

## MEMORANDUM

To: Lisa English, Senior Assistant Attorney General  
John Conforti, Assistant Attorney General  
From: Rosemary Wiant, Legal Counsel, New Hampshire Liquor Commission  
RE: *Response to Letter from Executive Councilor Andru Volinsky*  
Date: April 9, 2018

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This statement is provided at the request of the New Hampshire Department of Justice in response to the letter dated February 13, 2018 from Executive Councilor Andru Volinsky.

### Introduction

Councilor Volinsky has alleged that the New Hampshire Liquor Commission (NHLC) engages in numerous practices to circumvent IRS reporting and facilitate money laundering by out-of-state customers. In his letter dated February 13, 2018 to Governor Sununu and Attorney General MacDonald, Councilor Volinsky raises the following issues:

1. Whether the NHLC engages in “illegal bulk sales transactions in cash”;
2. Whether NHLC practices are designed to circumvent its policy requiring employees to complete IRS Form 8300;
3. Whether the NHLC “prohibits its store managers from stocking [Hennessy] on the retail shelves” or does not provide stores with sale tags to display sale prices;
4. Whether “promotional gift cards are misused”; and
5. Whether the NHLC “facilitates efforts to avoid [neighboring states’] taxation schemes.”

As demonstrated in the discussion that follows, the Councilor’s allegations are not supported by fact, policy or practice.

I. Large Volume Cash Sales are Entirely Legal and the NHLC Holds its Employees Accountable for Following its Policies for Processing and Reporting Such Sales.

NHLC retail stores serve both individual consumers and businesses, such as restaurants, and accept payment by cash or credit. A significant portion of NHLC retail sales is to out-of-state customers. In addition, some sales are for large quantities of wines and spirits, and some of those sales are paid for with cash. Contrary to the Councilor's assertion in his lead document heading, however, such sales are indeed legal and the Councilor points to no law or authority that would suggest otherwise.

The NHLC sells significant quantities of wines and spirits to customers from outside of New Hampshire. Based on a zip code marketing survey conducted by the NHLC in 2011, approximately 50 percent of all sales are from out-of-state customers. *See* Exhibit ["Ex."] 1.<sup>1</sup> Indeed, it is expected that out-of-state customers account for the majority of sales since the NHLC is statutorily required to focus its advertising in out-of-state media markets. The legislature, through RSA 175:4, III, mandates that 80 percent of funds appropriated for advertising shall be expended with out-of-state media. Moreover, neighboring states have significant tax rates imposed on alcohol sales. As indicated on the map attached as Exhibit 2, excise taxes on distilled spirits in neighboring states range from \$4.05 per gallon in Massachusetts to \$7.75 per gallon in Vermont. Combined with already competitive prices offered by the NHLC, the tax differential often works in favor of New Hampshire.

Although the question of whether the NHLC is required to file IRS Form 8300 has never been definitively answered, the NHLC has a policy in place that directs retail store employees to follow IRS regulations and report cash sales exceeding \$10,000. Ex. 3 (NHLC Large Volume

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<sup>1</sup> A recent voluntary point-of-sale survey conducted during July and August 2017 similarly indicated that the majority of NHLC customers are from outside of New Hampshire. Although limited in scope, the survey showed the following customer distribution: New Hampshire 42%; Massachusetts 23%; Maine 7%; New York 7%; Vermont 5%; Connecticut 5%; Florida 3%; Rhode Island 2%; New Jersey 1%; Pennsylvania 1% and California 1%.

Sales Policy). The policy instructs that the IRS Form 8300 must be completed prior to processing the sale, describes acceptable forms of identification and defines cash. To avoid interfering with any state tax issues, the policy actually goes further and *prohibits employees from informing customers about any law enforcement activity*. The policy also prohibits employees from accepting gratuities in connection with large volume sales. The NHLC expects its employees to follow the policies it implements.

In addition to expecting employees to follow the policy, the NHLC holds its employees accountable to the Large Volume Sale Policy. When the NHLC has become aware that an employee has failed to follow the policy, it has consistently taken appropriate personnel action up to and including dismissal. In the summer of 2017, for example, upon learning that a large volume sale was made but not reported, the NHLC commenced an administrative investigation that resulted in resignations of two full-time employees, written warnings for two full-time employees, and a written infraction report for a part-time employee. Similarly, in 2016, the NHLC issued written warnings to two full-time employees and written infractions to three part-time employees based on the employees' failure to follow the Large Volume Sale Policy.

In fact, the current policy came about as a result of the NHLC's own examination into employee compliance with the policy. In late 2014, upon learning that a particular store would divide large sales into smaller transactions, the NHLC began an investigation into the processing of large volume sales transactions. As a result of the investigation and with the assistance of New Hampshire Department of Justice, on March 23, 2015, the NHLC revised and implemented the current Large Volume Sale Policy. Thus, the evidence establishes that the NHLC has taken measures to review and revise its Large Volume Sale Policy, the NHLC expects retail store

employees to process and report large volume cash sales in accordance with the policy and when employees fail to comply with the policy, the NHLC takes appropriate personnel action.

A. The NHLC Trains its Employees to Properly Conduct Large Volume Sales.

In addition to having a clear policy in place, the NHLC actively engages in training its employees around processing large volume sales. Over the past year, the NHLC Store Operations Administrator and Assistant Administrator have put a great deal of thought into how to improve employees' understanding of issues around such sales, especially cash sales. The Store Operations Administrators worked to develop a training program specifically for retail store employees, which is given as part of an annual training required of all full-time employees.<sup>2</sup> See Ex. 4. One module of the training is specific to processing large volume sales.

The training module covers the requirements that two employees independently count the actual number of bottles being purchased and for cash sales, that two employees independently count the cash. Moreover, it discusses the rationale behind requiring independent counts by two employees, namely, reducing errors and loss prevention. From the standpoint of inventory control, the likelihood of error increases as the number of items involved in a transaction increases. In addition, some product cases appear nearly identical but actually contain different numbers of bottles. Requiring actual bottle counts and scanning product codes are control procedures designed to reduce error and optimize profit. See Ex. 4 at 6, 11-12; see also RSA 176:3 (requiring the NHLC to maintain proper controls and operate effectively and efficiently).

The training builds on the procedures detailed in the Store Operations Manual, which instructs that cashiers must do a bottle count for every sale. Specifically, the Store Operations

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<sup>2</sup> The training is given monthly in connection with sexual harassment training. Employees are required to attend once such training every year. Following the sexual harassment training, store employees receive training specific to retail store operations.

Manual includes a section on processing transactions, which leads with, “All transactions must be processed at the cash register. **Cashiers must do a bottle count on every transaction.**”

Exhibit 5 at 2-1 (emphasis added); *see id.* at 5-2 (regarding on-premise licensees and directing, “The store clerk will verify the licensee number and bottle count”). All store employees are trained on the policies and procedures in the Store Operations Manual. *See id.* at 1-8. Thus, employees are instructed to conduct a bottle count when entering any transaction into the cash register, which occurs before the employee necessarily knows how the customer intends to pay for the products.

Significantly, the training is also interactive. Using money from the Monopoly board game and two volunteers from the attendees, the training demonstrates a large volume cash sale. The demonstration first intentionally includes errors, which, according to feedback, employees are quick to identify. Then, a procedurally proper sale is demonstrated “from soup to nuts.” *See* Ex. 4 at 11-13. It is also relevant that the Store Operations Assistant Administrator who developed and presents the training seeks input from the store employees in attendance to improve the training going forward and to ensure that the training is focused on topic areas of interest to the retail employees. *See* Ex. 4 at 14. Thus, the Store Operations leadership is actively and genuinely attempting to enhance employee understanding around properly processing large volume sales. Finally, it is also significant that the NHLC considers a large volume sale to be any sale of \$1,000 or more, and trains its retail employs on procedures according to that standard. *See e.g.*, Exhibit 4 at 12.

B. Because IRS Form 8300 Requires Only Basic Identity and Transaction Payment Information, Group Trainings Do Not Instruct On How to Fill Out the Form.

The NHLC Large Volume Sales Policy informs employees that the store manager or the employee in charge of the store is responsible for completing Parts I – III of the Form 8300:

- All customers that purchase a volume of product totaling \$10,000.00 or more in cash, either through one or multiple related transactions, must complete IRS Form 8300 in its entirety before the sale is processed through the cash register, using one of the forms of identification for the customer that is a currently acceptable form of identification for the purchase of product in our stores (valid driver's license, passport, military ID). The Store Manager or the person in charge will complete Part I through Part III of the IRS form 8300. This information must be printed neatly!

Ex. 3 (emphasis in original).

The stores are provided with copies of the Form 8300, including the Instructions, which explain each item to be filled out on the form. *See* Exhibit 6. The information needed for each item is basic, such as “Last name,” “First name,” “Address,” “Taxpayer identification number,” “Date of birth,” “Date cash received,” and “Amount of cash received.” Given the simple nature of the information to be gathered on the form, group training time is not devoted to explaining how to fill out the form.

The NHLC communication to employees that the Executive Councilor labels an attempt to discourage compliance with the large volume sales policy could not be further from the truth. *See* Ex. 7. In 2015, certain retail store employees were engaging in practices that the NHLC considered attempts to profile and target certain customers. Those employees submitted Form 8300s for small dollar cash sales citing that the transactions were “suspicious.” However, no description of facts around the sale was provided as a basis for deeming the transaction suspicious. A common factor was that the customer’s name appeared to be of particular ethnic origins such as Middle Eastern, African American, Asian or Hispanic. *See* Ex. 8-9. Based on those forms, a failure to act by the NHLC to clarify expectations around the Large Volume Sales Policy would have been negligent and could have exposed the State to civil liability. It is apparent from a plain reading of the document that the NHLC’s communication to employees

was simply an attempt by the NHLC to eliminate inappropriate discrimination or profiling of its customers.

II. The Executive Councilor and the SEA President Refused Earlier NHLC Offers to Answer Questions and Coordinated with the NHLC Employee in Charge of the Keene Retail Store to Observe a Large Volume Cash Sale Carried Out in a Manner Contrary to NHLC Policy.

On February 3, 2018, Councilor Volinsky and SEA president Rich Gulla lingered in the Keene store for three hours waiting for a large volume sale, which was planned with the retail store employee who was acting “manager in charge” that day and who directed the sale. The NHLC was informed by a store manager that Councilor Volinsky attended a SEA Chapter meeting a few weeks prior where the Keene store employee volunteered to coordinate a large volume transaction at his store. The Keene store employee had recently returned to his job following a six-month leave of absence that was requested by SEA President, Rich Gulla and paid for by the SEA. *See* Ex. 10.

The NHLC strongly disagrees with the Councilor’s contention that the employee who conducted the sale should be treated as a whistleblower. “Whistleblower” is defined as “an employee who reports employer illegality to a governmental or law enforcement agency.” *Black’s Law Dictionary* 1289 (7th ed., West 2000). Here, in contrast, it is the employee’s own actions that violated explicit NHLC policies governing the processing of large cash sales and restricting access to secure store areas. The true whistleblower here is the employee who alerted the NHLC to the unusual activity and procedural violations she witnessed by the manager in charge and his guests.

