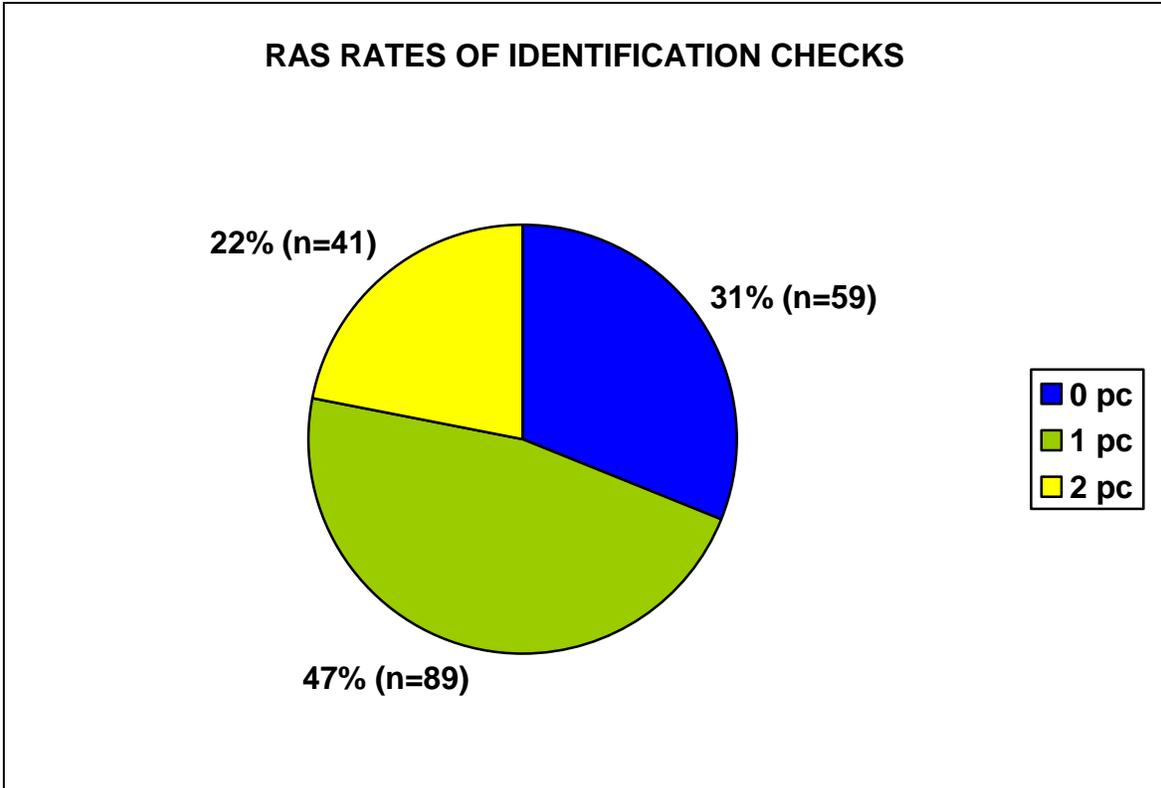
RAS - Breakdown of Compliance Checks		
	Number	Percentage
0 piece identification checked	59	31%
1 piece identification checked	89	47%
2 piece identification checked	41	22%
Total	189	100%

RAS Results	
Compliance Rate*	22%
Awareness Rate**	69%

*stores requested and checked 2 pieces of identification

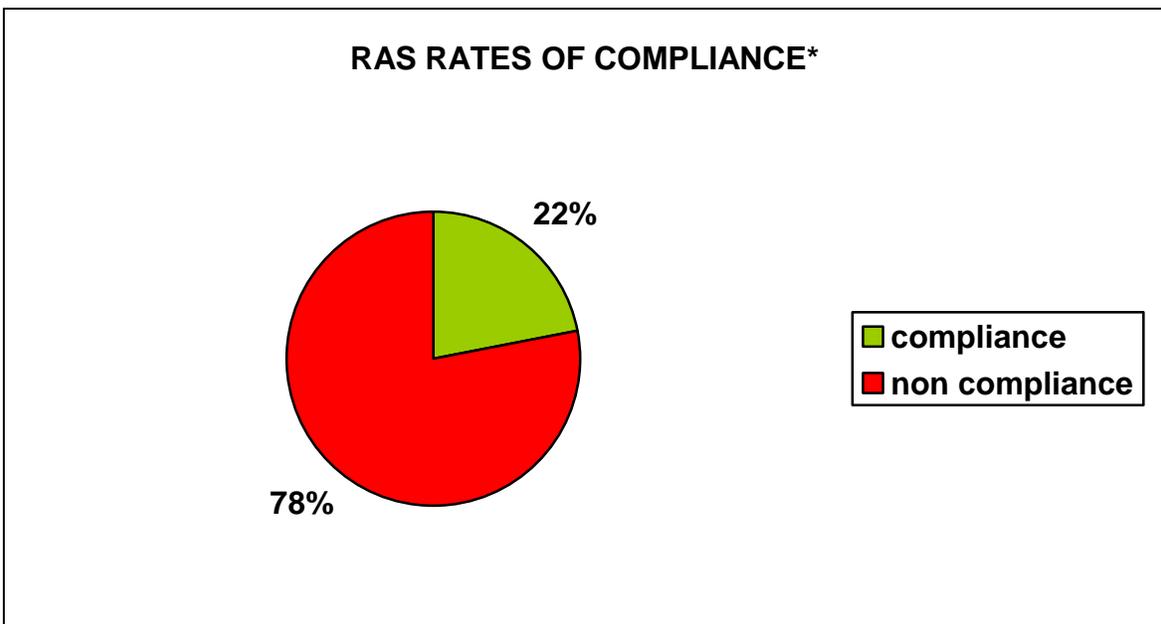
**stores requested and checked only 1 piece of identification

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n = number of checks

Of the 189 checks performed, 31% resulted in 0 pieces of identification checked, 47% resulted in 1 piece of identification checked, and 22% resulted in 2 pieces of identification checked.



