



STATE OF OHIO
LIQUOR CONTROL COMMISSION

77 SOUTH HIGH STREET, 18TH FLOOR
COLUMBUS, OHIO 43215
PHONE: (614)466-3132 FAX: (614)466-4564

JOHN R. KASICH, GOVERNOR

DEBORAH PRYCE, CHAIR

May 25, 2012

Randall J. Meyer
Ohio Inspector General
Rhodes State Office Tower
30 E. Broad St., Ste. 2940
Columbus, OH 43215

OFFICE OF
INSPECTOR GENERAL
2012 MAY 25 AM 10:34

RE: IG No. 2011-059

Dear Inspector General Meyer:

I have reviewed the report of investigation and subsequent recommendations contained in your letter dated April 2, 2012. It is clear that changes are warranted. After a thorough review of the report, I have identified a number of organizational changes that will be implemented in order to ensure that the Liquor Control Commission is in compliance with applicable rules and statutes, and to ensure that we are operating within our express legal and administrative authority. The following is a summary of the recommendations contained in your report, the Commission's response, and changes that have already been or will be implemented as a result of these recommendations:

Inspector General Recommendation #1

Ensure the Ohio Revised Code and the Ohio Administrative Code pertaining to the application and renewal of liquor permits are followed.

LCC Response #1

Training

Despite the extensive laws and rules that govern the work of the Commission, there has been no formal training in place for Commissioners or Commission staff. Consequently, there is no consistent, authoritative means for establishing common understanding of statutes governing the Commission. A process is now underway to develop comprehensive training that will cover, in considerable detail, the Commission's jurisdiction and authority specifically as outlined in the Ohio Revised Code and the Administrative Code.

Legal Counsel

In January of 2012, the Commission hired full-time, in-house legal counsel. The incumbent is responsible for advising Commissioners on matters pertaining to the Ohio Revised Code and the Ohio Administrative Code as they related to the Liquor Control Commission authority and the execution of the Commission's duties.

Policies and Procedures

Due to a number of factors including staff turnover, the processes and procedures that establish operating parameters for the Commission have not been reviewed and updated for a number of years. Commission staff members have begun a complete review and revision of agency policies and procedures to ensure that they conform to relevant rules and statutes.

Inspector General Recommendation #2

Determine if administrative action is warranted against the Commissioners involved and determine if their conduct warrants further administrative action.

LCC Response #2

Your report found reasonable cause to believe that a wrongful act or an omission had occurred. Two Commissioners, Michael Shaheen and Paul Booth, were subjects of the investigation. However, the latter Commissioner, Paul Booth, was unaware that he was included in the investigation, nor was he ever interviewed.

I have discussed the report and issues raised by the report with both Commissioners. Despite no direct finding of intentional wrongdoing, both Commissioners have been strongly admonished pursuant to their acts or omissions and the impact on the Commission thereof. And while the Commission does have broad latitude in deciding cases, there is clearly a limit to the Commission's authority. Additional training is clearly warranted and, as indicated above, that training should be comprehensive, complete and should be institutionalized to include all new and existing Commissioners and staff.

The purpose is to ensure that an accurate and clear understanding exists regarding the Commission's authority and to ensure that the Commission is operating within those limits that are outlined in statute. In addition, as questions arise around these issues, Commissioners will work in concert with staff legal counsel to seek and obtain clarification regarding any jurisdictional or administrative matters.

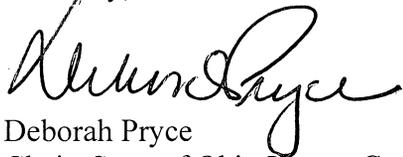
In addition, the Commission has sought counsel from the Ohio Attorney General's Office on a number of matters including open meeting requirements to ensure that the Commission is operating within relevant laws and rules. The Commission will continue to seek guidance as needed.

Finally, careful review and consideration have been given to your report, and the responses that are outlined in this letter are intended to establish long-term, systemic processes that can be sustained regardless of staff and Commission turnover.

We appreciate your review of the matters covered in this investigation. Be assured that, going forward, our goal is to assure compliance with the ORC and the OAC.

Please don't hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah Pryce". The signature is fluid and cursive, with the first name being more prominent.

Deborah Pryce
Chair, State of Ohio Liquor Control Commission



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JOHN R. KASICH, GOVERNOR

DEBORAH PRYCE, CHAIR

May 25, 2012

Mr. Michael Shaheen
2 Edinburgh Way
St. Clairsville, OH 43950

LETTER OF ADMONITION

Dear Mr. Shaheen:

I have carefully considered the findings and recommendations made by the Inspector General in his investigative report dated April 2, 2012. The report concludes that a wrongful act or omission occurred and that you acted contrary to Ohio law. This letter will serve as formal admonition for your conduct in the actions that were investigated by the Inspector General and is hereby made part of the record of those proceedings.

While the Commission does have some discretion in deciding cases, there is a limit to the Commission's authority and jurisdiction. As Commissioners, it is our responsibility to ensure that we are acting consistent with Ohio law.

As Chair of the Liquor Control Commission, I have directed establishment of a number of procedures and practices intended to ensure that the Commission operates within its statutory and administrative authority. Commissioners, along with staff, will work to assure that the Commission carries out its duties with fairness and impartiality and within the framework of the law.

It is my expectation that you will actively support these changes in accordance with your official responsibilities.

Sincerely,

Deborah Pryce
Chair, State of Ohio Liquor Control Commission



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JOHN R. KASICH, GOVERNOR

DEBORAH PRYCE, CHAIR

May 25, 2012

Paul M. Booth
3010 Glenfarm Court
Cincinnati, OH 45236

LETTER OF ADMONITION

Dear Mr. Booth:

I have carefully considered the findings and recommendations made by the Inspector General in his investigative report dated April 2, 2012. The report concludes that a wrongful act or omission occurred and that you acted contrary to Ohio law. This letter will serve as formal admonition for your conduct in the actions that were investigated by the Inspector General and is hereby made part of the record of those proceedings.

While the Commission does have some discretion in deciding cases, there is a limit to the Commission's authority and jurisdiction. As Commissioners, it is our responsibility to ensure that we are acting consistent with Ohio law.

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It is my expectation that you will actively support these changes in accordance with your official responsibilities.

Sincerely,

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Deborah Pryce
Chair, State of Ohio Liquor Control Commission