



## MEMORANDUM

**TO:** The Alcoholic Beverage Control Board

**DATE:** December 6, 2022

**FROM:** Joan M. Wilson, Director

**RE:** Director's Report

### **Introduction**

This report details AMCO activities from the last meeting of the ABC Board (September 20, 2022) to the present.

### **Staff Updates**

Carrie Craig will be introducing the Board to AMCO staff during her report. Staff updates are as follows:

Jane Sawyer continues to serve as the Acting Program Coordinator I for AMCO. We have completed recruitment for this full-time position and hope to make the announcement of the employee at the upcoming meeting.

AMCO has completed its recruitment for Local Government Specialist. A candidate is selected and will start in January 2023.

AMCO has hired Christel Brito as licensing examiner and Sam Carrell as AMCO's newest administrative assistant. Its second administrative assistant is selected, and she will start soon. Interviews for the vacant licensing examiner position occur this week. We will report on the results of those interviews at the upcoming meeting.

Last the Project Assistant for the Title IV Rewrite starts on December 12, 2022. We will introduce you to her at this meeting as well.

### **Online Licensing System Request for Proposals**

As of this writing AMCO's request for proposal for an online licensing and enforcement case management system is open. As of this writing, AMCO held its Pre-Proposal Teleconference. It will receive demonstration from the top three vendors in the close of December and will choose a vendor in January 2023 with work to begin February 2023. Our ultimate goal is for this licensing system to be workable and reliable when our office is permitted to take applications for the new license types in September 2023. AMCO's Title IV Project Assistant will be the main contact with the chosen vendor, but we will be working closely with a selection of licensing examiners and licensees to design the licensing system. This is an exciting time from AMCO and, we hope, all licensees.

The request for proposal can be found [here](#).

### **Licensing Queue and Renewals**

Ms. Craig will address the status of the alcoholic beverage licensing queue and renewals in her report.

### **Updated Replies to Legislative Audit**

The Legislative Budget and Audit Committee requested both Commissioner Sande and Chair Walukiewicz to update it on ongoing efforts to remediate some of the deficiency findings the Committee submitted at the time the Legislature considered renewing the ABC Board. Both replies are attached.

### **Legislative Initiatives**

As noted at the ABC Board's prior meeting, legislation may soon be presented to amend AS 04.16.049(d) to permit persons aged 18, 19, and 20 to deliver alcoholic beverages to patrons of restaurant eating places so long as those individuals are supervised by individuals over 21 who are properly trained and certified in alcohol server education. I hope to report further on this initiative at the Board's meeting.

### **Regulatory Initiatives**

Enclosed in the regulations section are draft regulations that would permit licensees to serve and deliver alcoholic beverages at sidewalk cafes. Anchorage Assembly persons for Downtown Anchorage are primary advocates. Please see this [link](#) on how these venues have improved the revenue base for local governments.

Also enclosed are regulations specific to seasonal restaurant and eating place tourism licenses created under the Title 4 Rewrite.

## **Enforcement**

Chief Hoelscher will provide this report. Based on enforcement efforts, I have issued accusations against three licensees. Based upon the recommendations of this board, a fourth is likely forthcoming.

Chief Hoelscher and I are developing a program for active review of licensees at the time of bar or business close. In addition, the Chief and I are meeting with Human Resources to discuss the onboarding of compliance check individuals aged eighteen through twenty. Eight positions are requested in the FY 2024 budget.

The goal remains to have positive and educational relationship with alcoholic beverage licensees. AMCO would much rather vet issues with licensees before conduct results in notices of violation or accusations. I hope to be calling another listening session with licensees before the next board meeting particular to this topic.

## **Title 4 Rewrite Meetings**

In conjunction with industry and public health advocates, AMCO has presented or will soon present on the Title IV Rewrite in the following venues

- Alaska Cabaret, Hotel, Restaurant, and Retailers Association
- Alaska Travel Industry Association
- Brewers Guild of Alaska
- Municipality of Anchorage
- Alaska Municipal League
- Alaska Public Health Association Health Summit

These presentations will soon be tailored to licensing classes and local government participants. Our goal is to have a completely educated licensing base that is education on all licensing changes, how those changes implicate their business or government, and the deadlines that govern the actions they are required to take.