* Compliance is defined as a liquor retail outlet checking two pieces of identification to verify age. Non compliance is defined as a liquor retail outlet checking one or zero pieces of identification to verify age.

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3. LICENSEE RETAIL STORES (LRS)

LRS Store Checks		
	Number	Percentage
LRS visited	422	64%
LRS closed	31	5%
LRS checked	391	59%
Total - LRS	660	

LRS – Number of Compliance Checks		
	Stores	Checks
Single agent*	11	11
Double agent**	380	760
Total	391	771

* single agent=one agent attending one store, each conducting an independent audit, resulting in one check being performed

** double agent = two agents attending one store, each conducting an independent audit, resulting in two checks being performed

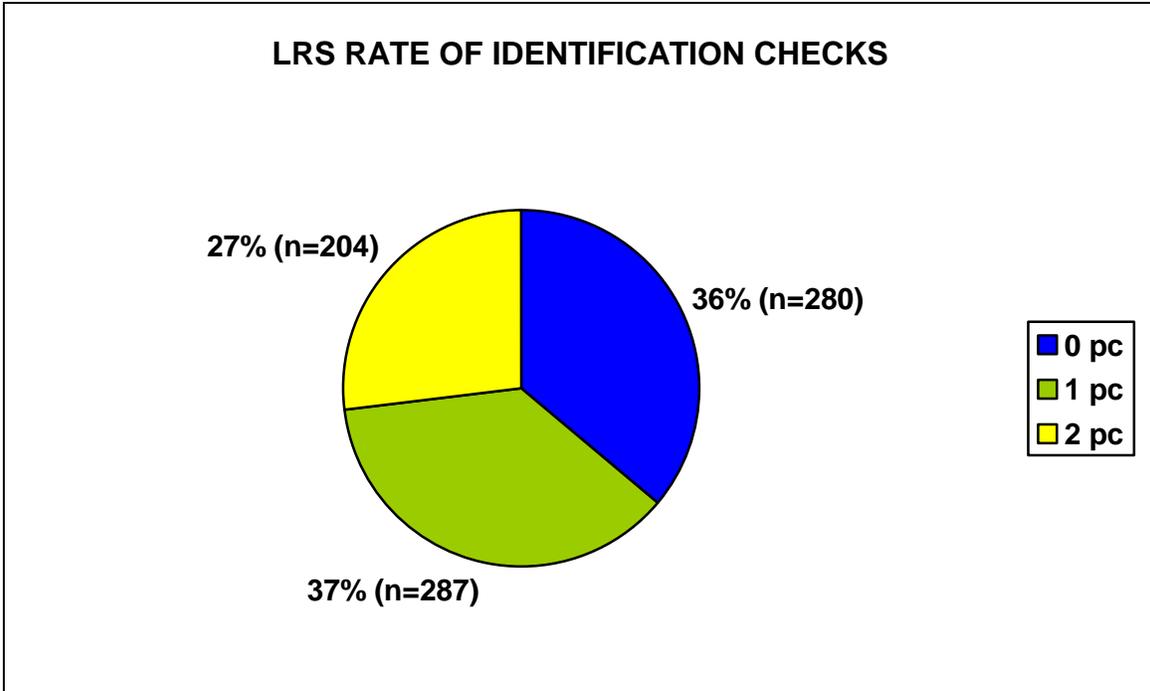
LRS - Breakdown of Compliance Checks		
	Number	Percentage
0 piece identification checked	280	36%
1 piece identification checked	287	37%
2 piece identification checked	204	27%
Total	771	100%

