



## **Department of Liquor Control**

**Report to the House Committee on General,  
Housing & Military Affairs, Senate Committee on  
Economic Development, Housing & General  
Affairs, & Tobacco Evaluation Review Board**

**on**

**Tobacco Compliance Testing Conducted During  
Calendar Year 2016**

**As Required by 7 V.S.A. §1007(b)(3)**

**January 15, 2017**



State of Vermont  
Department of Liquor Control  
13 Green Mountain Drive  
Montpelier, VT 05602  
[liquorcontrol.vermont.gov](http://liquorcontrol.vermont.gov)

*Patrick Delaney, Commissioner*

[phone] 802-828-2339  
[fax] 802-828-1031

January 15, 2017

House Committee on General, Housing & Military Affairs  
Senate Committee on Economic Development, Housing & General Affairs  
Vermont Tobacco Evaluation & Review Board

Pursuant to 7 V.S.A. §1007 (b)(3) enclosed our Department's report on tobacco compliance tests conducted during the calendar year 2016.

Sincerely,



Patrick Delaney  
Commissioner  
Department of Liquor Control



### **Act 58 Report Summary 2016**

The Department of Liquor Control (“DLC”) conducted tobacco compliance tests as required by Act No. 58 (1997) codified at 7 V.S.A. §1007(b)(3) for the calendar year 2016. The overall percentage of those licensees who did not sell tobacco to minors was 89.72%. It should be noted that the total number of licensees checked for compliance are made up of individual clerks who are trained by DLC via in-person seminars, through on-line training, trained by their employer, or not trained at all. Also, Vermont is one of a few States to use 17-year olds exclusively for compliance testing. Vermont’s compliance data is not comparable to that of other states using 15, 16, and 17-year-old minors.

As of July 1, 2008, the DLC was given the responsibility for the issuance of tobacco licenses. This allowed the DLC to have a more complete and accurate database of information for licensing and compliance testing.

The DLC has observed a strong correlation between education of licensees and their employees and increased success in compliance testing rates. For licensees educated at an in-person training conducted by DLC’s Education Division, rates of tobacco compliance over the past 12 months exceeded 90%. The need to encourage licensees and their employees to attend DLC seminars is consistently underscored by this data.

## **Tobacco Compliance Tests Conducted During Calendar Year 2016**

This report is called for by section 13(c), Act No. 58 of 1997 codified at 7 V.S.A. §1007 (b)(3).

### **1. BACKGROUND: TOBACCO COMPLIANCE TESTS**

“Federal law requires that all states, as a condition of receiving substance abuse prevention and treatment block grant funding, comply with section 1926 of the Public Health Service Act, otherwise known as the "Synar Amendment." In order to meet this requirement, states must have demonstrated a measurable reduction in retail tobacco sales to underage youth in the years subsequent to the “Synar Amendment” and to demonstrate a continuation of the reductions in sales.

One major component of the federal requirement is that states must conduct a statewide retail "compliance check" survey. The purpose of this survey is to gather information regarding the prevalence of illegal retail sales of tobacco products to underage youth. This survey is conducted on an annual basis as an ongoing measure to gauge progress in decreasing the incidence of such sales. The information gathered in the survey is reported annually to the U.S. Department of Health and Human Services, in compliance with the federal Synar legislation.”

(1997 Synar, State of Wisconsin Website)

"In July 1992, Congress enacted the Alcohol, Drug Abuse and Mental Health Administration Reorganization Act (P.L. 103-321), which includes an amendment (Section 1926) aimed at decreasing access to tobacco products among individuals under the age of 18. The Synar Regulation requires states to enact and enforce laws prohibiting any manufacturer, retailer, or distributor from selling or distributing tobacco products to individuals under the age of 18. The goal of the amendment is to reduce the number of successful illegal purchases by minors to no more than 20% in each state within a negotiated time period.” (Synar Regulation: Sample Design Guidance, Center for Substance Abuse Prevention, 1996)

### Tobacco Compliance Test Procedures

DLC, through a contract with FDA requires:

- That written parental permission be obtained for participating youth (minors).
- A copy of the participating youth's birth certificate and a photograph for DLC's file.
- That participating youth will be supervised **at all times** by a DLC Investigator. The Area Investigator will remain outside the establishment and in close proximity. An additional enforcement officer enters the establishment as a witness to verify the events taking place and also to assist in case the minor is threatened in any way.
- That participating youth will be given the money for the attempted purchase by a DLC Investigator. The Investigator notes the amount of money given to the youth prior to entering the establishment.
- That participating youth will be instructed **not to misrepresent** their age or pressure the clerk to sell tobacco products.
- That participating youth will present valid photographic identification, if asked, when attempting to purchase tobacco products.
- That if asked about his/her age, the youth will admit to their correct age.
- That upon entering the tobacco-selling establishment the youth will observe the clerk selling the tobacco products to obtain a good physical description.
- That after the purchase attempt, the youth will exit with or without the tobacco products.
- That if tobacco products are purchased, the product will be handled in accordance with FDA rules of evidence and will be bagged and tagged with an identifying sticker that will be placed on the product to identify it with the tobacco compliance report, to be completed immediately.
- 99.9% of the time after conducting underage buy attempts, the Investigator will inform licensees who sold tobacco products to youths. A citation is issued to the clerk by the DLC Investigator who is then available to explain any penalties the licensee has incurred.
- The State pays the minors as Temporary State Employees.

### **NOTES ON THE AGES OF THE MINORS USED IN THE COMPLIANCE TESTS**

When the DLC began conducting tobacco compliance tests in 1997, the age of the minors ranged from 14 to 17, with most minors being 15 or 16.

7 V.S.A. §107 (b)(1) directs the DLC to carry out “compliance tests of tobacco licensees as frequently and as comprehensively as necessary to assure consistent statewide compliance with the prohibition on sales to minors of at least 90 percent for 17-year old buyers.”

The majority of minors used in the DLC’s first chewing tobacco underage compliance testing in November 1997, consisted of 15 and 16-year olds. This was done so the chewing tobacco results could be compared with the cigarette tests without the distortion in comparative results that might occur if only 17-year olds were used. The DLC currently uses 17-year old minors exclusively, though the DLC is seeking to adjust this requirement to allow 16-year olds to participate in compliance testing.

The tobacco compliance tests were conducted from January 2016 through December 2016. The number of licensees sampled was 866 out of 1,121. Those who sold to 17-year-old minors were 89 or 10.27%. Those not selling to 17-year-old minors were 777 or 89.72%. The results were further drilled down revealing how many sellers asked purchasers for an ID and how many did not, results are as follows (See Attachments for details). Of the 89 licensees who failed the compliance test by selling to a minor, 62 asked for ID and 27 did not.

#### Tobacco Compliance Tests (January 2016 - December 2016) -Calendar

# Licensees Sampled	866	84.8%
# Licensees who sold tobacco	89	10.27%
# Licensees not selling	777	89.72%

The DLC has a dedicated Education Unit that travels the State conducting seminars on tobacco and alcohol laws. Tobacco Law is also a part of our overall Alcohol Servers Program. The DLC issues signage for stores stating the law regulating the sale of tobacco products (VSA Title 7

Chapter 40). Colored stickers are issued as well, to help clerks calculate the date for tobacco and alcohol sales after reviewing birth dates on driver's licenses. The DLC recommends that these stickers be prominently placed on or near the licensee's cash register to support and assist compliance efforts. Books are available showing all 50 states driver's licenses, as well as tear off sheets with dates for age calculation and various wall and counter posters on sales of tobacco to minors, to aid clerks in carrying out the laws regulating the sale of tobacco and alcohol.

The effectiveness of this program can be seen in recent statistics that show a 90% success rate for those licensee's employees who attend DLC in-person seminars.

#### ATTACHMENTS:

- Tobacco Compliance Survey Results - 2016
- Breakdown of how many tobacco licensees asked for ID's and how many did not ask for ID's.
- Education % and methods of training
- Procedures for Tobacco Purchase Compliance Survey
- Penalty Schedule for Tobacco Compliance Tests

**Tobacco Compliance Survey Results  
January 2016 thru December 2016**

	Licensees Sampled	Licensees That Sold	Licensees That Did Not Sell
TOTAL	866	89 = 10%	777 = 89.72%

**2016 Compliance Breakdown-Who Asked for ID and Who Did Not Ask for ID.**

Of the tobacco licensees who sold tobacco products to the 17-year-old minor working for DLC, **62 asked** for valid photo identification which was provided, yet they still made the sale. **27 did not ask** for any type of identification and made the sale.