## **Calendar 2023 Smart Goals for the Director**

AMCO staff and management regularly meet to set benchmarks for success. I write requesting the same of this Board. My goals in 2023 are small in number but extremely important in execution:

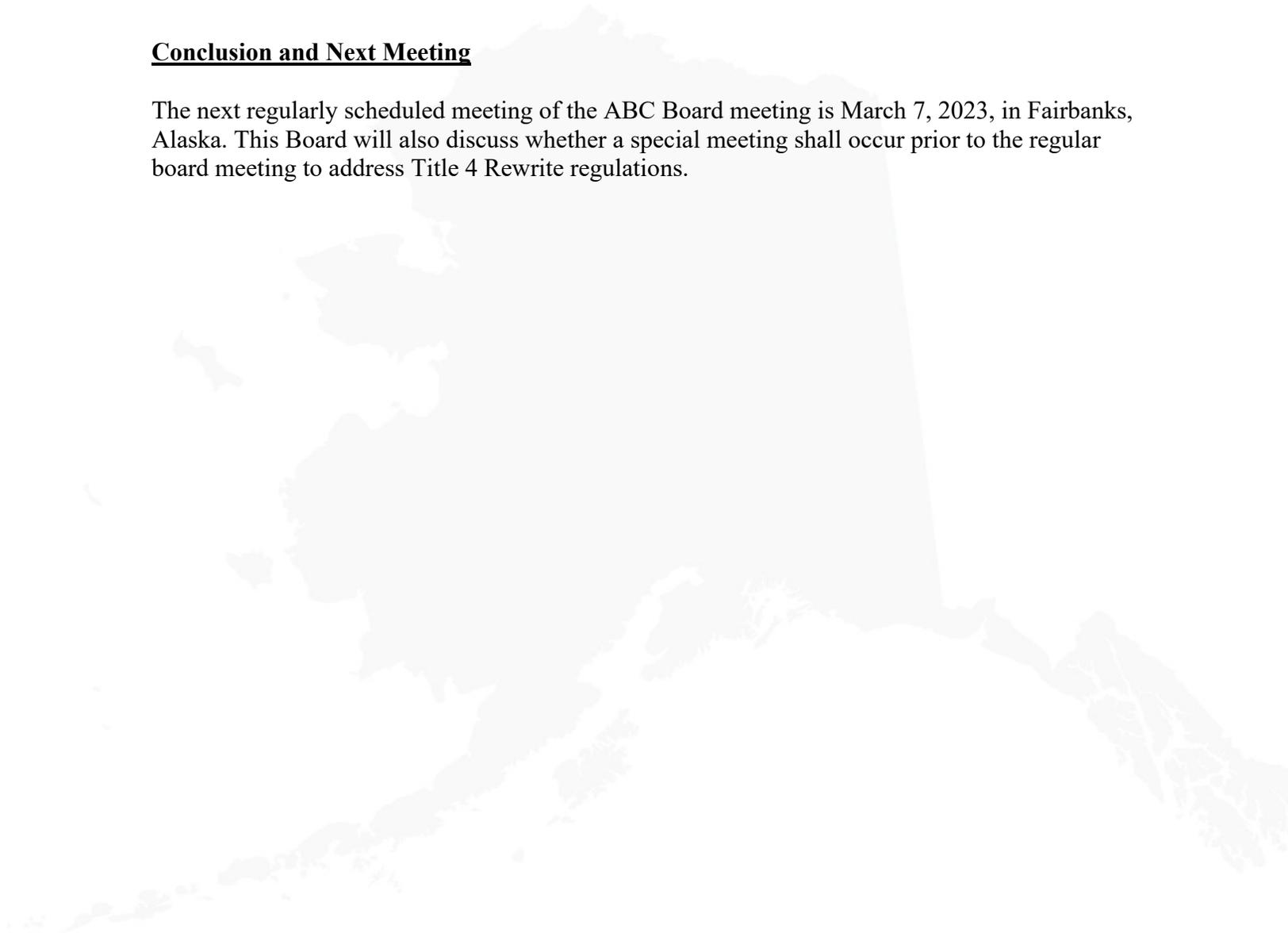
- Successful education of licensees and local governments on Title IV Rewrite
- Successful implementation of seasonal restaurant and eating place tourism licenses for this upcoming tourism season
- Successful implementation of the online licensing system for licensees and licensing examiners (more to come following this initial phase)
- Successful adoption of Title IV Rewrite regulations on a timely basis

- Preparing this Board to approve submittal of licensing applications in September 2023
- Successful implementation of the Title IV Rewrite on January 1, 2024
- Successful implementation of Compliance Check program
- Renewed participation in the National Conference of State Liquor Administrators to stay abreast of national issues and similar issues impacting other state regulators

I welcome additional benchmarks from this Board.