LRS Results	
Compliance Rate*	27%
Awareness Rate**	64%

*stores requested and checked 2 pieces of identification

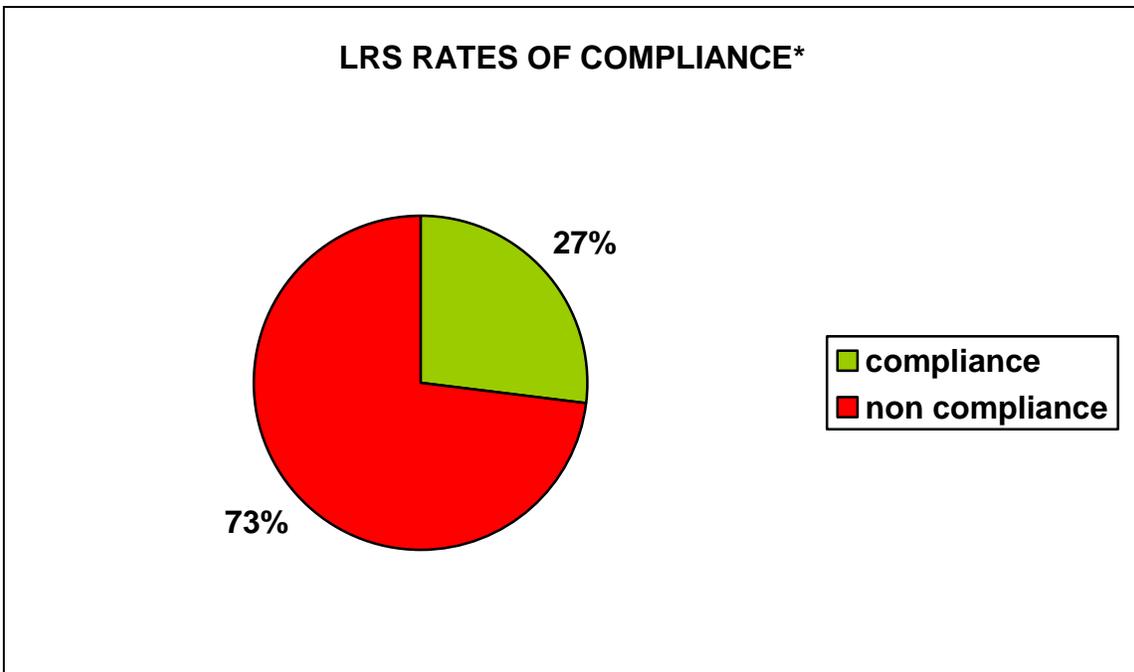
**stores requested and checked only 1 piece of identification

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n = number of checks

Of the 532 checks performed, 36% resulted in 0 pieces of identification checked, 37% resulted in 1 piece of identification checked, and 27% resulted in 2 pieces of identification checked.



* compliance is defined as a liquor retail outlet checking two pieces of identification to verify age. Non compliance is defined as a liquor retail outlet checking one or zero pieces of identification to verify age.

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4. OTHER RETAIL STORES

These include VQA Wine Stores, On Site Commercial and Land Based Wine Stores, Winery Off Site Stores, Independent Wine Stores, Tourist Wine Stores, and Brewery and Distillery Stores.

Other Retail Store Checks		
	Number	Percentage
Other retail stores visited	141	60%
Other retail stores closed	67	29%
Other retail stores checked	74	31%
Total - Other retail stores	235	

Other Retail Stores - Number of Compliance Checks		
	Stores	Checks
Single agent*	10	10
Double agent**	64	128
Total	74	138

* single agent = one agent attending one store, each conducting an independent audit, resulting in one check being performed

** double agent = two agents attending one store, each conducting an independent audit, resulting in two checks being performed

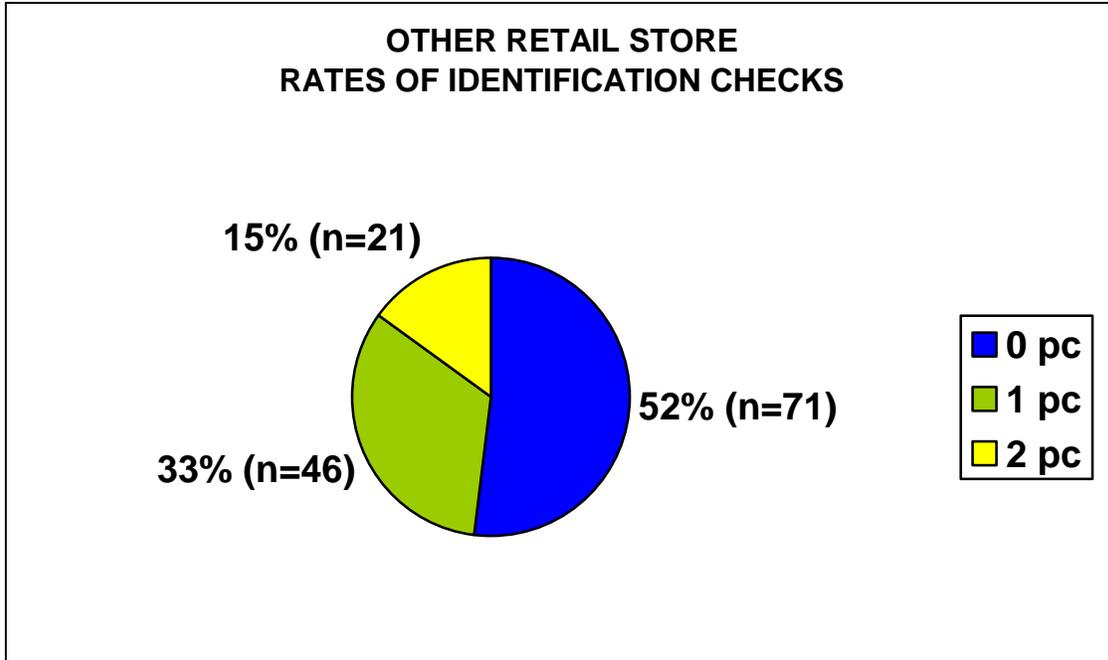
Other Retail Stores - Breakdown of Compliance Checks		
	Number	Percentage
0 piece identification checked	74	54%
1 piece identification checked	43	31%
2 piece identification checked	21	15%
Total	138	100%

