



Ontario

AGCO

Alcohol and Gaming Commission of Ontario

Bootlegging

Licensee information sheets from the Alcohol and Gaming Commission of Ontario AGCO-09-00

They are making it, selling it, watering it down. Illegal operators across Ontario are bootlegging liquor in every conceivable fashion. Not only are government programs undermined by revenue losses, but licensees are struggling against the illegal advantage held by dishonest competitors. Add concerns about public health and you have a crime that hurts us all.

What is illegal liquor?

Examples of illegal or “bootleg” liquor include:

- ◆ foreign products smuggled across the border;
- ◆ illegally manufactured (or “home-made”) liquor;
- ◆ adulterated or “watered down” liquor;
- ◆ liquor not bought from a government store (i.e., not bought from the Liquor Control Board of Ontario, Brewers Retail Inc. or an AGCO authorized winery, distillery or brewery retail store) and sold and served at your establishment;
- ◆ liquor bought from a government store but not under the liquor licence; and
- ◆ “Personal” bottles of liquor legally imported to Canada (for example, under a personal exemption) and sold and served at your establishment.

You could be charged with an offense or subject to disciplinary action if illegal liquor is found anywhere on the premises of your licensed establishment - including offices, food preparation areas and storage rooms.

The law also prohibits a third party from bringing illegal liquor onto the premises. This includes friends or employees that leave bottles on the licensed premises. You are responsible for the liquor in your stock and the actions of your staff and any other third party.

Check your stock today to ensure that all liquor on your premises has been purchased under your establishment’s licence. This is especially important if you have recently taken over an establishment from another operator.

It is illegal to re-pour liquor from one container to another (other than automatic dispensing equipment), or re-use liquor bottles

(i.e. you may not use a liquor bottle as a juice container) or mix drinks in a liquor bottle. Liquor must be served from its original container.

Not a “victimless” crime

We all suffer when licensees try to cheat the system by selling bootleg liquor. Here are just a few examples of how smuggled and illegally manufactured liquor can affect the people of Ontario:

- ◆ Consumers are at risk who unknowingly drink illegal liquor. Laboratory analysis shows that bootleg liquor is often manufactured, shipped or stored in unsanitary conditions. Lead, anti-freeze and even rat poison has been found in some of these illegal products.
- ◆ Canadian workers whose jobs are endangered by the black market. Illegal liquor threatens jobs in the liquor, agriculture, bottling, packaging, transportation, warehousing, advertising, retailing, and tourism industries.
- ◆ Honest licensees and their employees who have to struggle to compete in a tight economy while others flaunt the law and pocket the illegal profits.
- ◆ Every one of us. Bootleg liquor accounts for millions in lost provincial taxes annually - money that could be allocated to our hospitals, schools and roads - not the pockets of illegal operators. The expense of increased inspections and law enforcement adds an even heavier burden to our limited tax dollars.

Illegal liquor puts your business and your customers’ health at risk.

Is it worth it?

Times are tough, and it may be tempting to try to save a few dollars by purchasing illegal liquor. But just how much are you really saving?

And what about the repercussions of dealing in bootleg booze? If you are caught with illegal liquor on your premises - even if you're not selling it - you are subject to very severe penalties. Are the consequences worth the risk?

What are the potential implications of being caught with illegal liquor?

- ◆ Loss of business income during a licence suspension. Suspensions of 21, 30, 45 and even 60 days are becoming more common, as are revocations.
- ◆ Loss of regular or potential customers who take their business to your competitors during your suspension.
- ◆ Loss of stock. If authorities find reasonable grounds to suspect that the liquor has been smuggled, they are entitled to seize all potentially illegal products.
- ◆ Loss of reputation with your community, the police and the AGCO.
- ◆ Difficulties with your landlord and insurance company, who may consider you a higher risk after a licence suspension.
- ◆ Legal costs associated with a court appearance for a provincial court offense or attendance at an AGCO hearing.
- ◆ Fines of up to \$100,000 for an individual or \$250,000 for a corporation imposed by Provincial Offenses Court.

We're getting tougher and tougher

The AGCO is working to put black market operators out of business. Our Liquor Inspectors are making seizures and laying charges.

Bootleg liquor is not worth the loss or suspension of your liquor licence or a fine, jail term or other serious civil liability. Protect yourself, your staff and your business - only sell and serve liquor purchased from the Liquor Control Board of Ontario (LCBO), Brewer's Retail Inc. (The Beer Store) or an AGCO authorized winery, distillery or brewery retail store.

- ◆ **We mean business**
- ◆ **Don't have anything to do with illegal liquor.**
- ◆ **It's not worth the risk.**

If you are aware of bootlegging activities, notify your local police or liquor inspector.

Contacts:

- ◆ Customer Service (416) 326-8700, toll free in Ontario 1-800-522-2876 or visit our website at www.agco.on.ca
 - ◆ Liquor Inspections and Enforcement (416) 326-0330
-