### **Conclusion and Next Meeting**

The next regularly scheduled meeting of the ABC Board meeting is March 7, 2023, in Fairbanks, Alaska. This Board will also discuss whether a special meeting shall occur prior to the regular board meeting to address Title 4 Rewrite regulations.



# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300  
Juneau, AK 99811-3300  
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November 3, 2022

Dana Walukiewicz  
Chair  
Alcoholic Beverage Control Board  
2421 Spindrift Circle  
Anchorage, AK 99515

Dear Chair Walukiewicz:

Over the past several years, the Legislative Budget and Audit Committee has noted an increase in audit findings and a general decrease in finding resolution. In an effort to better understand the most significant findings and encourage timely resolution, the Committee is requesting agencies provide specific information regarding the status of select findings. I have been asked to coordinate the requests.

The Committee is requesting information regarding the status of the recommendations contained in the Alcoholic Beverage Control Board's (board) 2021 legislative audit. Please complete the form attached to this letter to provide the requested information. An electronic version of the form will be provided to your executive director, Joan Wilson, to facilitate response. The Committee would appreciate a response by November 28, 2022.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA  
Legislative Auditor

STATUS OF CORRECTIVE ACTION

**Recommendation No. 1**

**The board should significantly enhance or replace its licensing database and automate the application process where possible.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 2**

**The board and Alcohol and Marijuana Control Office (AMCO) director should strengthen procedures for entering restricted purchasers in the statewide database of written orders.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 3**

**The board and AMCO director should implement procedures to ensure municipalities receiving refunds of biennial licensing fees are actively enforcing alcoholic beverage laws.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 4**

**The Department of Commerce, Community, and Economic Development commissioner should ensure the AMCO staff vacancies are filled in a timely manner and the AMCO director should implement written licensing procedures.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 5**

**The AMCO director should improve procedures and fill vacancies in a timely manner to ensure refunds to municipalities are appropriately reviewed.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

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THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Commerce,  
Community, and Economic  
Development**

ALCOHOL AND MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

*transmitted via email  
legaudit@akleg.gov*

November 30, 2022

Ms. Kris Curtis, CPA, CISA  
Legislative Auditor  
Alaska State Legislature  
Legislative Budget and Audit Committee  
Division of Legislative Audit  
P.O. Box 113300  
Juneau, Alaska 99811-3300

Dear Ms. Curtis:

I write in response to your letter dated November 3, 2022 inquiring on the status of the Alcoholic Beverage Control Board's efforts to resolve 2021 legislative audit findings. You have asked for a report on five recommendations. On behalf of the ABC Board, I reply as follows.

1. Response to Recommendation Number One. The board should significantly enhance or replace its licensing database and automate the application process where possible. What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

AMCO completed a scoping document and needs assessment for an online licensing in March 2022. The Alaska State Legislature appropriated funding for an automated licensing system effective July 1, 2022. The Alcohol & Marijuana Control Office (AMCO) followed that appropriation with a series of internal meetings and external research to determine whether to build the licensing system in-house or issue a request for proposal for the same. Because many off-the-shelf automated systems accomplished many requirements of the scoping document, AMCO elected to pursue a request for proposal rather than build in house. AMCO proposed a draft request for proposal to the Department of Commerce on October 7, 2022. After additional revisions by the Department and

submission of the proposal to the Office of Information Technology's Investment Review Board, the request for proposal was released today. Proposals are due December 22, 2022, and the successful vendor will be selected by January 6, 2023. As proposed under the current schedule, a vendor will be selected in January 2023, phase one of the automated licensing system -- which will permit licensees to apply and examiners to review applications -- will be operational in September 2023. This is the same timeframe in which AMCO is permitted to accept applications for licenses, endorsements, and permits authorized under the Senate Bill 9, ch. 8 SLA 2022 (Title 4 Rewrite).

