

MONTANA TAVERN TIMES

Two Agencies – One Mission - August 1, 2013

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The arrangement between the Department of Revenue's Liquor Division and the Department of Justice's Gambling Control Division is a unique example of how two different state agencies can come together and coordinate their efforts to eliminate duplication and simplify the liquor and/or gambling licensing process for Montana business owners.

To guide this cooperative effort, the two agencies entered into an "MOU", or Memorandum of Understanding. The MOU's purpose is to set out a mutual understanding of the authority, administration, and cooperation of the Department of Justice (DOJ), Gambling Control Division, and the Department of Revenue (DOR), Liquor Control Division, with regard to liquor licensing and enforcement services to be provided by DOJ for DOR.

The following recitals provide the general guidance and authority required for the two agencies to streamline the various processes:

1. Montana Code Annotated (MCA) statutes 16-4-402 and 16-16-101, declare that it is the policy of the state to provide DOR authorization to coordinate service with the DOJ relating to liquor licenses.
2. MCA 23-5-119, requires an appropriate alcoholic beverage license for certain gambling activities and, as a result, the approval of gambling licenses becomes dependent on approval of an alcoholic beverage license.
3. DOR and DOJ have created a single application process
4. The field investigators of DOJ serve the law enforcement needs of both agencies;
5. The two agencies seek to create an efficient and responsive system to serve licensees and the public
6. It is mutually agreed upon by the two agencies to work in cooperation to enhance services to customers, to meet on a continual basis to discuss procedural matters, share management information and provide common training as necessary.

More specifically, the two agencies agreed to do the following:

- A. **DOJ Gambling Control Division (GCD) services for Coordination of License and Enforcement Activities related to license applications.**

1. GCD will be the initial point of contact for receipt and processing of joint applications, however, DOR has the authority to accept or reject liquor applications.
2. Investigate the character of an applicant applying for the issuance, transfer, or change of a license. This includes reviewing the personal criminal record of the applicant(s).
3. Review of the applicant's financial information for a license.
4. Investigate the suitability of a premises or proposed premises to be used in connection with a license.
5. Gather facts and evidence necessary for DOR to determine whether it should approve, deny, or revoke a license or impose civil sanctions against a licensee.
6. Assist in the enforcement of the Liquor Code by providing investigations into civil or criminal violations and forward this information to DOR, including all matters relating to the purchase, sale, importation, exportation, possession, and delivery of alcoholic beverages, and conduct searches and seizures of alcoholic beverages illegally stored or received.
7. Serve as liaison to local law enforcement authorities in matters relating to alcoholic beverages law enforcement.
8. Investigate specific requests such as Alteration or Change to Premise, respond to complaints or direct referral, and witness destruction of alcohol by wholesalers.
9. Investigate management agreements, corporate officer/director/shareholder changes, veterans and fraternal officer changes, and changes to license operation.
10. Investigate restaurant beer and wine licenses to ensure compliance with gross receipts ratios and corresponding law, as required by statute.

B. Communication with License Applicants

1. DOJ will be a single point of contact responsible for the applicant requesting

initial information, conducting financial reviews, investigating the backgrounds of individuals, and forwarding the results to DOR.

2. DOR will advise DOJ on whether a license is available under the quota system and whether the applicant is delinquent on child support payments.
3. DOJ will advise when the application is considered complete and DOR will notify local health, building, fire and police, as well as publish notice of the proposed licensing change. DOR will work with applicant for building, health, and fire approvals.
4. DOR will conduct public hearings on protested applications and will make the final decision to approve or deny an application.
5. Inquiries to DOR with regard to application materials should be directed to DOJ.
6. Analysis of organizational and financial documents by DOR should be communicated to DOJ auditors who will serve as the point of contact with applicants' attorneys and financial sources.
7. If Temporary operating authority is requested, DOR will contact the applicant to coordinate.

C. Confidentiality of Information and Administration of Investigations

1. Confidential information obtained in a gambling investigation shall not be retained or released by DOR.
2. Investigative files are the property of DOJ and will be kept and maintained by DOJ.
3. Once an investigation is requested of DOJ, DOJ shall have sole supervisory authority and discretion in the completion of the investigation.
4. DOJ investigators shall provide testimony in cases adjudicated in administrative hearings or judicial proceedings as requested.

5. DOJ may require applicants to provide documents and explanations of documents in addition to those that DOR specifically requires during the application process and which DOJ finds necessary in its conduct of a thorough investigation of all matters relating to the application. (16-4-207 MCA, 16-4-402 MCA and ARM 42.12.121)

In summation, the cross-utilization of resources laid out in the Memorandum of Understanding between the Department of Revenue Liquor Control Division and the Department of Justice Gambling Control Division helps the two state agencies to cooperate and streamline processes for the citizens of the state and at the same time, maintain regulatory oversight and statutory compliance. If you have participated in the licensing process since the two agencies have combined services, you have hopefully experienced a streamlined and efficient process. If there were issues, we would like to hear them so further improvements can be made.