



## Responsible Service Tip Sheet: **ILLEGAL LIQUOR**

### INFORMATION SHEETS FROM THE ALCOHOL AND GAMING COMMISSION OF ONTARIO



They are making it, selling it, watering it down. Illegal operators across Ontario are bootlegging liquor in every conceivable fashion. This poses real risks to patrons' health and puts licensees at a disadvantage against dishonest competitors.

### **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) under your liquor sales licence and sold and served at your establishment; and
- "Personal" bottles of liquor legally imported to Canada (for example, under a personal exemption) and sold and served at your establishment.

Licensees found with illegal liquor anywhere on the premises – including offices, food preparation areas and storage rooms – could face sanctions under the *Liquor Licence Act*, including a suspension.

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. There are two notable exceptions: (1) patrons who bring sealed liquor into the establishment which remains sealed and which they will take home, and (2) patrons who bring wine into an establishment under a “bring-your-own wine” endorsement. This endorsement authorizes a liquor sales licensee to permit patrons to bring unopened bottles of commercially made wine into the establishment for their own consumption. An employee must open the wine, as would be the case if the patron had bought the wine from the establishment.

Check your stock today to ensure that all liquor on your premises has been legally purchased under your establishment’s licence. If you have recently taken over an establishment from another operator, ensure that all stock was purchased under the liquor sales licence.

Finally, 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.

## **Not a “victimless” crime**

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

- 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.
- Consumers are at risk who unknowingly drink illegal alcohol. Laboratory analysis shows that bootleg liquor is often manufactured, shipped or stored in unsanitary conditions. Bacteria has been

found growing in confiscated bottles and tests have detected potentially harmful substances like lead, pesticide residues, anti-freeze and even rat poison in some 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.
- 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.

## **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 liquor? A licensee caught with illegal liquor on his or her premises – even if it’s not being sold – may be subject to regulatory sanction, including a monetary penalty, suspension or revocation of their liquor licence, as well as the following:

- Loss of regular or potential customers who take their business to your competitors during a 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 offence or attendance at an AGCO hearing.
- Fines of up to \$100,000 for an individual or \$250,000 for a corporation imposed by Provincial Offences Court.

## **Illegal liquor is a serious offence**

The AGCO is working to put black market operators out of business. Our enforcement inspectors are making seizures. Illegal 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 under your liquor sales licence 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.

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 enforcement inspector.

For more information, please contact AGCO Customer Service at 416-326-8700 or 1-800-522-2876 (toll-free in Ontario) or visit us online at **[www.agco.ca](http://www.agco.ca)** .