That the Executive Councilor and the SEA President took this approach is particularly disheartening when the NHLC has attempted to engage both the SEA and Councilor Volinsky in conversations around the Large Volume Sales Policy. The NHLC has offered to answer their

questions and has invited their input regarding this policy. On September 27, 2017, following an improperly conducted cash sale that resulted in two resignations, two written warnings and a written infraction report, the NHLC met with the SEA's General Counsel. *See* Ex. 11 (hand-written notes taken at the meeting). The purpose was to discuss the SEA's concerns and questions around the Large Volume Sales Policy. The meeting ended with the next step being that the SEA would identify the main issue areas and offer recommendations for improving the Large Volume Sale Policy. The SEA, however, never returned to the table to offer any feedback whatsoever even though the NHLC Chairman and Commissioner met monthly with SEA President Gulla. Nevertheless, the NHLC proceeded to develop and began delivering trainings to better educate its employees around large cash sales.

Similarly, on October 20, 2017 in response to a request from Executive Councilor Volinsky, the NHLC provided several documents and invited him to sit down to discuss any questions he might have about the Large Volume Sales Policy. *See* Ex. 12. Like the SEA, however, Councilor Volinsky declined to engage with the NHLC. Until his February 13, 2018 letter, in fact, the NHLC had no response at all from the Councilor. Thus, both the Executive Councilor and the SEA rejected opportunities to work collaboratively with the NHLC to clarify questions and improve processes for the benefit of the State and its employees.

III. The NHLC Works to Ensure that Hennessy and Other Popular Spirits and Wines are Available in All of its Retail Stores.

NHLC management oversees inventories and product distribution at its stores to meet the demand of its customers and licensees and to optimize profitability for the benefit of the State. Since the store managers are on the front line, however, they manage store inventory levels on a day-to-day basis. It is important to realize that the retail stores also sell to NHLC licensees. On-premises licensees, such as restaurants, standardly shop in the retail stores to maintain their



inventory of spirits and wines. Thus, if a restaurant needs Hennessy or any other product, it expects to be able to purchase it at the local NHLC retail store. Store managers strive to maintain sufficient inventory to meet both customer and licensee demand.

Only a limited allocation of Hennessy is available. Hennessy is made from grapes grown exclusively in the Cognac region of France, an area of only about six square miles. Thus, only a limited amount of cognac is produced each year and, due to high global demand for the product, the various markets are allocated inventory based on sales. *See* Ex. 13. Hennessy is a highly allocated product because of its rarity.

Due to a strong demand for Hennessy, with its limited supply, the NHLC has endeavored to ensure that Hennessy products are stocked and available in all NHLC retail stores. For instance, in 2017, the NHLC Director of Marketing, Merchandising and Warehousing placed Hennessy on “restricted” status at the warehouse, removing it from the automatic shipment system, because stores that set the highest “absolute” stock plan would receive case shipments first, leaving little or no stock available to fulfill the needs of smaller stores. By placing Hennessy on restricted status at the warehouse, the Director was able to manually distribute Hennessy to ensure that it was on NHLC retail store shelves and available to customers and licensees throughout the State. *See* Ex. 14 (emails between the NHLC Spirits Marketing Specialist and the Moet Hennessy vendor discussing allocations).

Hennessy was recently removed from restricted status at the urging of the supplier. Beginning in late 2017, the Moet Hennessy supplier expressed concern that the restricted status, which successfully maintained some amount of Hennessy in inventory across stores, could result in New Hampshire receiving a smaller allocation in 2018. The potential of a reduced allocation is further reflected in emails following a recent meeting between the NHLC and Moet Hennessy.

See Ex. 15. Like any exclusive wine or spirit with limited supply, a reduced allotment of Hennessy for New Hampshire means that the product will go to other states or private retailers to sell. The certain outcome will be lower revenues for the State of New Hampshire.

A. All Products Referenced by Executive Councilor Volinsky are On Store Shelves With the Exception of Hennessy VS 200ml Due to Theft Issues.

For each store, a space-to-sales analysis is used to allot shelf space for each product. Based on that analysis, shelf-planning sets are provided to each store annually. See e.g., Ex. 16 (shelf planner for Keene retail store – Brandy section). Based on the “shelf planners,” store managers maintain inventory at levels intended to avoid running out of product on the shelf.

Unlike other products, the 200 ml Hennessy VS product is not typically included on shelf planners because it has historically been an item with a high theft rate. Stores may, however, display it with the 50ml “nips,” which are located at the cash registers and, therefore, are more easily monitored. In addition, some stores choose to put the 200ml Hennessy VS on the shelf even though it is not on the shelf planner, either to fill in space what would otherwise be empty or because customers have asked for it. For instance, Exhibit 17 is a photograph of the store shelf in the Pembroke store and shows Hennessy VS 200ml on the top shelf even though it is not on the shelf planner. In that store, Hennessy also happens to be shelved in a location near the cash registers. See Ex. 18. Likewise, a photograph from a NHPR article depicts Hennessy VS 200ml on the store shelf. Ex. 19; see Ex. 20 (close up of the Hennessy VS 200ml photograph in NHPR article). Thus, the evidence demonstrates that all products are allocated shelf space and stocked according to sales and business needs. There is simply no basis for Councilor Volinsky’s assertion that the NHLC prohibits stores from stocking any product on store shelves.

B. Like the Space-to-Sales Analysis For Shelf Planning, Store Inventory Levels are Directly Tied to Sales In Order To Optimize Profitability, Operate Effectively and Efficiently and Provide Excellent Customer Service.

Long ago, the New Hampshire legislature memorialized its expectations for the NHLC as follows:

The primary duties of the liquor commission shall be to:

- I. Optimize the profitability of the commission.
- II. Maintain proper controls.
- III. Assume responsibility for the effective and efficient operation of the commission.
- IV. Provide service to the customers of the commission, pursuant to this title.

RSA 176:3 (often referred to as the “Commission’s job description”). Accordingly, the NHLC determines shelf-planning, displays and marketing in a deliberate manner to optimize profitability, realize operational efficiencies and meet customer demand. With that framework, the retail stores manage their own inventories. Specifically, they order products to ensure that shelves remain stocked and that they have sufficient product on hand to meet customer and licensee demand. *See* Ex. 5 at 3-5 (“All shelves must be fully stocked”). Stores with greater sales of any certain product typically maintain higher inventory levels of that product or obtain products specifically to accommodate customer or licensee special orders. Inventory levels shown on the NHLC retail website reflect orders placed by retail stores for both purposes.

C. The NHLC Communicates Sale Prices to Retail Stores in the Same Manner for All Brands.

Midway through a month, the NHLC marketing department notifies stores of sale prices for the upcoming month. *See e.g.*, Ex. 21. The individual stores then print sale tags and post them on the product shelves. At times, every sale price might not be known when the first large “push” of sale prices is transmitted. Communications of those prices then follow separately. It appears that the initial push of sales prices for February included one Hennessy product. The specific product the Councilor highlights, Hennessy VS 375 ml Flask, was not on the list. The

sale price for that product was not finalized by January 16, 2018 when the initial list was emailed. Upon review, it appears that the sale price was determined on January 25, 2018 but the sale list containing those “late” sale items did not follow the initial large list. The failure to communicate the sale price to stores for those items was simply human error; the marketing employee who sends the list to stores is relatively new and did not realize that the list had to be sent again. Regardless, the sale price was advertised to the public at large as the Councilor’s own exhibit demonstrates. *See* Volinsky Letter, Attachment at p. 8 (depicting the NHLC website advertising a sale price of \$16.99 for Hennessy VS Cognac 375 ml Flask). Even accounting for occasional errors, the NHLC communicates sale prices to all stores so that sale prices can be posted on the product shelf.

IV. Promo Card Campaigns, Which are Extremely Popular and Profitable for the State of New Hampshire, are Advertised to All Customers and Do Not Raise IRS Reporting Concerns.

First, Councilor Volinsky insinuates that the NHLC improperly advises out of state customers of upcoming Promo Card promotions. In fact, the NHLC does advise *all* of its customers of such promotions, through advertising. For instance, the Promo Card campaign was advertised on the NHLC website and via Facebook and Twitter. *See* Ex. 22. In addition, the NHLC advertises upcoming promotions, including the Promo Card, through email alerts called “Email Extras!” that are sent to approximately 150,000 persons who subscribed through the NHLC retail website. *See* Ex. 23. Moreover, the NHLC Chairman and Commissioner approve marketing promotions, including the Promo Card promotion, in *public meetings* prior to being implemented. The Promo Card promotion was presented and approved at the public meeting on December 7, 2017. *See* Ex. 24. Finally, the NHLC sends promotional materials, such as posters, to retail stores at least a week before a promotion begins. Thus, contrary to the Councilor’s

assertion large volume customers do not get advance notice. Rather, what is evident is that the NHLC operates in plain view.

The Promo Card promotions are extremely popular and customers often wait for the promotion to stock up on wines and spirits, thus earning several Promo Cards. Under the terms of the promotion, any customer who purchases \$150 worth of merchandise receives a Promo Card for \$25, which may be used as payment toward a subsequent purchase. A customer may receive a maximum of ten Promo Cards, or \$250 for a purchase. Currently, a transaction involving a Promo Card is very much a manual process. The retail clerk scans or enters products into the cash register and watches the subtotal until it reaches \$150. At that point, clerk takes out a \$25 Promo Card and swipes it through the point of sale terminal to activate it.

It is cumbersome and time-consuming for retail store employees to process multiple Promo Cards both when issuing the cards and when the cards are ultimately redeemed as payment for a future transaction. Moreover, the likelihood of error increases due to the greater number of steps required for processing a transaction using multiple payment cards. For those reasons and *at the request of employees and the SEA*, the NHLC created a \$250 Promo Card, which it refers to as the “gold” card. Still, it is a manual process for the retail store employee. For sales expected to reach \$1,500, the clerk watches the cash register subtotal and upon reaching \$1,500, the clerk activates a \$250 Promo Card to give to the customer.

Councilor Volinsky is correct inasmuch as the NHLC is unable to prevent a customer from using a Promo Card during the promotional period to pay for a subsequent purchase and earn another Promo Card. Ideally, the Promo Card could not be used as payment until after the promotional period ends. However, the NHLC’s current point-of-sale system is unable to read and reject Promo Cards based on an activation date or the like. The NHLC looks forward to

being able to implement controls of that nature with the new ERP and point-of-sale system (“NextGen”) currently being developed.

Importantly, Promo Cards are awarded based only on the amount of the sale, regardless of whether it is a credit, debit, or cash sale. Even if it is a cash sale, however, a transaction of \$1500 is far below the level that merits reporting to the IRS.

In addition, IRS regulations around the Form 8300 provide that independent purchases at different locations do not constitute related purchases because there is no reason, in the normal course of business, for a clerk at one location to know whether a customer has been to or plans to go to another location. The regulations, in fact, make that point by describing a purchase occasion of even closer proximity:

P, a corporation, owns and operates a racetrack. P’s racetrack contains 100 betting windows at which pari-mutuel wagers may be made. R, an individual, places cash wagers of \$3,000 each at five separate betting windows. Assuming that in the ordinary course of business each betting window (or a central unit linking windows) does not have reason to know the identity of persons making wagers at other betting windows, each betting window would be deemed to be a separate cash recipient under paragraph (c)(8)(i) of this section. As no individual recipient received cash in excess of \$10,000, no report need be made by P under this section.

26 C.F.R. § 1.6050I-1. Thus, whether a customer goes to another store to make an additional purchase is irrelevant according to IRS regulations because each store is a separate cash recipient.

V. Out of Concern for Employee Safety, the NHLC Recently Completed a Pilot Program with an Armored Car Service and is Preparing a Proposal to Request Funding for a Smart Safe and Armored Transport System.