2. Response to Recommendation Number Two. The board and AMCO's Director should strengthen procedures for entering restricted purchasers in the statewide database of written orders. What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

In response to the audit, AMCO created and implemented a policy for the Written Order database in April 2021 and amended AMCO's Enforcement Unit policies in September 2021 to include it. Under that policy (attached here), AMCO updates the database after receiving notice from the Alaska Court System of final judgments restricting alcoholic beverage purchases. AMCO's policy is designed to ensure those updates occur on at least a quarterly basis. The policy further permits the Director to remove restricted purchasers should conditions restricting their acquisition cease. Effective January 1, 2023, the Director or AMCO's Project Coordinator will audit through random selection the database on a monthly basis to ensure the database is updated as designed and accessible to licensed package stores for timely review.

3. Response to Recommendation Number Three. The Board and AMCO Director should implement procedures to ensure municipalities receiving refunds of biennial licensing fees are actively enforcing alcoholic beverage laws. What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

Beginning January 2022, AMCO's Administrative Officer was directed to release funds to municipalities only after receipt of enforcement reports describing local enforcement actions. Beginning January 2023, the Administrative Officer's proposed remittances are reviewed by AMCO's Director or its Program Coordinator prior to disbursement. AMCO's local government specialist will reach out to local governments that are not filing reports to determine how AMCO can assist these governments with Title 4 enforcement that would entitle them to revenue sharing. Last, AMCO's enforcement team continues to visit remote communities, both in person and virtually, to train local law enforcement on Title 4 requirements.

4. Response to Recommendation No. 4. The Department of Commerce, Community, and Economic Development commissioner should ensure the AMCO staff vacancies are filled in a timely manner and the AMCO director should implement written licensing procedures. What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

Much like the rest of State government, AMCO struggles to fill vacancies on a timely basis. This is due to a number of factors it cannot control, such as available wages for graded positions and a workforce requesting more amenities than State employment can often permit. Notwithstanding these factors, AMCO strives to create a positive work environment to retain and promote employees from within. Many of the vacancies in AMCO have occurred because employees are promoted internally. Other vacancies have occurred for employees to receive promotions outside the Division. The below table describes vacancies in AMCO from the date of the audit –September 2021 to the present. The ABC Board respectfully submits that the State of Alaska can improve its hiring processes to reduce the time it requires for AMCO to receive permissions to post positions and then to hire positions. Much of this is even outside of Department of Commerce control.

<b>Position</b>	<b>Vacancy Date/New Position Date</b>	<b>Permission to Post Position Granted</b>	<b>Permission to Hire</b>	<b>Position Filled (Indicate Whether Internal Hire &amp; New Position Opens)</b>
Project Assistant – Second Candidate (Title 4 Rewrite)	11.8.22		11.25.22	12.12.22
Program Coordinator	10.25.22	11.25.22	Outstanding	Outstanding/ Filled on an Acting basis by Regulations Specialist
Admin. Asst.	10.17.22 (resignation for promotion to	10.22.22/Reposted for lack of qualifying	Outstanding (Currently interviewing)	Outstanding

	licensing examiner)	candidates 11.7.22		
Admin. Asst.	10.7.22 (resignation for promotion in another department)	10.29.22	11.1.22	Filled 11.7.22
Local Government Specialist	9.20.22 (resignation due to unrelated matter)	10.19.22	Outstanding (Currently interviewing)	Outstanding
Licensing Examiner	8.16.22 (resignation)	9.15.22	10.17.22	Filled 10.18.22 Internally
Project Assistant – First Candidate (Title 4 Rewrite)	7.11.22	8.22.22	10.19.22	Filled 11.7.22 Employee resigned 11.8.22. Position filled again with 12.12.22 start date
Admin. Officer 1	3.6.22 (for promotion outside Department)	(dates not avail)	(dates not avail.)	Filled 4.7.22 Externally
Licensing Examiner	3.6.22	(dates not avail.)	(dates not avail.)	Filled 4.7.22 Externally
Licensing Examiner	9.26.21	(dates not avail.)	(dates not avail.)	Filled 12.20.21 Externally

This recommendation also requests the Director to implement written licensing procedures. While AMCO already has procedures guidelines for assisting licensing examiners to examine applications, much of this will be revisited as AMCO develops its automated licensing system. The ABC Board will continue to update the Division of Legislative Audit when those benchmarks are achieved.

