



News Release

Department of Labor & Economic Growth
Michigan Liquor Control Commission

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Liquor Control Commission Says Illegal Importation of Alcohol Costs State Millions

Offers recommendations to reduce lost revenue

January 28, 2008 – The Michigan Liquor Control Commission (MLCC) and the Michigan Authorized Alcohol Distribution Agents today issued a report that estimates that the state of Michigan loses \$14 million annually due to the illegal importation of alcohol. The MLCC outlined a series of steps that should be taken to combat the state's loss of revenue.

"Liquor sales make a significant contribution to our state's budget so it is critical that every dollar is accounted for to protect our children's educations with financing of the school aid fund and other essential services," MLCC Chairperson Nida Samona said. "Smuggling reduces the State's sales and tax revenue, hurts social programs funded by this revenue and puts drivers and delivery agents at greater risk for bodily harm."

Preliminary figures indicate that in fiscal year 2006-2007 the MLCC contributed \$321.6 million to state revenue including:

- \$88.8 million to the General Fund for general purposes
- \$49.8 million to the General Fund for restricted purposes
- \$35.7 million to the School Aid Fund and
- \$147.3 million in Liquor Purchase Revolving Fund revenue

Chairperson Samona and the MLCC project team proposed the following recommendations for consideration by the legislature to help combat the illegal importation and protect the state's economic interests.

- **Increasing penalties for the illegal importation of alcohol and appropriations for law enforcement.**
- **Forming stronger partnership with local law enforcement agencies to reduce the illegal importation of alcohol.**
- **Using available technology to detect illegally imported alcohol products.**
- **Enhance education and training programs for law enforcement officers and retail licensees on this topic.**

(more)

Smuggling, or bootlegging has been an issue since the days of Prohibition, however the dangers of illegal importation have increased significantly as the hijacking for product, cash, and delivery vehicles has become a serious matter of life and death. In the past few years, several delivery drivers have been held up or shot in attempts to steal alcohol.

Enforcement surveillance teams have tracked smugglers bringing in \$30,000 or more in product across state lines on a regular basis. One agent stated that smugglers were using plain cargo vans with no windows or blacked out windows to transport the alcohol from one to sometimes three trips per week.

To view the report, please visit <http://www.michigan.gov/lcc>.

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