For the 2017 holiday season, the NHLC conducted a pilot program providing armored car pick-ups of store deposits. The NHLC entered a contract with Loomis Armored US, LLC (“Loomis”) to provide secured pick-up and delivery service of bank deposits for the ten stores

with the highest sales. The NHLC conducted the pilot to determine whether armored car or similar service could be a feasible means for relieving store employees of the responsibility of transporting and making daily deposits.

The pilot program was extremely successful. Loomis provided reliable and consistent service. The store managers successfully had deposits ready for Loomis and the scheduled pick-ups did not interfere with store operations. Rather, according to feedback, the stores appreciated that employees were relieved of the responsibility to transport deposits to the bank and could instead focus on store needs. Based on the success of the pilot program and further research into cash security and transit services, the NHLC is eager to implement a system that would include a “smart safe” in every retail store along with armored transport of the funds deposited into the safes.

Councilor Volinsky asserted that a cash deposit of \$100,000 was made by the Keene store the weekend he visited the store. Actually, nine deposits totaling \$70,000 were made over the course of three days, from February 2-4, 2018. Regardless, the NHLC is concerned about the risk to its employees when transporting any amount of cash. That it has undertaken steps to understand how it can incorporate a smart safe system and armored transport service into its operation demonstrates the NHLC’s commitment to its employees.

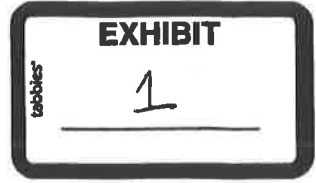
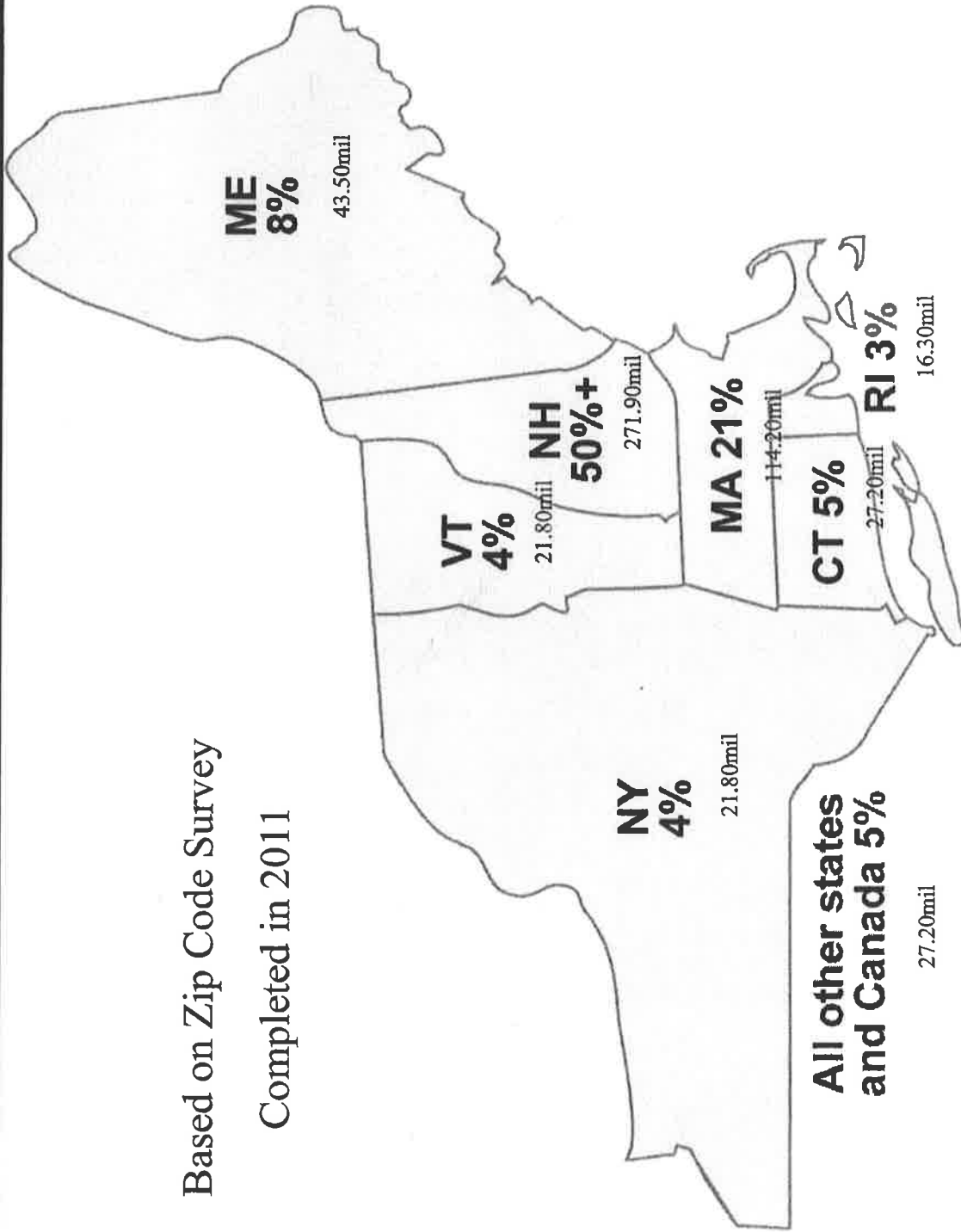
### Conclusion

Executive Councilor Volinsky offers no evidence to support his many allegations of wrongdoing by the NHLC. The lack of any such evidence is due to the plain truth that they are pure conjecture. The NHLC has strong policies in place and trains its employees on procedures designed to accomplish those policies. The NHLC will continue work to preserve the integrity of its operation, ensure the safety of its employees and provide a positive customer experience.



# Customer Origin

Based on Zip Code Survey  
Completed in 2011

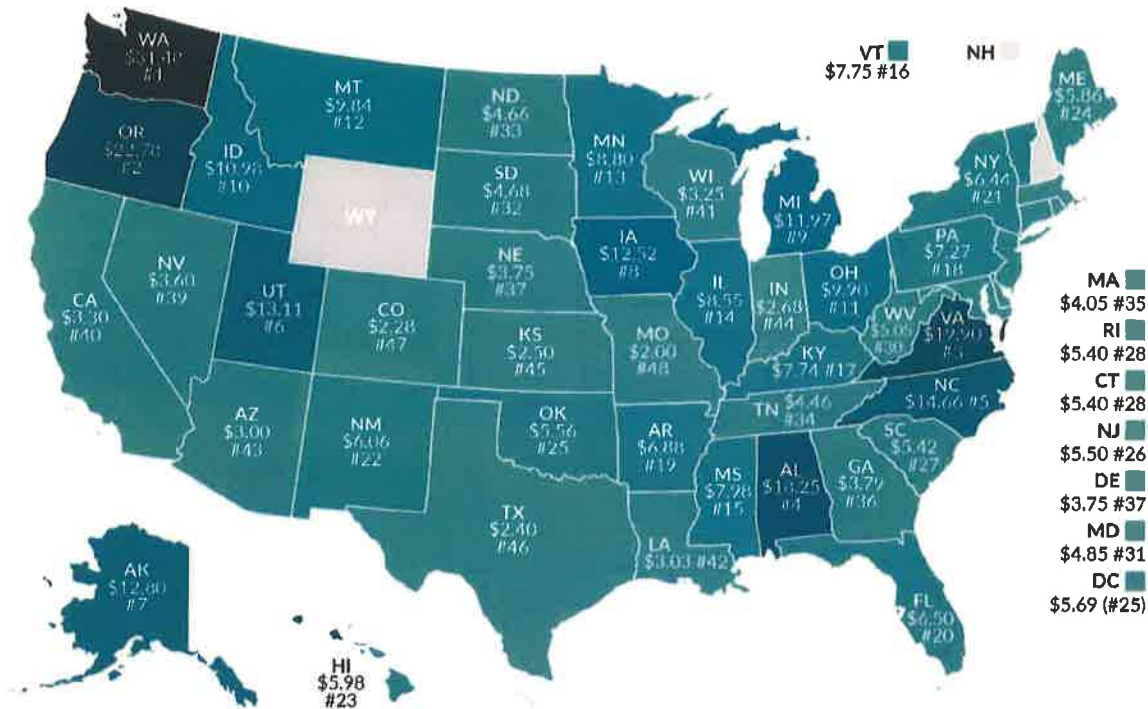


*Approximate percentage of NHSLC sales by state and country.*



## How High Are Spirits Taxes in Your State?

State Spirits Excise Tax Rates (Dollars per Gallon), as of January 2017



Note: Rates are those applicable to off-premise sales of 40% alcohol by volume (a.b.v.) distilled spirits in 750ml containers. D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

AK, CA, CT, DE, FL, GA, IL, IN, LA, MD, MA, NV, NY, ND, RI, SD, TX: Different rates are also applicable according to alcohol content, place of production, size of container, or place purchased (on- or off-premise or onboard airlines).

AL, ID, IA, ME, MI, MS, MT, NH, NC, OH, OR, PA, UT, VT, VA, WV, WY: Control states, where the government controls all sales. Products can be subject to ad valorem mark-up as well as excise taxes.

KY: Includes the wholesale tax rate of 11%, converted to a gallonage excise tax rate.

AR, MN, SC, TN: Includes case fees and/or bottle fees which may vary with size of container.

AR, DC, MD, MN, ND, SD, WA: Includes sales taxes specific to alcoholic beverages.

WA: Includes the retail (17%) and distributor (10%) license fees, converted into a gallonage excise tax rate.

Source: Distilled Spirits Council of the United States.

State Spirits Excise Tax Rate  
(Dollars per Gallon)





## New Hampshire Liquor Commission

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Explore. Discover. Enjoy.

### POLICY AND PROCEDURE

<b>Policy Number:</b>	F-112
<b>Issue/Reissue Date:</b>	03/23/2015
<b>Topic:</b>	Finance/Store Operations Large Volume Sales
<b>Amends/Supersedes Policy No/Date:</b>	Store Operations Manual Cash Control and Security 2-11 Original Effective Date: September 29, 2006; Revision: August 17, 2012
<b>Distribution:</b>	All NHLC Employees
<b>Purpose:</b>	Cash, Product, and Risk Management Control
<b>Policy:</b>	Large Volume Sales Policy

#### I. POLICY STATEMENT:

The Commission is committed to maintaining high legal, ethical, and moral standards. It is determined to promote a culture of honesty and prevention of fraud, criminal conduct, and loss prevention. All employees of the Commission are expected to share this commitment which is identified within our mission statement of the Commission.

#### II. PURPOSE:

The New Hampshire State Liquor Commission ("Commission") recognizes the importance of sound management practices as they relate to store operations for protecting the State of NH, the NHSLC, the employees, and customers. This policy is intended to provide management of Large Volume Sales for our Customers. Failure through omission to follow and abide by these requirements may result in adverse personnel action up to and including dismissal under the New Hampshire Division of Personnel rules.

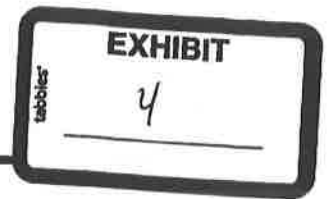
#### III. POLICY:

Integrity, respect, and professionalism are the values for all NH Liquor Commission employees. All NHSLC employees are expected to embrace and adhere to them while carrying out the mission. Furthermore, all employees are expected to be forthright, honest, and truthful with those they come in contact with whether it is the staff of other agencies, the general public or colleagues from within the Commission. All employees will interact with members of the public, co-workers, and management in positive, supportive, and cooperative way.