5. Response to Recommendation Number 5. The AMCO director should improve procedures and fill vacancies in a timely manner to ensure refunds to municipalities are appropriately reviewed. What corrective actions had been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

Please see the above responses to Recommendations Numbers Three and Four. As described therein, AMCO continues to address vacancies by filling them as quickly as the State process allows and by continuing to offer an excellent working environment with long-term retention of excellent employees as its goal. AMCO ensures refunds to municipalities are appropriately reviewed by: (1) having its Administrative Officer review and release payments; (2) effective the first quarter of 2023, having AMCO's Director or Project Coordinator review the Administrative Officer's work product before funds are released to local governments; (3) effective the first quarter of 2023, having AMCO's Local Government Specialist reach out to local governments requesting and not requesting shared revenues to improve communications and information exchanges in both cases; and (4) ensuring AMCO's enforcement unit continues to offer training both virtually and in person to local governments' law enforcement units.

In conclusion, thank you for this opportunity to reply to the Division of Legislative Audit. Please contact me should you have additional questions or concerns.

Respectfully,

*/s. Dana Walukiewicz/*

Dana Walukiewicz  
Alcoholic Beverage Control Board  
Chair

cc: Members of the ABC Board  
Julie Sande, Commissioner, Dept. of Commerce  
Joan Wilson, AMCO Director

# Written Order Database

(Adopted and effective April 1<sup>st</sup>, 2021, Amended September 9<sup>th</sup>, 2021)

## Authority:

### 3 AAC 304.645. Written orders for alcoholic beverages; other transporting of alcoholic beverages; local governing body authority

(l) The board will, in its discretion, maintain a list of persons who, under AS 04.16.200, are convicted after 10/24/87 of a violation of AS 04.11.010, and will, in its discretion, provide this list to package store licensees. A licensee who receives the list may not sell alcoholic beverages by written order to a person whose name appears on it until the board gives written notice to the licensee that such sales are no longer prohibited.

## Procedure to update database:

Upon receiving a final judgment from the courts, AMCO Enforcement will update the restricted purchaser's list located under the Written Order's database. Quarterly request for violations under AS 04.11.010 will be obtain from the courts.

The pathway to the restricted purchaser's list is as follows.

1. <https://int.commerce.alaska.gov/dcced/intranet/> (diagram A)
2. [Written Orders](#) (second selection on diagram A)



Diagram A

3. Input Purchaser ID Number & click find Purchaser (Diagram B)

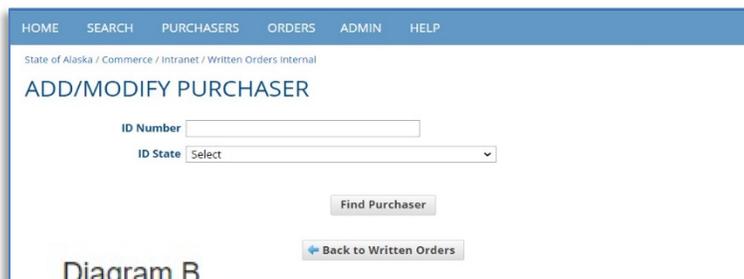


Diagram B

4. If there is no record, complete all required information and in the drop-down menu next to Purchaser Status, select Restricted then Update to save.

HOME SEARCH PURCHASERS ORDERS ADMIN HELP

State of Alaska / Commerce / Intranet / Written Orders Internal

**No purchaser record found for 0001111 -**

### ADD/MODIFY PURCHASER

ID Number

ID State

#### Purchaser Info

ID Number 0001111 -

IdType

First Name

Middle Name

Last Name

Suffix

Address

Address Line 2

Zip

Zip4

Community

Purchaser Status

Deceased

Comments

5. Once the board or the director provides written notice that alcohol sales to the individual are no longer prohibited, you must select Active next to the Purchaser Status and press Update.

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Audit



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November 3, 2022



The Honorable Julie Sande  
Commissioner  
Department of Commerce, Community,  
and Economic Development  
P.O. Box 110800  
Juneau, AK 99811-0800

Dear Commissioner Sande:

Over the past several years, the Legislative Budget and Audit Committee has noted an increase in audit findings and a general decrease in finding resolution. In an effort to better understand the most significant findings and encourage timely resolution, the Committee is requesting departments provide specific information regarding the status of select findings. I have been asked to coordinate the requests.

The Committee is requesting information related to Controlled Substance Prescription Database (CSPD) audit findings and certain findings from the Alcoholic Beverage Control Board (board) audit. Please complete the form attached to this letter to provide the requested information. An electronic version of the form will be provided to your Administrative Services director to facilitate response. The Committee would appreciate a response by November 28, 2022.