Other Retail Stores - Results	
Compliance Rate*	15%
Awareness Rate**	46%

*stores requested and checked 2 pieces of identification

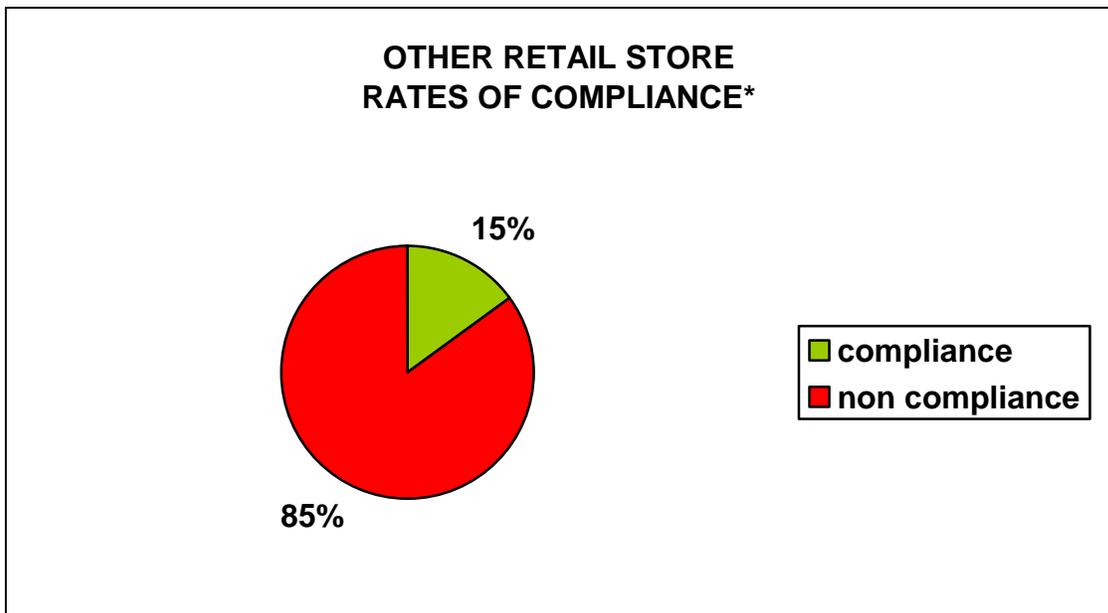
**stores requested and checked only 1 piece of identification

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n = number of checks

Of the 138 checks performed, 52% resulted in 0 pieces of identification checked, 33% resulted in 1 piece of identification checked, 15% resulted in 2 pieces of identification checked.



Compliance is defined as a liquor retail outlet checking two pieces of identification to verify age.

Non compliance is defined as a liquor retail outlet checking one or zero pieces of identification to verify age.

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**OTHER RETAIL STORES
BREAKDOWN BY CATEGORY**

4A. VQA WINE STORES

VQA Store Checks		
	Number	Percentage
Other retail stores visited	12	60%
Other retail stores closed	1	5%
Other retail stores checked	11	55%
Total - Other retail stores	20	

VQA Stores - Number of Compliance Checks		
	Stores	Checks
Single agent*	1	1
Double agent**	10	20
Total	11	21

* single agent = one agent attending one store, each conducting an independent audit, resulting in one check being performed

** double agent = two agents attending one store, each conducting an independent audit, resulting in two checks being performed

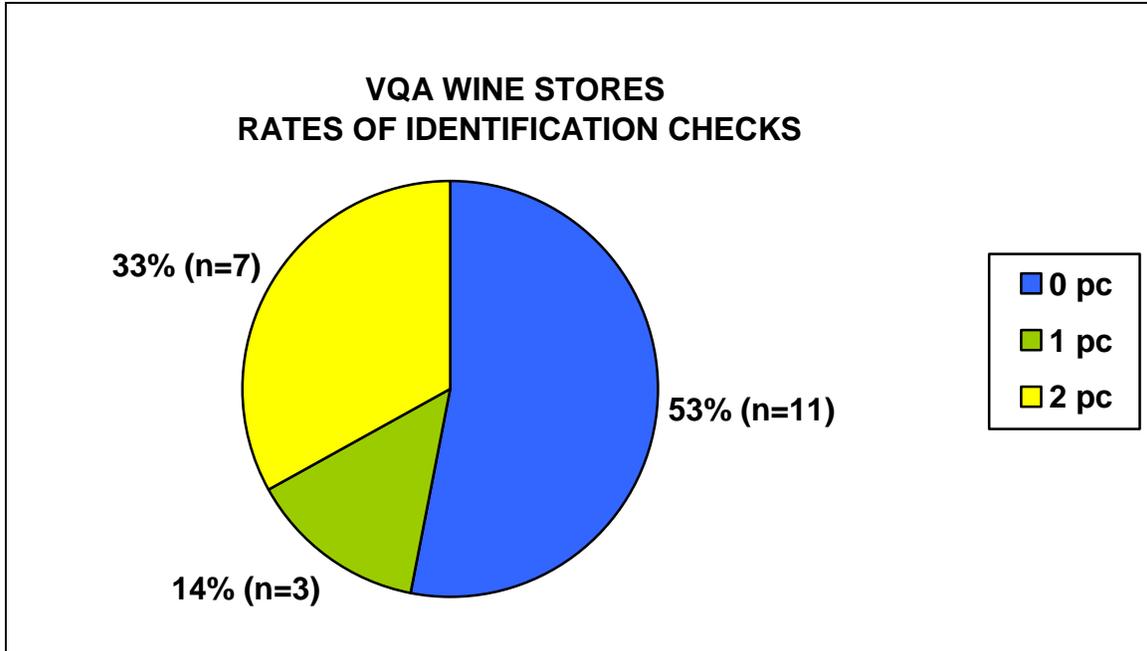
VQA Stores - Breakdown of Compliance Checks		
	Number	Percentage
0 piece identification checked	11	53%
1 piece identification checked	3	14%
2 piece identification checked	7	33%
Total	21	100%