- Any retail sales transaction must transpire during the normal business hours of the particular store.

- All retail sales, regardless of the volume, must be processed at the cash register in a manner similar to the accepted practice.
- When processing a Large Volume Sale two (2) employees must each individually count cash and bottles at the cash register when a transaction is processed prior to the customer exiting the Retail and Outlet Store.
- Store personnel may answer customer inquiries via telephone regarding current or upcoming sales and product pricing.
- The distribution of any internal NHSLC Marketing documents (electronic or paper) to anyone not employed by the NHSLC is prohibited.
- NHSLC employees will not disseminate any information to their customers regarding the presence of local or state law enforcement personnel in the area of, or on the routes leading to or from, any of our stores.
- All customers that purchase a volume of product totaling \$10,000.00 or more in cash, either through one or multiple related transactions, must complete IRS Form 8300 in its entirety before the sale is processed through the cash register, using one of the forms of identification for the customer that is a currently acceptable form of identification for the purchase of product in our stores (valid driver's license, passport, military ID). The Store Manager or the person in charge will complete Part I through Part III of the IRS form 8300. This information must be printed neatly!
- Cash is defined as US or foreign currency, cashier's check, money orders, NHSLC gift cards or any pre-paid gift card, bank drafts or traveler's checks.
- Completed forms should be forwarded to the NHSLC Store Operations, attention Store Operations Program Assistant, by the store where the purchase was made at the close of business on the day of the transaction(s).
- No New Hampshire State Liquor Commission Employee shall accept any gratuities connected to large volume sales.
- All stores are to service customer requests for all large sales and follow these guidelines.

*NOTE: As outlined in NHSLC policy F-103 CASH HANDLING, all sales are to be handled at the cash registers. ONLY licensees will have the option of receiving product through the rear door if the store can safely accommodate the request. All other sales are to leave the store through the front door.*



**Katherine de Oliveira**

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**From:** Steven A. Gagnon  
**Sent:** Wednesday, February 28, 2018 8:45 PM  
**To:** Katherine de Oliveira  
**Cc:** James E. Richards  
**Subject:** RE: RTK request: Employee guide to lg cash transactions  
**Attachments:** Framing the Learning FT Training.docx; Store FT Training Schedule.docx; Correct Steps when processing a Large Volume Sale.docx

Kat. Here is what I use when conducting the training, it covers more than just large sales. The only other tool I use that is not attached is monopoly money. This is used to illustrate the process of counting money.

Steve

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**From:** Katherine de Oliveira  
**Sent:** Wednesday, February 28, 2018 1:50 PM  
**To:** Steven A. Gagnon  
**Cc:** James E. Richards  
**Subject:** RTK request: Employee guide to lg cash transactions

Steve,

Could you please provide me with the training material you use for instructions relative to large cash sale transactions?

Thanks for your help.

Katherine de Oliveira, Paralegal  
New Hampshire Liquor Commission  
PO Box 503  
50 Storrs Street  
Concord | NH | 03302-0503  
603.230.7048 desk  
603.271.1107 fax  
[Katherine.deOliveira@liquor.nh.gov](mailto:Katherine.deOliveira@liquor.nh.gov)

## **Framing the Learning (FT Training session)**

Cover Schedule and agenda of the balance of the day

Over the past 4 years I have seen a need to consistency from store to store

As staff move from store to store or cover in in consistency had caused issues

Errors happen

Doing thigs different make it difficult

With the new system we will be forced to standardize many practices

**There is an additional reason**

Despite communicating expectations (LVS for Example) they are not being followed

In my 4 years the message has been the same on LVS

Yet each year we deal with at least 1 issue (policy/procedure not followed)

I have a memo from 2006 sent by Peter Engle (Same standards)

All FT will receive the same training

All will be held accountable

There is a lot to standardize

This is a starting point for store operations

This is not intended to be a lecture

I will get you up and move you around at times as well as ask for volunteers

I will try and explain why

I also want questions (if something does not make sense or is unclear please ask)

## **Store FT Training Schedule**

9:00 – 10:30 - Harassment and Respect in the Workplace Training (Lead by BET)

10:30 – 10:45 - Break

10:45 – 12:00 - Customer Service/Ethics/Work Place Safety Training (Lead by HR)

12:00 – 12:30 - Lunch

12:30 – 12:35 – Frame the afternoon Learning Sessions (What we have done well – where we are going)

12:35 – 1:30 – Loss Prevention Training & How to fill out an LSIR (Lead by Monic)

1:30 – 2:00 – Cash Handling/Register Procedure Training (Large Volume Sales processing) (Steve)

2:00 – 2:15 - Break

2:15 – 2:45 – Cash Handling/Register Procedure Training (Safe/Drawers/EODDeposits) (Steve)

2:45 – 3:00 – Wrap up and Evaluation

## **Dates of the Trainings**

1/22   2/26   3/19   4/23   5/21   6/25   7/23   8/27   9/24   10/22   11/26   12/10

**Need to Create Feedback form for these sessions:**

**Need to Create Handouts for Cash Handling.**

Large sale

Pick-ups/deposits/etc. – pulled from the store OPS manual and policies

Fake Cash to illustrate counting

## **Recommended Training Topics**

### **Loss Prevention Training – (Lead By store OPS/Monic)**

- How to use service to deter theft
- What is the role cameras play in loss prevention
- In store security – Perimeter, Office, back room, dumpsters
- How to correctly fill out a LSIR
- When is it ok to approach a customer on theft of merchandise
- When to involve the police
- When to push the Panic Button
- Safety Topics
- Trauma 24 incidents

### **Inventory - Managing and avoiding common mistakes – (Lead by Store OPS/Auditing)**

- Expectations around keeping shelves/displays full leading up to the night of the count
- Expectations around preparing for inventory
- Expectations around managing the night of Inventory
  - Store Map
  - Store Count Sheet (1<sup>st</sup> & 2<sup>nd</sup>)
- Expectations around counting Displays and the Backroom
- Store/Managers role the night of inventory
  - Ensure all items are count
  - Ensure all dolphins are properly down loaded
  - Ensure that everyone counts on the correct count
- Common Mistake and How to Prevent

### **Workers Compensation – How to properly process – (Lead by Store OPS/HR)**

- The law and the manager's responsibility
- What to do when you are notified of an injury
  - Seek medical attention first
  - Process paperwork and send to HR
- The paperwork – What gets filled out and when
  - What does a properly filled out documents look like
- The necessary follow up
  - What does HR do?
  - What does the management team need to do?

**Product Knowledge – (Lead by Gordon/Lisa/Mark/ or outside Vendor)**

Dry sessions held at HQ

Tasting sessions held off site

**Visual Merchandising Training – (Lead by Store OPS/Gordon)**

On Site or Off?

Need to flesh this out!!!!

**Conflict Resolution – Dealing with upset customers/coworkers – (Lead by Store OPS/HR/BET)**

Dealing with upset customers

Discuss Tactics/Strategies to deal with

Roll Play a variety of situations pulled from the real world

Dealing with upset coworkers

Discuss Tactics/Strategies to deal with

Roll Play a variety of situations pulled from the real world

**Review Writing – How to write and deliver an annual performance evaluation – (Lead by Store OPS/HR/BET)**

Writing an Honest and Accurate review starts with capturing observations and feedback in the moment.

Using your observations pull your notes together for the review writing process

You are writing the review for the employee's benefit (Not for HR), write it that way

Cite specific examples of their performance that support your rating

Provide clear expectations around the go forward

Creating the correct environment for conducting the review

Private

Respectful

How to handle giving constructive criticism and managing the response.

**Dealing with performance issues – (Lead by Store OPS/HR/BET)**

See it say it

Document performance

What are the different levels

Who to partner with



Holding a performance conversation

**Observing and Diagnosing Performance/ Coaching and Feedback – (Lead by Store OPS/HR/BET)**

Teach techniques for observing  
SMT Model

**NextGen/Mapper Training – (Lead by Store OPS)**

Train on the new systems  
Train staff on tips/ways to use mapper (If needed)

**Benefit Review – (Lead by HR)**

Review Benefits of FT staff to ensure all are aware of their benefit package

**Cash Handling Training – (Lead by Store OPS/Loss Prevention)**

Verify safe funds to start the day  
Cashier counts start up cash  
Proper way to conduct sale transaction (Count back change)  
    Why  
        Examples of swapping to confuse  
        Eliminates I gave you a \$50 & you gave me change for a \$20  
    How to handle issues  
        Close lave and count till  
Correct way to process large volume sales  
    Independent counts of bottles and cash  
    Cover the whys  
        Example, 750 vs, Liter, 24 vs 12, swap stacks of \$2000  
Proper way to conduct a pick up  
    Independent counts at registers  
    No hand cash over the office wall  
        Why  
Correct way to settle a cashier at the end of the day  
    Blind close  
    Cashier counts till and declares deposit amount  
    Managers verifies that the till has the correct start up cash for the next day  
Correct way to prepare a deposit  
    Independent verification of deposit and sign off on deposit slip at same time

Use of plastic bags only for deposits

Why

Daily Deposits

Why

Credit Card process now that we have the chip

Do we see the card

What to do if the card does not have a chip

### **Interview Training – (Lead by Store OPS/HR)**

Determine needs of store and position

Craft/choose questions to determine how candidate's skills/ability meets needs of position

Preparing for interview (Paperwork, communication w HR & Candidates)

Conducting the interview (What can you do & Say)

Post Interview (Scoring candidates, More than a Gut Feeling)

Post recommendation/Approval (offering the position and notification of candidates of non-selection)

## Cash Handling –

All tills must have a tape in them, tape details cash by denomination type

This is initialed by the cashier and manager who closed out the cashier

Donation jars will not be used to make change

Why? This is the charities money

We have had issues with Theft

Found Money

Add to till for cashier

If over \$5.00 process over/short and explain

Why? To account for all funds

Upon store opening MOD verifies all funds in the safe

Cashier counts drawer at start of shift to verify funds

Correct way to process transactions

Scan items

Bottle counts

Count cash & Place on top of till

Count back change

Why – Eliminated the I gave you a \$50 vs. a \$20

Place cash in drawer and close

What do I do if the customer says I shorted them

Close lane get MOD and count till

What do I do if the customer wants different change than I gave them

Shell game

Pick UPS –

Must be performed at the registers

MOD and cashier

2 independent counts at the registers

Slip signed at the registers by both

Why can't cashier just hand it over the wall/on floor?

Safety/Security

Ensures accuracy

Finger pointing

End of shift processing

Count in the office

Why – Secure/safety

Blind close – You do not tell them what they should have

Why

Cashier counts drawer to starting balance/runs tape and removes deposit

Cashier declares deposit amount

Manager verifies vs ACR – has cashier recount if needed  
Manager verifies till and signs tape  
Manager verifies deposit amount  
Manager finalizes cashier in ACR  
Both manager and cashier review and sign reports  
If needed over/short is completed and signed by cashier and manager  
All done before the cashier leaves for the day.

#### Preparing the deposit

All funds are counted for the safe to ensure it is at the correct amount  
Deposits is counted and slip is prepared by closing manager  
Deposit is counted by a second person with MOD present  
Both people sign the slip  
Yellow copy placed with store financials  
White copy placed in the bag with the deposit  
Plastic deposit Bag is sealed with both counters present  
Why  
Can we have the opening manager verify deposit instead  
No – Why (Give 25 example)  
Why must we use the plastic bags  
Lock in safe

#### Daily deposit

Taken to the bank each day (during daylight hours)  
No exception  
Everyone manager is responsible to make sure it happens  
Keep it discrete - remove badges cover shirts if possible  
Vary times & routes  
Prepare deposit log (Name date and time taken to the bank)

#### Petty Cash –

Only used for tore needs  
Receipts and cash on hand must balance

#### Safe –

No day lock ever  
Safe open Office door closed  
All funds stores in safe overnight

## **Credit card process –**

### **With a chip**

We do not need to see the card.

