News Release

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OLCC Board Reviews Shift in Alcohol Compliance Posture

PORTLAND, Ore. – Today at its regularly scheduled meeting, the board members of the Oregon Liquor and Cannabis Commission (OLCC) were updated on how well Oregon businesses selling alcohol are doing, including not selling alcohol to minors. The Board also ruled on a proposed order effecting a marijuana licensee, selected several new agents to operate liquor stores, and approved stipulated settlements for alcohol licensees.

Rich Evans, OLCC Senior Director of Licensing and Compliance, provided an overview of the compliance division's work, including a snapshot of Minor Decoy Operations, a key tool for preventing the sale of alcohol to minors. According to Evans, OLCC will likely need to adjust existing policies and practices, and work with the legislature to change existing alcohol laws to ensure more consistent compliance by alcohol licensees. New technology is also making compliance activity more difficult.

Except for one year between 2017 and 2023, more than 20 percent of alcohol licensees sold alcohol to minors during OLCC's minor decoy operations. Due to the pandemic, OLCC didn't conduct decoy operations in 2020 and 2021. So far in 2024, OLCC has done 607 minor decoy operations, with a 77 percent compliance rate.

One challenge for OLCC liquor inspectors is the proliferation of counterfeit identification complete with technology that trick ID scanners used for age verification. The other challenge is that licensees and their staff using the scanners often don't physically check the ID to see if its details match the person presenting it. At a recent community event where alcohol was being served, an OLCC inspector confiscated 10 fake ID's and then checked them using an ID scanner; the scanner indicated all of them were legitimate.

OLCC recently expanded minor decoy operations to include the delivery of alcohol by online food delivery app companies. Only two operations have been conducted so far with just a 76 percent compliance rate. However, the rules regulating this type of alcohol delivery aren't as stringent as those for brick-and-mortar businesses selling or serving alcohol.

As part of an agency budget update, the Board also learned that revenue from alcohol sales, including distilled spirits, has flattened over the last three years, a trend seen nationwide as well.

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Also, Commissioners heard oral arguments on exceptions to a proposed order issued by the Office of Administrative Hearings and adopted the proposed order that the Marijuana Producer License held by Augusto Aranha dba CJ Operator, be cancelled.

Commissioners approved three appointments for liquor store agents. Fast Break of Oregon LLC (Jared Staub) was appointed the agent for the Silver Lake store. Holly Gallimore was appointed the agent for the liquor store in Halfway, and Jason Moon was appointed the agent for the Kenton store, where the current agent is retiring.

The Commission also ratified six stipulated settlement agreements for alcohol licensees. Detailed information on the specific case below can be found on the OLCC website:

Alcohol Stipulated Settlement Agreements

DARI-MART STORES, INC (O) in Corvallis, will pay a \$2,250 fine, **OR** serve a nine-day suspension for one violation.

OARD'S GALLERY AND SERVICE (L) in Burns, will pay a \$4,295 fine, OR serve a twenty-five-day suspension for two violations if age verification equipment is installed and in use by August 10, 2024. If age verification equipment is not in use by this date, the licensee will pay a \$6,795 fine, OR serve a forty-four-day suspension.

SAN SUSHI & TERIYAKI (F-COM) in Cottage Grove, will pay a \$5,715 fine, **OR** serve a thirty-day suspension for two violations.

FARMERS SUPPLY COOP (O) in Ontario, will pay a \$2,250 fine, OR serve a nine-day suspension for one violation.

THE BARN AT HICKORY STATION (L) in Albany, will pay a \$1,985 fine, OR serve an eleven-day suspension for two violations if age verification equipment is installed and in use by August 10, 2024. If age verification equipment is not in use by this date, licensee will pay a \$4,485 fine, OR serve a twenty-one-day suspension.

EL PALACIO (F-COM) in Klamath Falls, <u>licensee will surrender its license</u> no later than 7:00 AM on July 30, 2024, <u>and receive a letter of reprimand.</u>