VQA Stores - Results	
Compliance Rate*	33%
Awareness Rate**	47%

*stores requested and checked 2 pieces of identification

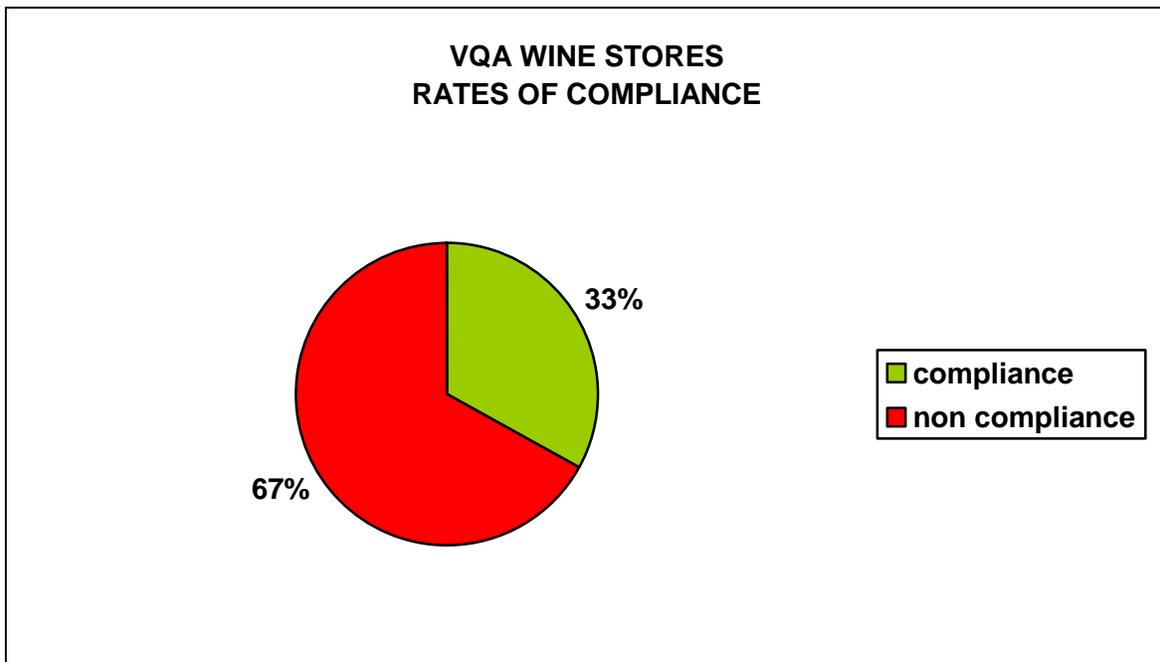
**stores requested and checked only 1 piece of identification

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n = number of checks

of the 13 checks performed, 15% resulted in 0 pieces of identification checked
of the 13 checks performed, 54% resulted in 1 piece of identification checked
of the 13 checks performed, 31% resulted in 2 pieces of identification checked



* Compliance is defined as a liquor retail outlet checking two pieces of identification to verify age. Non compliance is defined as a liquor retail outlet checking one or zero pieces of identification to verify age.

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4B. OTHER WINE STORES

These are wine stores that are not associated with VQA. These include on site land based and commercial wine stores, winery off site stores, independent wine stores, and tourist wine stores.

Other Wine Store Checks		
	Number	Percentage
Other retail stores visited	121	62%
Other retail stores closed	64	33%
Other retail stores checked	57	29%
Total - Other retail stores	194	

Other Wine Stores – Number of Compliance Checks		
	Stores	Checks
Single agent*	8	8
Double agent**	49	98
Total	57	106

* single agent =one agent attending one store, each conducting an independent audit, resulting in one check being performed

** double agent = two agents attending one store, each conducting an independent audit, resulting in two checks being performed