When prompted the customer inserts the card

Once approved the customer removes the card

Transaction is completed

### **Without the Chip or when the chip is not working**

We need to see the card

Verify that it is signed

Process thru the pin pad

Once approved transaction is completed

## Large Volume Sales –

Need Monopoly money

Large Volume Sale Clarification Procedure

Walk thru process & Illustrate it at the front (get 2 volunteers to help)

Key items to cover:

- Why 2 involved in the process (Large amount of product and cash, mistakes are costly)

- Why open case and scan

  - Errors due to code entering (Share 79 liter vs 750 w cust bring bottle off shelf)

  - Verify case quantity 12 vs 24 vs 15 (Hennessey issue, Beringer, Champagne)

- Why Independent bottle counts

  - Again reduces errors

- Why must we get the entire payment before counting

  - Again reduces errors

- Why can't we both count at the same time

  - Security

  - Ensure 2 independent counts

  - Share 50 issues where we counted same stack twice (\$2000 loss)

- Why must we use the bill counter

  - Checks for counterfeit bills and ensures accuracy

- Why can't we place the funds in the drawer below the registers

  - Not locked or secure

  - Share issues with it being forgotten

- Why must the pick-up process be followed (we just counted the cash 2-3 times)

  - Accuracy with transfer of funds

  - Share pointing fingers example

Again you and your team set the tone for your store. LVS customers know what to expect and will comply with your process. They will wait.

## Correct Steps when processing a Large Volume Cash Sales

**This process needs to be followed for all sales of \$1,000 or greater!**

- Once the product is brought up to the cash register, 2 employees are to be involved in the entire processing of the transaction. Ideally, the 2<sup>nd</sup> person will be the Manager On Duty.
- Each code has one case opened – a bottle is removed and scanned (this removes errors due to keying mistakes or intentional switching of codes by the customer). You cannot use a bottle off the shelf to scan in the code. It must be removed from a case.
- The bottle count is verified by inspecting the open case (Again removes the chance of error by assuming 12 are in the case when it could be 24) or (12 vs. 15 for some champagnes)
- This process is followed for each code until all codes are entered into the register and all merchandise is accounted for.
- Each employee independently performs a bottle count and compares their results to the count on the register screen.
- A total is given to the customer.
- The customer hands the cashier the entire payment. We will not count partial payment; we must wait till the customer gives us the entire payment!
- The cashier counts the funds while the manager observes the cashier's count. (Cashier writes the total on a scrap of paper to compare to the manager's count once completed)
- Once the cashier finishes counting all the funds the manager counts the cash while the cashier observes the manager's count.
- It is critical that the counts are independent of each other and only one person counts at a time. This is for security as well as accuracy.
- Then the funds are to be run through an automatic bill counter at the register, if available. This is for a final verification and will help identify any counterfeit bills.
- The counts are compared and if they match the total is entered into the register and change is made and returned to the customer, then the funds are secured in the register till. **Funds are NOT ALLOWED to be placed in the drawer below the register! The one you keep registers supplies in (Pens, tape, ETC.) as this drawer is not secure!**
- After the customer leaves with their product through the front of the store, the register lane will be closed and a pick-up will be performed following the proper pick up procedure (2 independent counts at the register, 2 signatures on the pick-up slip, and the funds are then transferred to the safe in the office and secured).

- This process needs to be followed regardless of how busy you are. If you are unsure how to make this happen please ask your manager or supervisor for tips on how to manage these situations and still meet the expectation.



## **Store Operations Full Time Training Survey**

**Was the afternoon session useful did we provide you with information that was relevant to your role?**

**In the Loss Presentation Section, what could the presenter do to make the message clearer, or more relevant to your role?**

**In the cash handling section, what could the presenter do to make the message clearer, or more relevant to your role?**

**What could the presented have done that would have made the days sessions better?**

**Do you feel that the afternoon session was a useful use of your time?**

**Are there subjects/topics that you would like to see covered in future sessions? If so What?**

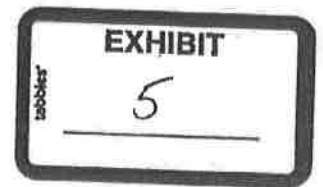
**Is there anything else you would like to share with the presenters?**

## Today's Agenda

9:00 am	Sexual Harassment Policy Review presented by Employment Assistance Program (EAP)
10:30 am to 10:45am	<b>Break</b>
10:45 am to 12:00 pm	Ethics Review Presentation: <b>Ethics Made Simple</b> Customer Service Presentation: <b>Service Starts with a Smile</b> Safety Presentation: <b>Workplace Safety Review</b>
12:00 pm to 12:30 pm	Lunch

12:30 pm to 3:00 pm	Store Operations Presentation
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**NEW HAMPSHIRE LIQUOR & WINE OUTLET**

# **STORE OPERATIONS MANUAL**

**Revised: February 2017**

## **Employee Information- Preface**

### **NHSLC Mission Statement**

For the benefit of the citizens of New Hampshire, the New Hampshire State Liquor Commission will optimize profitability by serving customers well and maintain proper controls over the sale, distribution, and use of alcoholic beverages.

### **NHSLC Customer Service Expectations**

In New Hampshire, public service is all about great customer service. The citizens and all customers of New Hampshire expect and deserve a quality experience when interacting with the NHLC.

- Recognizing that everyone we come into contact with is a customer
- Greeting every customer as they enter and throughout the store
- Treating customers with dignity and respect
- Respecting and valuing our customers' time
- Communicating in an open and straightforward manner
- Listening to fully obtain an understanding of what our customer seek
- Taking ownership of our customers' need and becoming part of the solution
- Striving to exceed expectations of customers
- Committing to continuous improvement based on customer ideas

## TRAINING OF EMPLOYEES

### New employees:

- Each Store Manager will establish a training schedule for new full-time or part-time employees in the store. This training will continue until both the manager and the employee feel confident that the job will be performed competently and efficiently. Each new employee will have available a copy of:
  - The store operations manual.
  - The laws and regulations on the sale of liquor, beer, and wine.
  - The POS equipment operations manual.
  - The latest retail price list.
  - All NH Liquor Commission Policies and Procedures.

### Ongoing training:

- At store staff meetings, the manager will review parts of the store operations manual that employees have questions about, or that must be followed more closely and carefully in the store.
  - All employees must read and initial all store memoranda posted in a designated area.
  - Employees may be trained to perform the duties of others. For example, a cashier may be trained to perform the job of a Retail Store Clerk II. This training may occur for learning and advancement reasons only. A cashier may not fill in for a retail store clerk II on a regular basis.
  - All employees processing sales must complete the NHSLC Enforcement Division sponsored training classes (LOTS) prior to conducting a sale, and annually thereafter.
  - Sexual harassment training must be completed annually.
  - All permanent employees are required to attend Agency sponsored wine and spirits training.

## PROCESSING TRANSACTIONS

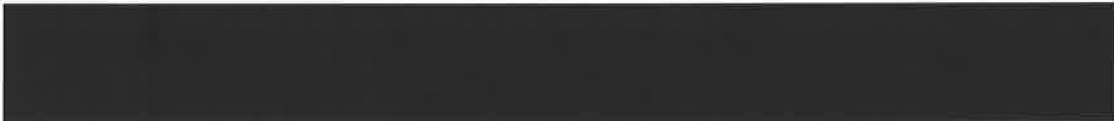
All transactions must be processed at the cash register. Cashiers must do a bottle count on every transaction.

### Payments in cash

Large volume sales paid in cash should be counted by a cashier and a second employee preferably the Manager on Duty and adhere to the Large Volume Sale policy NHSLC F-112.

All currency \$50 and higher should be checked with the counterfeit pen.

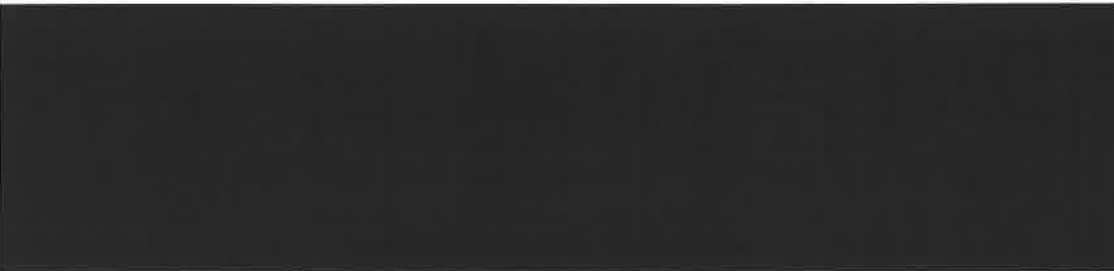
### Payment via Credit



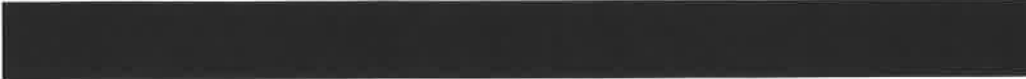



### Payment by Travelers Check



### American Express



**CARE AND ARRANGEMENT OF STOCK**

- 
- 
- All shelves must be fully stocked. Store Managers should be aware of product in short supply so that shelf space will be filled effectively.
- 
- 

**ON-PREMISE LICENSEES**

- On-premise licensees may place orders by telephone or by selecting stock from store shelves.

- [REDACTED]

- [REDACTED]

- The store clerk will verify the licensee number and bottle count.
- Licensees may purchase available in store products without limitation.



(Rev. December 2004)

OMB No. 1545-0092  
Department of the Treasury  
Internal Revenue Service**Report of Cash Payments Over \$10,000  
Received in a Trade or Business**

▶ See instructions for definition of cash.

▶ Use this form for transactions occurring after December 31, 2004. Do not use prior versions after this date.

For Privacy Act and Paperwork Reduction Act Notice, see page 5.