<b>Who Asked:</b>	<b>62</b>	<b>70%</b>
<b>Did Not Ask:</b>	<b>27</b>	<b>30%</b>
<b>Total:</b>	<b>89</b>	<b>100%</b>

Vermont Department of Liquor Control  
Education, Licensing and Enforcement

January 2016 thru December 2016    Employee Training

<b>Tobacco Training</b>	<b>Number of Employees</b>	<b>Sold</b>	<b>Did Not Sell</b>	<b>%</b>
Attended in-person seminars	324	33	291	90
Online seminars	239	35	204	85
Trained in-house	840	92	748	89
Not trained	101	20	81	80

**VERMONT DEPARTMENT OF LIQUOR CONTROL  
Education, Licensing & Enforcement Division**

**PROCEDURES FOR TOBACCO COMPLIANCE PURCHASE ATTEMPT**

1. Written parental permission must be obtained.
2. Copy of participating minor's birth certificate and photograph for file.
3. Participating minor will be supervised **at all times** by a Liquor Control Investigator. Liquor Control Investigator may enter establishment shortly after minor enters.
4. Participating minor will be given the money for the attempted purchase. Investigator to note amount of money given to the minor prior to entering the establishment.
5. Participating minor will be instructed **not to misrepresent** their age or pressure clerk to sell tobacco products.
6. Participating minor will present valid photographic identification if asked when attempting to purchase tobacco products.
7. If asked about his/her age, the minor will admit to their correct age.
8. Upon entering the tobacco selling establishment the minor will attempt to observe the clerk selling the tobacco products to obtain a good description.
9. After the purchase attempt, the minor will exit with or without the tobacco products.
10. If tobacco products are purchased, the products are immediately handed over to the assigned Investigator and the minor then completes the Minor Narrative Report form.
11. Payment will be delivered to participating minor at a later date.
12. The minor information sheet for each participating minor will need to be submitted to the Montpelier office in order for payment to be remitted.
13. The participating minor understands that he or she must maintain confidentiality regarding Department of Liquor Control's procedures and involvement with the FDA Tobacco Compliance Program with the State of Vermont.

I, \_\_\_\_\_, acknowledge that I have read and have had these procedures explained to me by Investigator \_\_\_\_\_ and that I understand them.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **TOBACCO COMPLIANCE VIOLATION PENALTY SCHEDULE**

Compliance penalty schedule for tobacco licensees, for failing a State conducted "compliance check" operation.

1 <sup>st</sup> Offense:	Warning
2 <sup>nd</sup> Offense:	\$ 100 fine
3 <sup>rd</sup> Offense:	\$ 250 fine
4 <sup>th</sup> Offense:	\$ 500 fine
5 <sup>th</sup> Offense:	\$ 750 fine
6 <sup>th</sup> Offense:	Mandatory Hearing

Any violation by a tobacco licensee (7 V.S.A. 1003a) after a first sale violation or during a compliance test conducted within six months of a previous violation shall be considered a multiple violation and shall result in the minimum license suspension in addition to any other penalties available under this title. Minimum license suspensions for multiple violations shall be assessed as follows: (1) Two violations- One weekday, (2) Three violations- Two weekdays, (3) Four violations- Three weekdays, (4) Five violations- Three weekend days, Friday through Sunday.

Or the Licensee may appeal to the Liquor Control Board ("Board") at any time for a hearing on the merits, at which time, if the Board determines that a violation has occurred, it will impose such penalty as in its discretion it deems appropriate. The Board will also take into account any mitigating circumstances such as the licensee's history of compliance.

Note 1: Mandatory training for the licensee, and its employees including the person who sold the product to the underage purchaser is required under the first and second offense for fine, suspension, or warning. The DLC will require that a list of all employees attending the mandatory training be sent to its offices in Montpelier.

Note 2: If no compliance test violation occurs during a 3-year period, the oldest compliance test violation will be removed from the licensee's history record of compliance. 7 V.S.A. § 236(b)