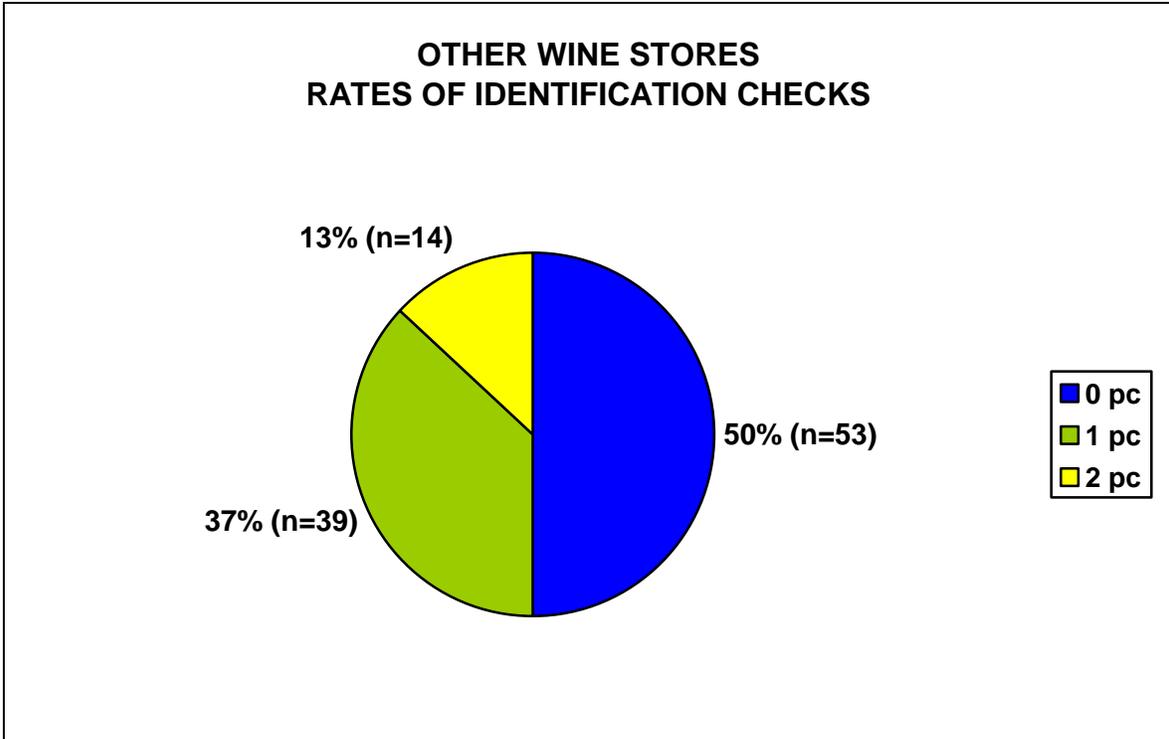
Other Wine Stores - Breakdown of Compliance Checks		
	Number	Percentage
0 piece identification checked	53	50%
1 piece identification checked	39	37%
2 piece identification checked	14	13%
Total	106	100%

Other Wine Stores - Results	
Compliance Rate*	13%
Awareness Rate**	50%

*stores requested and checked 2 pieces of identification

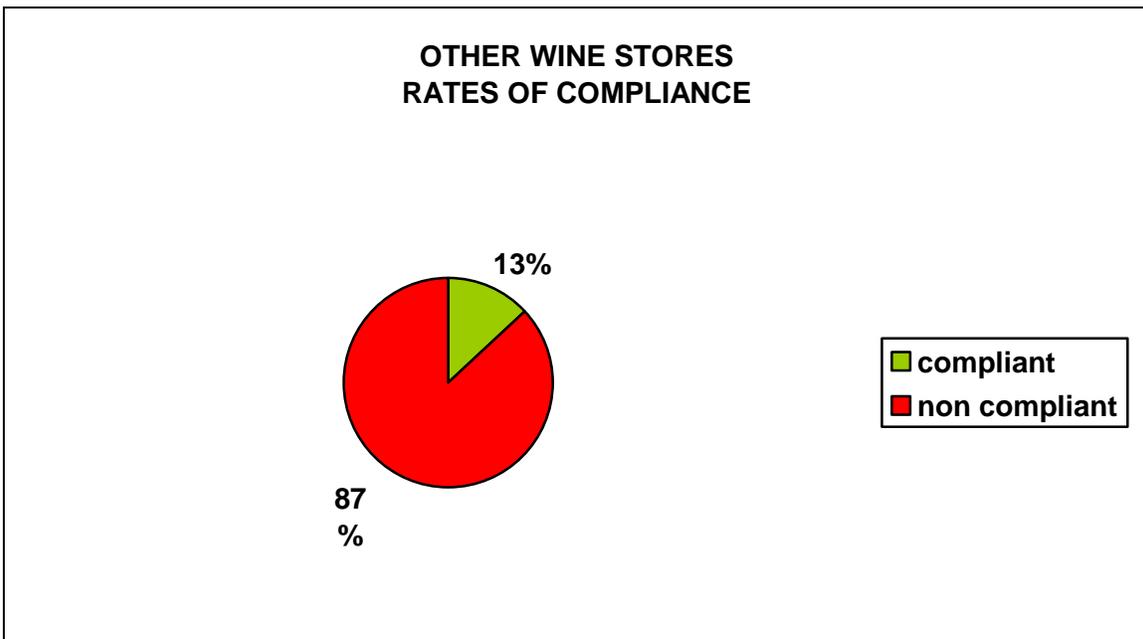
**stores requested and checked only 1 piece of identification

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n = number of checks

Of the 106 checks performed, 50% resulted in 0 pieces of identification checked, 37% resulted in 1 piece of identification checked, 13% resulted in 2 pieces of identification checked.



* compliance is defined as a liquor retail outlet checking two pieces of identification to verify age. Non compliance is defined as a liquor retail outlet checking one or zero pieces of identification to verify age.