(Rev. 12-2004)

OMB No. 1545-0092  
Department of the Treasury  
Internal Revenue Service**EXHIBIT**

6

1 Check appropriate box(es) if: a ☐ Amends prior report; b ☐ Suspicious transaction**Part I Identity of Individual From Whom the Cash Was Received**

2 If more than one individual is involved, check here and see instructions

3 Last name 4 First name 5 M.I. 6 Taxpayer identification number

7 Address (number, street, and apt. or suite no.) 8 Date of birth (see instructions) M M D D Y Y Y Y

9 City 10 State 11 ZIP code 12 Country (if not U.S.) 13 Occupation, profession, or business

14 Identifying document (ID) a Describe ID b Issued by c Number

**Part II Person on Whose Behalf This Transaction Was Conducted**

15 If this transaction was conducted on behalf of more than one person, check here and see instructions

16 Individual's last name or Organization's name 17 First name 18 M.I. 19 Taxpayer identification number

20 Doing business as (DBA) name (see instructions) Employer identification number

21 Address (number, street, and apt. or suite no.) 22 Occupation, profession, or business

23 City 24 State 25 ZIP code 26 Country (if not U.S.)

27 Alien identification (ID) a Describe ID b Issued by c Number

**Part III Description of Transaction and Method of Payment**28 Date cash received M M D D Y Y Y Y 29 Total cash received \$ .00 30 If cash was received in more than one payment, check here ☐ 31 Total price if different from item 29 \$ .00

32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):

a U.S. currency \$ .00 (Amount in \$100 bills or higher \$ .00)

b Foreign currency \$ .00 (Country ▶ )

c Cashier's check(s) \$ .00 Issuer's name(s) and serial number(s) of the monetary instrument(s) ▶

d Money order(s) \$ .00

e Bank draft(s) \$ .00

f Traveler's check(s) \$ .00

33 Type of transaction

a ☐ Personal property purchasedb ☐ Real property purchasedc ☐ Personal services providedd ☐ Business services providede ☐ Intangible property purchasedf ☐ Debt obligations paidg ☐ Exchange of cashh ☐ Escrow or trust fundsi ☐ Bail received by court clerksj ☐ Other (specify in item 34) ▶

34 Specific description of property or service shown in 33. Give serial or registration number, address, docket number, etc. ▶

**Part IV Business That Received Cash**

35 Name of business that received cash

New Hampshire State Liquor Commission

36 Employer identification number

0 2 6 0 0 0 6 1 8

37 Address (number, street, and apt. or suite no.)

50 Storrs Street P.O. Box 503

Social security number

38 City 39 State 40 ZIP code 41 Nature of your business

Concord

N H

03302

Wholesale &amp; Retail Spirit &amp; Wine Sales

42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.

Signature

Authorized official

Title

NHSLC Commissioner

43 Date of signature M M D D Y Y Y Y 44 Type or print name of contact person 45 Contact telephone number ( 603 ) 271-1705

**Multiple Parties**

(Complete applicable parts below if box 2 or 15 on page 1 is checked)

**Part I Continued—Complete if box 2 on page 1 is checked**

3 Last name			4 First name			5 M.I.			6 Taxpayer identification number			
7 Address (number, street, and apt. or suite no.)						8 Date of birth (see instructions)			M M D D Y Y Y Y			
9 City			10 State		11 ZIP code		12 Country (if not U.S.)			13 Occupation, profession, or business		
14 Identifying document (ID)		a Describe ID						b Issued by				
		c Number										

3 Last name			4 First name			5 M.I.			6 Taxpayer identification number			
7 Address (number, street, and apt. or suite no.)						8 Date of birth (see instructions)			M M D D Y Y Y Y			
9 City			10 State		11 ZIP code		12 Country (if not U.S.)			13 Occupation, profession, or business		
14 Identifying document (ID)		a Describe ID						b Issued by				
		c Number										

**Part II Continued—Complete if box 15 on page 1 is checked**

16 Individual's last name or Organization's name				17 First name				18 M.I.				19 Taxpayer identification number			
20 Doing business as (DBA) name (see instructions)								Employer identification number							
21 Address (number, street, and apt. or suite no.)								22 Occupation, profession, or business							
23 City				24 State		25 ZIP code		26 Country (if not U.S.)							
27 Alien identification (ID)		a Describe ID						b Issued by							
		c Number													

16 Individual's last name or Organization's name				17 First name				18 M.I.				19 Taxpayer identification number			
20 Doing business as (DBA) name (see instructions)								Employer identification number							
21 Address (number, street, and apt. or suite no.)								22 Occupation, profession, or business							
23 City				24 State		25 ZIP code		26 Country (if not U.S.)							
27 Alien identification (ID)		a Describe ID						b Issued by							
		c Number													

**Comments** – Please use the lines provided below to comment on or clarify any information you entered on any line in Parts I, II, III, and IV

Section references are to the Internal Revenue Code unless otherwise noted.

## Important Reminders

- Section 6050I (26 United States Code (U.S.C.) 6050I) and 31 U.S.C. 5331 require that certain information be reported to the IRS and the Financial Crimes Enforcement Network (FinCEN). This information must be reported on IRS/FinCEN Form 8300.
- Item 33 box i is to be checked only by clerks of the court; box d is to be checked by bail bondsmen. See the instructions on page 5.
- For purposes of section 6050I and 31 U.S.C. 5331, the word "cash" and "currency" have the same meaning. See *Cash* under *Definitions* on page 4.

## General Instructions

**Who must file.** Each person engaged in a trade or business who, in the course of that trade or business, receives more than \$10,000 in cash in one transaction or in two or more related transactions, must file Form 8300. Any transactions conducted between a payer (or its agent) and the recipient in a 24-hour period are related transactions. Transactions are considered related even if they occur over a period of more than 24 hours if the recipient knows, or has reason to know, that each transaction is one of a series of connected transactions.

Keep a copy of each Form 8300 for 5 years from the date you file it.

Clerks of Federal or State courts must file Form 8300 if more than \$10,000 in cash is received as bail for an individual(s) charged with certain criminal offenses. For these purposes, a clerk includes the clerk's office or any other office, department, division, branch, or unit of the court that is authorized to receive bail. If a person receives bail on behalf of a clerk, the clerk is treated as receiving the bail. See the instructions for Item 33 on page 5.

If multiple payments are made in cash to satisfy bail and the initial payment does not exceed \$10,000, the initial payment and subsequent payments must be aggregated and the information return must be filed by the 15th day after receipt of the payment that causes the aggregate amount to exceed \$10,000 in cash. In such cases, the reporting requirement can be satisfied either by sending a single written statement with an aggregate amount listed or by furnishing a copy of each Form 8300 relating to that payer. Payments made to satisfy separate bail requirements are not required to be aggregated. See Treasury Regulations section 1.6050I-2.

Casinos must file Form 8300 for nongaming activities (restaurants, shops, etc.).

**Voluntary use of Form 8300.** Form 8300 may be filed voluntarily for any suspicious transaction (see *Definitions*) for use by the IRS, even if the total amount does not exceed \$10,000.

**Exceptions.** Cash is not required to be reported if it is received:

- By a financial institution required to file Form 104, Currency Transaction Report.
- By a casino required to file (or exempt from filing) Form 103, Currency Transaction Report by Casinos, if the cash is received as part of its gaming business.
- By an agent who receives the cash from a principal, if the agent uses all of the cash within 15 days in a second transaction that is reportable on Form 8300 or on Form 104, and discloses all the information necessary to complete Part II of Form 8300 or Form 104 to the recipient of the cash in the second transaction.
- In a transaction occurring entirely outside the United States. See Publication 1544, Reporting Cash Payments Over \$10,000 (Received in a Trade or Business), regarding transactions occurring in Puerto Rico, the Virgin Islands, and territories and possessions of the United States.
- In a transaction that is not in the course of a person's trade or business.

**When to file.** File Form 8300 by the 15th day after the date the cash was received. If that date falls on a Saturday, Sunday, or legal holiday, file the form on the next business day.

**Where to file.** File the form with the Internal Revenue Service, Detroit Computing Center, P.O. Box 32621, Detroit, MI 48232.

**Statement to be provided.** You must give a written or electronic statement to each person named on a required Form 8300 on or before January 31 of the year following the calendar year in which the cash is received. The statement must show the name, telephone number, and address of the information contact for the business, the aggregate amount of reportable cash received, and that the information was furnished to the IRS. Keep a copy of the statement for your records.

**Multiple payments.** If you receive more than one cash payment for a single transaction or for related transactions, you must report the multiple payments any time you receive a total amount that exceeds \$10,000 within any 12-month period. Submit the report within 15 days of the date you receive the payment that

causes the total amount to exceed \$10,000. If more than one report is required within 15 days, you may file a combined report. File the combined report no later than the date the earliest report, if filed separately, would have to be filed.

**Taxpayer identification number (TIN).** You must furnish the correct TIN of the person or persons from whom you receive the cash and, if applicable, the person or persons on whose behalf the transaction is being conducted. You may be subject to penalties for an incorrect or missing TIN.

The TIN for an individual (including a sole proprietorship) is the individual's social security number (SSN). For certain resident aliens who are not eligible to get an SSN and nonresident aliens who are required to file tax returns, it is an IRS Individual Taxpayer Identification Number (ITIN). For other persons, including corporations, partnerships, and estates, it is the employer identification number (EIN).

If you have requested but are not able to get a TIN for one or more of the parties to a transaction within 15 days following the transaction, file the report and attach a statement explaining why the TIN is not included.

**Exception:** You are not required to provide the TIN of a person who is a nonresident alien individual or a foreign organization if that person does not have income effectively connected with the conduct of a U.S. trade or business and does not have an office or place of business, or fiscal or paying agent, in the United States. See Publication 1544 for more information.

**Penalties.** You may be subject to penalties if you fail to file a correct and complete Form 8300 on time and you cannot show that the failure was due to reasonable cause. You may also be subject to penalties if you fail to furnish timely a correct and complete statement to each person named in a required report. A minimum penalty of \$25,000 may be imposed if the failure is due to an intentional or willful disregard of the cash reporting requirements.

Penalties may also be imposed for causing, or attempting to cause, a trade or business to fail to file a required report; for causing, or attempting to cause, a trade or business to file a required report containing a material omission or misstatement of fact; or for structuring, or attempting to structure, transactions to avoid the reporting requirements. These violations may also be subject to criminal prosecution which, upon conviction, may result in imprisonment of up to 5 years or fines of up to \$250,000 for individuals and \$500,000 for corporations or both.

## Definitions

**Cash.** The term "cash" means the following:

- U.S. and foreign coin and currency received in any transaction.
- A cashier's check, money order, bank draft, or traveler's check having a face amount of \$10,000 or less that is received in a designated reporting transaction (defined below), or that is received in any transaction in which the recipient knows that the instrument is being used in an attempt to avoid the reporting of the transaction under either section 6050I or 31 U.S.C. 5331.

**Note.** Cash does not include a check drawn on the payer's own account, such as a personal check, regardless of the amount.

**Designated reporting transaction.** A retail sale (or the receipt of funds by a broker or other intermediary in connection with a retail sale) of a consumer durable, a collectible, or a travel or entertainment activity.

**Retail sale.** Any sale (whether or not the sale is for resale or for any other purpose) made in the course of a trade or business if that trade or business principally consists of making sales to ultimate consumers.

**Consumer durable.** An item of tangible personal property of a type that, under ordinary usage, can reasonably be expected to remain useful for at least 1 year, and that has a sales price of more than \$10,000.

**Collectible.** Any work of art, rug, antique, metal, gem, stamp, coin, etc.

**Travel or entertainment activity.** An item of travel or entertainment that pertains to a single trip or event if the combined sales price of the item and all other items relating to the same trip or event that are sold in the same transaction (or related transactions) exceeds \$10,000.

**Exceptions.** A cashier's check, money order, bank draft, or traveler's check is not considered received in a designated reporting transaction if it constitutes the proceeds of a bank loan or if it is received as a payment on certain promissory notes, installment sales contracts, or down payment plans. See Publication 1544 for more information.

**Person.** An individual, corporation, partnership, trust, estate, association, or company.

**Recipient.** The person receiving the cash. Each branch or other unit of a person's trade or business is considered a separate recipient unless the branch receiving the cash (or a central office linking the branches), knows or has reason to know the identity of payers making cash payments to other branches.

**Transaction.** Includes the purchase of property or services, the payment of debt, the exchange of a negotiable instrument for cash, and the receipt of cash to be held in escrow or trust. A single transaction may not be broken into multiple transactions to avoid reporting.

**Suspicious transaction.** A transaction in which it appears that a person is attempting to cause Form 8300 not to be filed, or to file a false or incomplete form. The term also includes any transaction in which there is an indication of possible illegal activity.