Sincerely,

A blue handwritten signature, appearing to read "Kris Curtis", written over a horizontal line.

Kris Curtis, CPA, CISA  
Legislative Auditor

STATUS OF CORRECTIVE ACTION

**Audit Control Number 08-20126-22**

**Recommendation No. 1**

**Applicable occupational boards and Division of Corporations, Business and Professional Licensing's (DCBPL) director should continue to coordinate efforts to improve the monitoring and enforcement of CSPD requirements.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

At a March 31, 2022 House Finance hearing, the DCBPL director testified that the department had worked with the Division of Public Health to identify a funding source to procure a study to evaluate the CSPD and the Prescription Drug Monitoring Program to determine how the database and program fits into the State's opioid crisis management. The study would make recommendations regarding board and department practices and make recommendations for legislation. Please describe the progress that has been made in procuring the study and the status of the project.

**Recommendation No. 2**

**DCCED's commissioner should allocate sufficient resources to ensure licensees holding a Drug Enforcement Administration registration number are consistently recorded in DCBPL's licensing database**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 3**

**DCCED's commissioner should allocate sufficient resources to ensure the CSPD requirements are enforced.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 4**

**DCCED’s commissioner should ensure the Alcohol and Marijuana Control Office (AMCO) staff vacancies are filled in a timely manner.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 5**

**The board and AMCO director should strengthen procedures for entering restricted purchasers in the statewide database of written orders.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 6**

**The board and AMCO director should implement procedures to ensure municipalities receiving refunds of biennial licensing fees are actively enforcing alcoholic beverage laws.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?

**Recommendation No. 7**

**The AMCO director should improve procedures and fill vacancies in a timely manner to ensure refunds to municipalities are appropriately reviewed.**

What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Commerce,  
Community, and Economic  
Development**

OFFICE OF THE COMMISSIONER  
Anchorage Office

550 West Seventh Avenue, Suite 1535  
Anchorage, Alaska 99501  
Main: 907.269.8100

November 21, 2022

Kris Curtis  
Legislative Auditor  
Division of Legislative Audit  
PO Box 113300  
Juneau, AK 99811

Dear Ms. Curtis:

Thank you for the request for a status update on audit findings related to the Controlled Substance Prescription Database (CSPD). Please find our responses below.

**Recommendation No. 1: Applicable occupational boards and Division of Corporations, Business and Professional Licensing's (DCBPL) director should continue to coordinate efforts to improve the monitoring and enforcement of CSPD requirements.**

*What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?*

The division has enhanced staffing and clarified procedures for investigative referrals, explained below. The PDMP Coordinator continues to work with boards and their executive administrators, where applicable, to assist them in closing gaps in their regulations. Recommendations to set standards for safe practice have been provided by the PDMP Coordinator to each of the prescribing boards at each quarterly meeting since 2020. Considerable conversation about this gap also took place at the monthly PDMP Board Chairs meetings; however, no board has proposed or adopted new regulations addressing this concern since the issue was raised in the latest Board of Pharmacy legislative audit report in 2021.

*At a March 31, 2022 House Finance hearing, the DCBPL director testified that the department had worked with the Division of Public Health to identify a funding source to procure a study to evaluate the CSPD and the Prescription Drug Monitoring Program to determine how the database and program fits into the State's*

*opioid crisis management. The study would make recommendations regarding board and department practices and make recommendations for legislation. Please describe the progress that has been made in procuring the study and the status of the project.*

The division contracted with a research firm this summer and will review a draft the first week of December. The firm has conducted more than 50 interviews with providers, stakeholders, and national resources in addition to conducting a literature review and policy analysis. A final report is due to the division by December 31. Pending the results of the report, the division expects to evaluate needed legislative changes or additional resources required to improve the program.

**Recommendation No. 2: DCCED's commissioner should allocate sufficient resources to ensure licensees holding a Drug Enforcement Administration registration number are consistently recorded in DCBPL's licensing database.**

*What corrective actions have been taken or are planned to be taken to resolve the finding, including the date( s) completed or expected to be completed?*

This spring, two additional staff positions were created and filled to focus on CSPD data entry and analysis, training, and quality control. This summer, the PDMP Coordinator's position was reclassified a Program Coordinator 2 to strengthen expectations and capacity for this role. In early 2022, the division migrated from a separate PDMP license to a designation on the provider's primary license, reducing licensee and staff workload and, subsequently, reducing opportunities for errors. The PDMP language on all license applications and forms has been revised to account for the streamlined process and language regarding reviewing and reporting requirements has been updated to provide more clarity.