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4C. BREWERY/DISTILLERY STORES

Brewery and Distillery Store Checks		
	Number	Percentage
Other retail stores visited	8	38%
Other retail stores closed	2	9%
Other retail stores checked	6	29%
Total - Other retail stores	21	

Brewery and Distillery Stores – Number of Compliance Checks		
	Stores	Checks
Single agent*	1	1
Double agent**	5	10
Total	6	11

* single agent = one agent attending one store, each conducting an independent audit, resulting in one check being performed

** double agent = two agents attending one store, each conducting an independent audit, resulting in two checks being performed

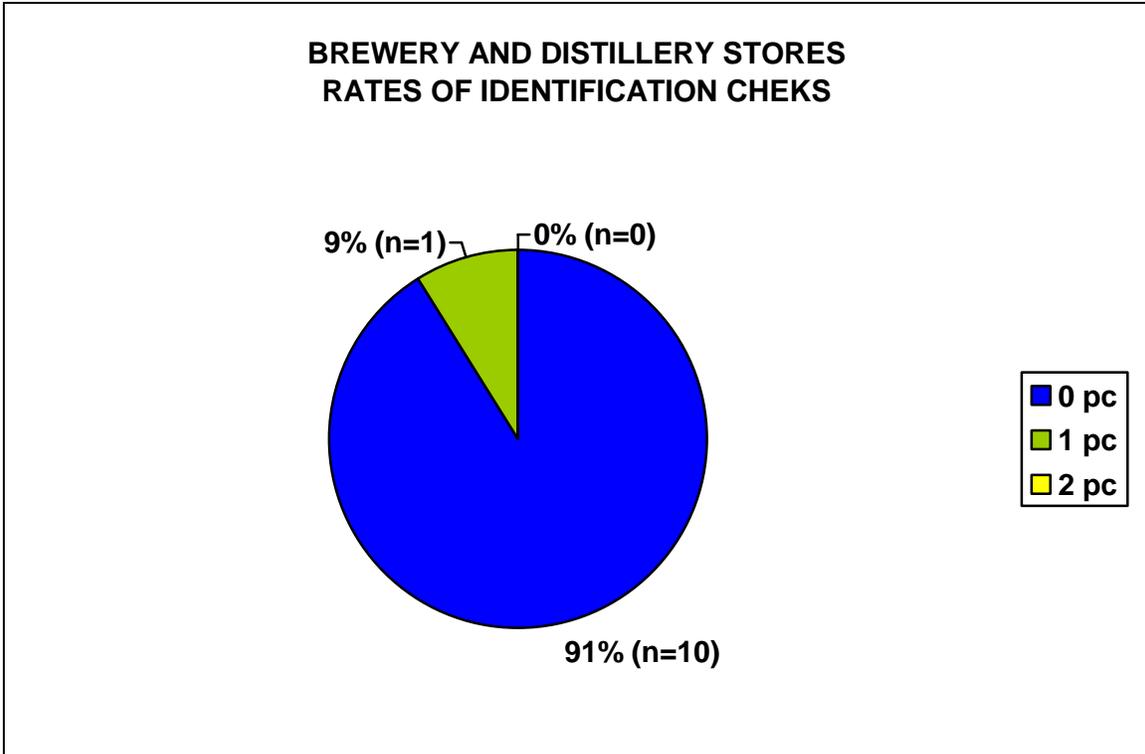
Brewery and Distillery Stores - Breakdown of Compliance Checks		
	Number	Percentage
0 piece identification checked	10	91%
1 piece identification checked	1	9%
2 piece identification checked	0	0%
Total	11	100%

Brewery and Distillery Stores - Results	
Compliance Rate*	0%
Awareness Rate**	9%

*stores requested and checked 2 pieces of identification

**stores requested and checked only 1 piece of identification

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n = number of checks

of the 11 checks performed, 91% resulted in 0 pieces of identification checked, 9% resulted in 1 piece of identification checked, 0% resulted in 2 pieces of identification checked



* compliance is defined as a liquor retail outlet checking two pieces of identification to verify age. Non compliance is defined as a liquor retail outlet checking one or zero pieces of identification to verify age.

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CONCLUSIONS:

Past compliance check programs took place in 2003, 2004, 2005, and early 2008. A comparison of the current compliance check program with previous years is provided in the following table:

COMPLIANCE RATES 2003 - 2009				
	GLS (%)	RAS (%)	LRS (%)	Other* (%)
Jan-Apr 2003			15	
May-Sept 2004	57	13	27	5
July-Sept 2005	60	17	21	14
Jan-Mar 2008	77	24	36	20
Dec 2008- Mar 2009	56	22	27	15

*These include VQA Wine Stores, On Site Commercial and Land Based Wine Stores, Winery Off Site Stores, independent Wine Stores, Brewery and Distiller Stores, and Tourist Wine Stores.

Provincial compliance generally improved between 2003 and 2008, although it remained low, especially for private liquor retail outlets. The 2008-2009 results show a reversal of this trend.

Government liquor stores showed a decline in the rate of compliance from a high of 77% in the January-March 2008 checks to 56%, although GLS still maintain the highest rate of compliance.

The RAS compliance rate almost doubled from 13% in 2004 to 24% in 2008, but declined slightly to 22% in 2008-2009.

Private liquor retail stores are considered a high risk for minors to access liquor. All categories of private liquor retail stores showed a decline in compliance over the 2008 checks, with rates remaining low in all categories.

Past checks on LRS showed a low compliance rate for this category, and the 2008-2009 figures show a decline from a high of 36% during the 2008 checks to 27%. Other private retail stores show a low combined compliance rate of 15%, down 5% over the previous checks in early 2008.

Awareness rates are significantly higher across all categories. Data on awareness rates was not collected prior to the 2008 checks. Relatively higher awareness rates in all categories show that many retailers understand the requirement to check identification but are not meeting the standard for full compliance.