## Specific Instructions

You must complete all parts. However, you may skip Part II if the individual named in Part I is conducting the transaction on his or her behalf only. For voluntary reporting of suspicious transactions, see Item 1 below.

**Item 1.** If you are amending a prior report, check box 1a. Complete the appropriate items with the correct or amended information only. Complete all of Part IV. Staple a copy of the original report to the amended report.

To voluntarily report a suspicious transaction (see *Definitions*), check box 1b. You may also telephone your local IRS Criminal Investigation Division or call 1-800-800-2877.

## Part I

**Item 2.** If two or more individuals conducted the transaction you are reporting, check the box and complete Part I for any one of the individuals. Provide the same information for the other individual(s) on the back of the form. If more than three individuals are involved, provide the same information on additional sheets of paper and attach them to this form.

**Item 6.** Enter the taxpayer identification number (TIN) of the individual named. See *Taxpayer identification number (TIN)* on page 3 for more information.

**Item 8.** Enter eight numerals for the date of birth of the individual named. For example, if the individual's birth date is July 6, 1960, enter 07 06 1960.

**Item 13.** Fully describe the nature of the occupation, profession, or business (for example, "plumber," "attorney," or "automobile dealer"). Do not use general or nondescriptive terms such as "businessman" or "self-employed."

**Item 14.** You must verify the name and address of the named individual(s). Verification must be made by examination of a document normally accepted as a means of identification when cashing checks (for example, a driver's license, passport, alien registration card, or other official

document). In item 14a, enter the type of document examined. In item 14b, identify the issuer of the document. In item 14c, enter the document's number. For example, if the individual has a Utah driver's license, enter "driver's license" in item 14a, "Utah" in item 14b, and the number appearing on the license in item 14c.

**Note.** You must complete all three items (a, b, and c) in this line to make sure that Form 8300 will be processed correctly.

## Part II

**Item 15.** If the transaction is being conducted on behalf of more than one person (including husband and wife or parent and child), check the box and complete Part II for any one of the persons. Provide the same information for the other person(s) on the back of the form. If more than three persons are involved, provide the same information on additional sheets of paper and attach them to this form.

**Items 16 through 19.** If the person on whose behalf the transaction is being conducted is an individual, complete items 16, 17, and 18. Enter his or her TIN in item 19. If the individual is a sole proprietor and has an employer identification number (EIN), you must enter both the SSN and EIN in item 19. If the person is an organization, put its name as shown on required tax filings in item 16 and its EIN in item 19.

**Item 20.** If a sole proprietor or organization named in items 16 through 18 is doing business under a name other than that entered in item 16 (e.g., a "trade" or "doing business as (DBA)" name), enter it here.

**Item 27.** If the person is not required to furnish a TIN, complete this item. See *Taxpayer Identification Number (TIN)* on page 3. Enter a description of the type of official document issued to that person in item 27a (for example, "passport"), the country that issued the document in item 27b, and the document's number in item 27c.

**Note.** You must complete all three items (a, b, and c) in this line to make sure that Form 8300 will be processed correctly.

## Part III

**Item 28.** Enter the date you received the cash. If you received the cash in more than one payment, enter the date you received the payment that caused the combined amount to exceed \$10,000. See *Multiple payments* under *General Instructions* for more information.

**Item 30.** Check this box if the amount shown in item 29 was received in more than one payment (for example, as installment payments or payments on related transactions).

**Item 31.** Enter the total price of the property, services, amount of cash exchanged, etc. (for example, the total cost of a vehicle purchased, cost of catering service, exchange of currency) if different from the amount shown in item 29.

**Item 32.** Enter the dollar amount of each form of cash received. Show foreign currency amounts in U.S. dollar equivalent at a fair market rate of exchange available to the public. The sum of the amounts must equal item 29. For cashier's check, money order, bank draft, or traveler's check, provide the name of the issuer and the serial number of each instrument. Names of all issuers and all serial numbers involved must be provided. If necessary, provide this information on additional sheets of paper and attach them to this form.

**Item 33.** Check the appropriate box(es) that describe the transaction. If the transaction is not specified in boxes a–i, check box j and briefly describe the transaction (for example, "car lease," "boat lease," "house lease," or "aircraft rental"). If the transaction relates to the receipt of bail by a court clerk, check box i, "Bail received by court clerks." This box is only for use by court clerks. If the transaction relates to cash received by a bail bondsman, check box d, "Business services provided."

## Part IV

**Item 36.** If you are a sole proprietorship, you must enter your SSN. If your business also has an EIN, you must provide the EIN as well. All other business entities must enter an EIN.

**Item 41.** Fully describe the nature of your business, for example, "attorney" or "jewelry dealer." Do not use general or nondescriptive terms such as "business" or "store."

**Item 42.** This form must be signed by an individual who has been authorized to do so for the business that received the cash.

## Comments

Use this section to comment on or clarify anything you may have entered on any line in Parts I, II, III, and IV. For example, if you checked box b (Suspicious transaction) in line 1 above Part I, you may want to explain why you think that the cash transaction you are reporting on Form 8300 may be suspicious.

**Privacy Act and Paperwork Reduction Act Notice.** Except as otherwise noted, the information solicited on this form is required by the Internal Revenue Service (IRS) and the Financial Crimes Enforcement Network (FinCEN) in order to carry out the laws and regulations of the United States Department of the Treasury. Trades or businesses, except for clerks of criminal courts, are required to provide the information to the IRS and FinCEN under both section 6050I and 31 U.S.C. 5331. Clerks of criminal courts are required to provide the information to the IRS under section 6050I. Section 6109 and 31 U.S.C. 5331 require that you provide your social security number in order to adequately identify you and process your return and other papers. The principal purpose for collecting the information on this form is to maintain reports or records which have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counterintelligence activities, by directing the Federal Government's attention to unusual or questionable transactions.

You are not required to provide information as to whether the reported transaction is deemed suspicious. Failure to provide all other requested information, or providing fraudulent information, may result in criminal prosecution and other penalties under Title 26 and Title 31 of the United States Code.

Generally, tax returns and return information are confidential, as stated in section 6103. However, section 6103 allows or requires the IRS to disclose or give the information requested on this form to others as described in the Code. For example, we may disclose your tax information to the Department of Justice, to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, to carry out their tax laws. We may disclose this information to other persons as necessary to obtain information which we cannot get in any other way. We may disclose this information to Federal, state, and local child support agencies; and to other Federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also provide the records to appropriate state, local, and foreign criminal law enforcement and regulatory personnel in the performance of their official duties. We may also disclose this information to other countries under a tax treaty, or to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

The IRS authority to disclose information to combat terrorism expired on December 31, 2003. Legislation is pending that would reinstate this authority. "In addition, FinCEN may provide the information to those officials if they are conducting intelligence or counter-intelligence activities to protect against international terrorism."

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any law under Title 26 or Title 31.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is 21 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, you can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. Do not send this form to this office. Instead, see *Where To File* on page 3.



## New Hampshire Liquor Commission

50 Storrs Street, P.O. Box 503  
Concord, N.H. 03302-0503  
(603) 230-7026

Joseph W. Mollica  
Chairman

Michael R. Milligan  
Deputy Commissioner



The Commission has recently received a number of IRS Form 8300's. None of the forms were for a sale greater than \$10,000 as required by law. We are also aware of some stores requiring forms for "suspicious transactions" without providing any proof of illegal activity and the Commission has received information that our retail staff is profiling customers and sending the information to other stores - even when the transaction is not a cash sale. These possible discriminatory acts do not comply with the law and must cease immediately.

Our business is predicated on customer service and each customer should be treated fairly and with respect. Transactions should be performed uniformly throughout our stores.

Please be advised of the following:

1. A Commission employee is **NOT AUTHORIZED** to profile customers or send videos, photos or physical descriptions of customers from one store to another. If you have a concern that you can articulate or document, please forward that to the loss prevention officer or the administrator of store operations.
2. A Commission employee is **NOT AUTHORIZED** to check off the box that a transaction is suspicious unless you can provide facts to back up your knowledge or belief. Someone "looking" suspicious is not enough. The IRS defines a "suspicious" transaction as one:
  - a. where a person is trying to cause you not to file Form 8300; or
  - b. where a person is trying to cause you to file a false or incomplete Form 8300; or
  - c. where there is a sign of possible illegal activity.
3. A Commission employee should not complete an IRS form 8300 for sales of \$10,000 or less, unless you know, or have reason to know, that each sale is one of a series of connected transactions AND the aggregate sales exceeds \$10,000.
4. Transactions made beyond the 24 hour period are NOT related if there is a completely new purchase and you have no reason to believe that it is part of a series of connected transactions.
5. Please remember that the requirement to complete an IRS Form 8300 only applies to CASH (currency) sales only. It is not applicable when personal checks, debit cards, and credit cards are used by a customer in order to pay for the sale.

*Any employee with a question or scenario they would like clarified should contact me or their area supervisor.  
Thank you.*

IRS  
Form

8300

(Rev. December 2004)

OMB No. 1545-0002  
Department of the Treasury  
Internal Revenue Service**Report of Cash Payments Over \$10,000  
Received in a Trade or Business**

▶ See instructions for definition of cash.

▶ Use this form for transactions occurring after December 31, 2004. Do not use prior versions after this date.

For Privacy Act and Paperwork Reduction Act Notice, see page 5.

FinCEN  
Form

8300

(Rev. December 2004)  
OMB No. 1506-0018  
Department of the Treasury  
Financial Crimes  
Enforcement Network1 Check appropriate box(es) if: a ☐ Amends prior report; b ☒ Suspicious transaction.**Part I Identity of Individual From Whom the Cash Was Received**2 If more than one individual is involved, check here and see instructions ☐

3 Last name MacInnes 4 First name Roberto 5 M.I. E  
 6 Date of birth (see instructions) [REDACTED]  
 7 City Bronx 8 State N.Y. 9 ZIP code 10452 10 Country (if not U.S.) [REDACTED]  
 11 Occupation, profession, or business Construction  
 12 Issued by N.Y. State DMV

**Part II Person on Whose Behalf This Transaction Was Conducted**15 If this transaction was conducted on behalf of more than one person, check here and see instructions ☐

16 Individual's last name or Organization's name Fragoso 17 First name Edwin 18 M.I. [REDACTED]  
 19 Doing business as (DBA) name (see instructions) [REDACTED] Employer identification number [REDACTED]

20 City Rockville Ctr 21 State N.Y. 22 ZIP code 11570 23 Country (if not U.S.) [REDACTED]  
 24 Occupation, profession, or business Construction  
 25 Issued by N.Y. State DMV

**Part III Description of Transaction and Method of Payment**

26 Date cash received 04/29/2005 27 Total cash received \$990.00 28 If cash was received in more than one payment, check here ☐ 29 Total price if different from item 29 \$990.00

30 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):

a U.S. currency \$ 990.00 (Amount in \$100 bills or higher \$ .00)  
 b Foreign currency \$ .00 (Country [REDACTED])  
 c Cashier's check(s) \$ .00  
 d Money order(s) \$ .00  
 e Bank draft(s) \$ .00  
 f Traveler's check(s) \$ .00

Issuer's name(s) and serial number(s) of the monetary instrument(s) ▶

**33 Type of transaction**

a ☒ Personal property purchased f ☐ Debt obligations paid  
 b ☐ Real property purchased g ☐ Exchange of cash  
 c ☐ Personal services provided h ☐ Escrow or trust funds  
 d ☐ Business services provided i ☐ Bail received by court clerks  
 e ☐ Intangible property purchased j ☐ Other (specify in item 34) ▶

34 Specific description of property or service shown in 33. Give serial or registration number, address, docket number, etc. ▶

**Part IV Business That Received Cash**

35 Name of business that received cash New Hampshire State Liquor Commission 36 Employer identification number 026000618  
 37 Address (number, street, and apt. or suite no.) 50 Storrs Street P.O. Box 503 Social security number [REDACTED]

38 City Concord 39 State N.H. 40 ZIP code 03302 41 Nature of your business Wholesale & Retail Spirit & Wine Sales  
 42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.