**Recommendation No. 3: DCCED's commissioner should allocate sufficient resources to ensure the CSPD requirements are enforced.**

*What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?*

An additional, new, grant-funded PDMP Investigator position was filled this year. The director, Chief Investigator, and PDMP Coordinator created a process flow this spring to ensure clarity in the investigative referral process while retaining sidebars to protect the CSPD subpoena process required in statute. As federal grant funds may become available, the division will continue to evaluate allocating additional funds toward licensing and investigative positions to ensure timely investigation of possible CSPD violations.

**Recommendation No. 4: DCCED's commissioner should ensure the Alcohol and Marijuana Control Office (AMCO) staff vacancies are filled in a timely manner.**

*What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?*

Much like the rest of State government, AMCO struggles to fill vacancies on a timely basis. This is due to a number of factors it cannot control, such as available wages for graded positions and a workforce requesting more amenities than state employment can often permit. Notwithstanding these factors, AMCO strives to create a positive work environment to retain and promote employees from within to retain institutional knowledge. Many of the vacancies in AMCO have occurred because employees are promoted internally. Other vacancies have occurred for employees to receive promotions outside the Division. AMCO has prioritized posting recruitments and continues to work to decrease the length of time positions are vacant.

**Recommendation No. 5: The board and AMCO director should strengthen procedures for entering restricted purchasers in the statewide database of written orders.**

*What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?*

In response to the audit, AMCO created and implemented a policy for the Written Order database in April 2021 and amended AMCO's Enforcement Unit policies in September 2021 to include it. Under that policy (attached here), AMCO updates the database after receiving notice from the Alaska Court System of final judgments restricting alcoholic beverage purchases. AMCO's policy is designed to ensure those updates occur on at least a quarterly basis. The policy further permits the Director to remove restricted purchasers should conditions restricting their acquisition cease. Effective January 1, 2023, the Director or AMCO's Project Coordinator will audit through random selection the database on a monthly basis to ensure the database is updated as designed and accessible to licensed package stores for timely review.

**Recommendation No. 6: The board and AMCO director should implement procedures to ensure municipalities receiving refunds of biennial licensing fees are actively enforcing alcoholic beverage laws.**

*What corrective actions have been taken or are planned to be taken to resolve the finding, including the date(s) completed or expected to be completed?*

AMCO continues to require enforcement reports from local governments to verify Title 4 enforcement before dispensing the local government's share of the biennial licensing fee. AMCO has also assigned its local government specialist to

reach out to local governments that are not filing reports to determine how AMCO can assist these entities with Title 4 enforcement. AMCO's enforcement team continues to visit remote communities, both in person and virtually, to train local law enforcement on Title 4 requirements. Its effort in 2023 will be to alert those local governments to changes in the law on the Title 4 Rewrite legislation, effective January 1, 2024.

**Recommendation No. 7: The AMCO director should improve procedures and fill vacancies in a timely manner to ensure refunds to municipalities are appropriately reviewed.**

Please see the above responses to Recommendations Numbers Four and Six. As described therein, AMCO continues to address vacancies by filling them as quickly as the State process allows and by continuing to offer an excellent working environment with long-term retention of excellent employees as its goal. AMCO ensures refunds to municipalities are appropriately reviewed by: (1) having its Administrative Officer review and release payments; (2) effective the first quarter of 2023, having AMCO's Director or Project Coordinator review the Administrative Officer's work product before funds are released to local governments; (3) effective the first quarter of 2023, having AMCO's Local Government Specialist reach out to local governments requesting and not requesting shared revenues to improve communications and information exchanges in both cases; and (4) ensuring AMCO's enforcement unit continues to offer training both virtually and in person to local governments' law enforcement units.

Again, thank you for the opportunity for the department to provide input on this matter. Should you have any questions about the contents of this letter, please do not hesitate to contact me at 907-465-2500.

Sincerely,

DocuSigned by:  
  
Julie Sande  
58ABCEA5D47472...  
Commissioner

CC: Sara Chambers, Division Director  
Joan Wilson, Division Director