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AWARENESS RATES 2008 - 2009				
	GLS (%)	RAS (%)	LRS (%)	Other* (%)
Jan-Mar 2008	91	75	77	67
Dec 2008-Mar 2009	74	69	64	46

*These include VQA Wine Stores, On Site Commercial and Land Based Wine Stores, Winery Off Site Stores, independent Wine Stores, Brewery and Distiller Stores, and Tourist Wine Stores.

Awareness rates have also declined in all categories over the 2008 checks, but remain high relative to compliance rates. The overall provincial awareness rate is 64%.

Low compliance rates but relatively high awareness rates indicate that, of store operators who are aware of the requirement to request identification, there is a lack of awareness and/or compliance with the requirement to request two pieces of identification when verifying age.

According to research, effective deterrence theory is based on three fundamentals: certainty of detection and apprehension, severity of punishment, and celerity (speed of enforcement action, e.g. time from identification of contravention to disposition). All three of these variables are also used as determinants of compliance, but research literature points to certainty of detection and enforcement action as a primary enforcement variable and a primary determinant of compliance.

The use of compliance checks is widespread and there has been considerable research into their efficacy. In general, baseline compliance rates around the 50% mark or lower are common. Cities that conduct at least two compliance checks per year for over two years, followed up with warning letters for non-compliance, and fines in some cases, report compliance rates over 80%. In general, higher compliance rates can be expected when enforcement penalties are attached. There is also some evidence to indicate that underage drinking and driving rates decline as a spin-off benefit where compliance check programs have been implemented.

RECOMMENDED NEXT STEPS:

1. Compliance checks should be done frequently and on a random basis.

- Research shows that effects of compliance checks diminish after several months, and hence, should be repeated regularly.

2. Compliance checks should continue to be carried out on all liquor retail stores.

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- Research indicates that the effects of compliance checks do not diffuse to other establishments in the community -- so checks should ideally be done at all establishments rather than just a sample.

3. Letters should continue to be issued to stores where concerns about compliance arise reminding them of the statutory requirements around ID checking and requesting compliance.

4. Continue to educate the community and licensees/appointees about liquor laws and provide notice of upcoming compliance checks.

- The relatively high BC awareness rate indicates that there is a need to address the apparent lack of knowledge about ID checking requirements (i.e. asking for 2 pieces of ID), which were changed in 2007.
- Research shows that prior notice to both the licensees and the community will reduce rates of sales to minors, however the resulting compliance rates may not be a true measure of day-to-day compliance.

5. Provide continuing information on best practices for ID checking and how to comply with liquor laws.

6. Consider issuing news releases on the compliance check project, which would include information on the negative consequences of alcohol access by minors.

- A number of jurisdictions issue a press release soon after the first wave of compliance checks is complete, citing successes and failures and the incidence of non-compliance.

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Appendix 1

Dear Sir/Mesdame:

**Re: Store Name, Location
Compliance Check**

As part of its mandate to ensure outlet stores are in compliance with the Liquor Control and Licensing Act and Regulations, the Liquor Control and Licensing Branch has employed agents, who are between the ages of 19 and 22, to conduct compliance checks of liquor retail stores. Although these agents are of legal age, they have deliberately been chosen because of their youthful appearance, and a liquor retailer should verify the age of these agents by checking two pieces of identification.

SELECT THE APPROPRIATE BOLDED PARAGRAPH BELOW

On the business day of [insert date] at approximately [insert time of inspection] these agents attended the above noted liquor retail store to conduct a compliance check. The compliance check conducted showed your store to not be properly complying with the requirement to check two pieces of identification when verifying a person's age. The agent(s) were not required to produce any identification when purchasing liquor. The staff person(s) that sold the liquor to the agent(s) was identified as [insert name of staff person]. This staff person is described as being [insert descriptors of staff person that sold liquor].

On the business day of [insert date] at approximately [insert time of inspection] these agents attended the above noted liquor retail store to conduct a compliance check. The compliance check conducted showed your store to not be properly complying with the requirement to check two pieces of identification when verifying a person's age. The agent(s) were only required to produce one piece of identification when purchasing liquor. The staff person that sold the liquor to the agent(s) was identified as [insert name of staff person]. This staff person is described as being [insert descriptors of staff person that sold liquor].

The Liquor Control and Licensing Branch takes the issue of access to liquor by minors as a serious public safety issue. Underage drinking can have significant and long-lasting impacts, which is why the Branch considers alcohol consumption by minors to be a key public safety priority. For example, when minors drink liquor, they are at an increased risk of vehicle crashes, fighting, sexual assault and alcohol poisoning.

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The only assurance a liquor retailer has to guard against the sale of liquor to minors is to verify the age of all youthful looking persons by checking two pieces of identification. One piece of identification must be government issued photo identification with a signature and date of birth, such as driver's license or passport. The second piece of identification must have the person's name, and one or both of the person's signature and picture.

We would strongly recommend that you review with your staff the identification checking requirements set out under section 45 of the Regulations, and the terms and conditions contained within the Guide for Liquor Licensees in British Columbia to ensure that they are properly familiarized with their responsibilities. We appreciate your attention to the matter.

If you have any questions, please contact Shahid Noorani, Manager of Investigations, at 604-586-2641.

Yours truly,

A handwritten signature in black ink, appearing to read 'Shahid Noorani', is centered within a light gray rectangular box.

Shahid Noorani
Manager of Investigations

c.c. Gary Barker, Acting Deputy General Manager, C&E Division