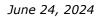
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ALCOHOL RETAILERS TAKE NOTE: USING A DELIVERY SERVICE COMES WITH CERTAIN RISKS





By: Regulated Products Section Chair Richard M. Blau

The Washington State Liquor and Cannabis Board (WSLCB) recently cited a local wine and spirits store for selling liquor to a minor. According to reports, the citation shocked the owners and their employees because they were certain they had never sold alcohol to a minor in their store.

It turns out the violation was actually committed by the retailer's contracted delivery service because a driver for the delivery company failed a WSLCB alcohol delivery compliance check. A state regulator purchased spirits from the retailer online; a delivery driver picked up the alcohol and delivered it to an 18-year-old male at the purchaser's address, even though the ID tendered by the recipient to the driver clearly showed he was under 21 years of age.

The result: a retailer with a spotless compliance record was forced to pay a \$1,000 fine or suffer a 10day suspension of its license.

Reports indicate the cited retailer feels unfairly punished, insisting that its contract with the delivery service guaranteed that every delivery recipient would be ID checked to assure a lawful consumer. However, the retailer failed to appreciate that under Washington State's alcohol laws, a spirits retail licensee is ultimately accountable for all deliveries of liquor made on its behalf.

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This is nothing new. The Massachusetts Supreme Court set this precedent back in 2008 with its decision in **eVineyard Retail Sales-Massachusetts**, **Inc. v. Alcoholic Beverages Control Com'n**., 450 Mass. 825, 882 N.E.2d 334 (Supreme Judicial Court of Massachusetts, March 18, 2008). In that case, which also involved a lawful internet sale of wine followed by an unlawful delivery to a minor, the court found that the licensed retailer made the sale and was responsible for the alcohol's safe and lawful delivery, regardless of what its agent promised contractually.

Alcohol regulators have jurisdiction and the concomitant power of enforcement over licensees, not contractors. Unlike retailers, existing beverage delivery services typically are unlicensed by the reigning alcohol regulatory agency. Consequently, when violations occur, such as deliveries to a minor or an intoxicated person, the regulators look to their licensee for accountability.

As more and more alcohol beverage purchases occur online, it is important for licensed retailers to know the laws in their markets.

To learn more about alcohol delivery laws, contact the GrayRobinson national <u>Alcohol Law Team</u> at <u>alcohollaw@gray-robinson.com</u>.

Richard M. Blau leads the GrayRobinson national Alcohol Law Team, focusing on the laws that govern the production, importation, marketing, distribution, and sale of alcohol beverages throughout America. Richard and his colleagues focus on the rules, regulations, and business practices that govern the marketing, sale, and consumption of international importers and domestic producers, processors and regional distributors, and retailers. Richard has achieved numerous peer-related accolades for his legal work, including **Chambers and Partners** – Nationally ranked as "Band 1" for food and alcohol beverage law; **Best Lawyers® in America** – nationally listed for food and beverage law; and **Super Lawyers** – elected member.

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