Signature ▶

Authorized official

Title ▶

NHSLC Commissioner

43 Date of signature [REDACTED] 44 Type or print name of contact person [REDACTED] 45 Contact telephone number (603) 271-1705



### Multiple Parties

(Complete applicable parts below if box 2 or 15 on page 1 is checked)

**Part I** Continued—Complete if box 2 on page 1 is checked

3 Last name			4 First name			5 M.I.		6 Taxpayer identification number : : : : : : : : : : : : : : : :			
7 Address (number, street, and apt. or suite no.)						8 Date of birth (see instructions)		M M D D Y Y Y Y Y : : : : : : : : : : : : : : : :			
9 City			10 State :	11 ZIP code		12 Country (if not U.S.)		13 Occupation, profession, or business			
14 Identifying document (ID)		a Describe ID c Number					b Issued by				

3 Last name			4 First name			5 M.I.		6 Taxpayer identification number : : : : : : : : : : : : : : : :			
7 Address (number, street, and apt. or suite no.)						8 Date of birth (see instructions)		M M D D Y Y Y Y Y : : : : : : : : : : : : : : : :			
9 City			10 State :	11 ZIP code		12 Country (if not U.S.)		13 Occupation, profession, or business			
14 Identifying document (ID)		a Describe ID c Number					b Issued by				

**Part II** Continued—Complete if box 15 on page 1 is checked

<b>16</b>	Individual's last name or Organization's name	<b>17</b>	First name	<b>18</b>	M.I.	<b>19</b>	Taxpayer identification number : : : : :
<b>20</b>	Doing business as (DBA) name (see instructions)					Employer identification number : : : : :	
<b>21</b>	Address (number, street, and apt. or suite no.)				<b>22</b> Occupation, profession, or business		
<b>23</b>	City	<b>24</b>	State	<b>25</b>	ZIP code	<b>26</b> Country (if not U.S.)	
<b>27</b>	Allien identification (ID) <b>a</b> Describe ID ► <b>c</b> Number ►					<b>b</b> Issued by ►	
<b>16</b>	Individual's last name or Organization's name	<b>17</b>	First name	<b>18</b>	M.I.	<b>19</b>	Taxpayer identification number : : : : :
<b>20</b>	Doing business as (DBA) name (see instructions)					Employer identification number : : : : :	
<b>21</b>	Address (number, street, and apt. or suite no.)				<b>22</b> Occupation, profession, or business		
<b>23</b>	City	<b>24</b>	State	<b>25</b>	ZIP code	<b>26</b> Country (if not U.S.)	
<b>27</b>	Allien identification (ID) <b>a</b> Describe ID ► <b>c</b> Number ►					<b>b</b> Issued by ►	

**Comments** - Please use the lines provided below to comment on or clarify any information you entered on any line in Parts I, II, III, and IV



**Report of Cash Payments Over \$10,000  
Received in a Trade or Business**

► See instructions for definition of cash.

► Use this form for transactions occurring after December 31, 2004. Do not use prior versions after this date.

For Privacy Act and Paperwork Reduction Act Notice, see page 5.

1 Check appropriate box(es) if: a ☐ Amends prior report; b ☒ Suspicious transaction.

**Part I Identity of Individual From Whom the Cash Was Received**

2 If more than one individual is involved, check here and see instructions ☐

3 Last name FRAGOSO 4 First name EDWARD 5 M.I. [REDACTED]

7 [REDACTED] 8 Date of birth (see instructions) [REDACTED]

9 City Rockville Ctr 10 State N.Y. 11 ZIP code 11570 12 Country (if not U.S.) [REDACTED] 13 Occupation, profession, or business [REDACTED]

14 Identifying document (ID) a Describe ID [REDACTED] b Issued by N.Y. DMV

14 Identifying document (ID) c Number [REDACTED]

14 Identifying document (ID) c Number [REDACTED]

14 Identifying document (ID) c Number [REDACTED]

14 Identifying document (ID) c Number [REDACTED]

14 Identifying document (ID) c Number [REDACTED]

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14 Identifying document (ID) c Number [REDACTED]

14 Identifying document (ID) c Number [REDACTED]

14 Identifying document (ID) c Number [REDACTED]

14 Identifying document (ID) c Number [REDACTED]



IRS  
Form

**8300**

(Rev. December 2004)  
OMB No. 1545-0092  
Department of the Treasury  
Internal Revenue Service

# **Report of Cash Payments Over \$10,000 Received in a Trade or Business**

► See instructions for definition of cash.

► Use this form for transactions occurring after December 31, 2004. Do not use prior versions after this date.  
For Privacy Act and Paperwork Reduction Act Notice, see page 5.

FinCEN  
Form

**8300**

(Rev. December 2004)  
OMB No. 1506-0018  
Department of the Treasury  
Financial Crimes  
Enforcement Network

1 Check appropriate box(es) if: a ☐ Amends prior report; b ☒ Suspicious transaction.

## **Part I Identity of Individual From Whom the Cash Was Received**

2 If more than one individual is involved, check here and see instructions

3 Last name

4 First name

5 M.I.

7 [Redacted] (street and apt. or suite no.)

8 Date of birth (see instructions)

9 City

10 State

11 ZIP code

12 Country (if not U.S.)

13 Occupation, profession, or business

14 Identifying document (ID)

a Describe ID  
c Number

b Issued by

## **Part II Person on Whose Behalf This Transaction Was Conducted**

15 If this transaction was conducted on behalf of more than one person, check here and see instructions

18 Individual's last name or Organization's name

17 First name

18 M.I.

19 Taxpayer identification number

20 Doing business as (DBA) name (see instructions)

Employer identification number

21 Address (number, street, and apt. or suite no.)

22 Occupation, profession, or business

23 City

24 State

25 ZIP code

26 Country (if not U.S.)

27 Alien identification (ID)

a Describe ID  
c Number

b Issued by

## **Part III Description of Transaction and Method of Payment**

28 Date cash received

29 Total cash received

30 If cash was received in more than one payment, check here

31 Total price if different from item 29

32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):

a U.S. currency \$ 7850.00 (Amount in \$100 bills or higher \$ 800.00)  
b Foreign currency \$ (Country)  
c Cashier's check(s) \$ .00  
d Money order(s) \$ .00  
e Bank draft(s) \$ .00  
f Traveler's check(s) \$ .00

Issuer's name(s) and serial number(s) of the monetary instrument(s)

33 Type of transaction

a ☒ Personal property purchased  
b ☐ Real property purchased  
c ☐ Personal services provided  
d ☐ Business services provided  
e ☐ Intangible property purchased  
f ☐ Debt obligations paid  
g ☐ Exchange of cash  
h ☐ Escrow or trust funds  
i ☐ Bail received by court clerks  
j ☐ Other (specify in item 34)

34 Specific description of property or service shown in 33. Give serial or registration number, address, docket number, etc.

## **Part IV Business That Received Cash**

35 Name of business that received cash

New Hampshire State Liquor Commission

37 Address (number, street, and apt. or suite no.)

50 Storrs Street P.O. Box 503

36 Employer identification number

026000618

Social security number

38 City

Concord

39 State

40 ZIP code

41 Nature of your business

Wholesale & Retail Spirit & Wine Sales

42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.

Signature

Authorized official

Title

NHSLC Commissioner

43 Date of signature

M M D D Y Y Y Y

44 Type or print name of contact person

45 Contact telephone number

( 603 ) 271-1705

**Multiple Parties**

(Complete applicable parts below if box 2 or 15 on page 1 is checked)

**Part I Continued—Complete if box 2 on page 1 is checked**

3 Last name			4 First name			5 M.I.			6 Taxpayer identification number			
7 Address (number, street, and apt. or suite no.)						8 Date of birth (see instructions)			M M D D Y Y Y Y			
9 City			10 State		11 ZIP code		12 Country (if not U.S.)			13 Occupation, profession, or business		
14 Identifying document (ID)		a Describe ID						b Issued by				
		c Number										
3 Last name			4 First name			5 M.I.			6 Taxpayer identification number			
7 Address (number, street, and apt. or suite no.)						8 Date of birth (see instructions)			M M D D Y Y Y Y			
9 City			10 State		11 ZIP code		12 Country (if not U.S.)			13 Occupation, profession, or business		
14 Identifying document (ID)		a Describe ID						b Issued by				
		c Number										

**Part II Continued—Complete if box 15 on page 1 is checked**

16 Individual's last name or Organization's name				17 First name				18 M.I.				19 Taxpayer identification number			
20 Doing business as (DBA) name (see instructions)								Employer identification number							
21 Address (number, street, and apt. or suite no.)								22 Occupation, profession, or business							
23 City				24 State		25 ZIP code		26 Country (if not U.S.)							
27 Alien identification (ID)		a Describe ID						b Issued by							
		c Number													
16 Individual's last name or Organization's name				17 First name				18 M.I.				19 Taxpayer identification number			
20 Doing business as (DBA) name (see instructions)								Employer identification number							
21 Address (number, street, and apt. or suite no.)								22 Occupation, profession, or business							
23 City				24 State		25 ZIP code		26 Country (if not U.S.)							
27 Alien identification (ID)		a Describe ID						b Issued by							
		c Number													

**Comments** – Please use the lines provided below to comment on or clarify any information you entered on any line in Parts I, II, III, and IV

#50-Nashua

IRS  
Form**8300**

(Rev. December 2004)

OMB No. 1545-0092  
Department of the Treasury  
Internal Revenue Service**Report of Cash Payments Over \$10,000  
Received in a Trade or Business**

▶ See instructions for definition of cash.

▶ Use this form for transactions occurring after December 31, 2004. Do not use prior versions after this date.

For Privacy Act and Paperwork Reduction Act Notice, see page 5.

FinCEN  
Form**8300**(Rev. December 2004)  
OMB No. 1506-0018  
Department of the Treasury  
Financial Crimes  
Enforcement Network1 Check appropriate box(es) if: a ☐ Amends prior report; b ☒ Suspicious transaction.**Part I Identity of Individual From Whom the Cash Was Received**2 If more than one individual is involved, check here and see instructions ▶ ☐3 Last name Sfolterus 4 First name Ron 5 M.I. [REDACTED] 6 Taxpayer identification number [REDACTED]7 Suite no. [REDACTED] 8 Date of birth (see instructions) [REDACTED]9 City Worcester 10 State MA 11 ZIP code 01603 12 Country (if not U.S.) U 13 Occupation, profession, or business lawyer14 Identifying document (ID) a Describe ID [REDACTED] b Issued by Mass. DMV**Part II Person on Whose Behalf This Transaction Was Conducted**15 If this transaction was conducted on behalf of more than one person, check here and see instructions ▶ ☐16 Individual's last name or Organization's name NH 17 First name LA 18 M.I. [REDACTED] 19 Taxpayer identification number [REDACTED]20 Doing business as (DBA) name (see instructions) [REDACTED] Employer identification number [REDACTED]21 Address (number, street, and apt. or suite no.) [REDACTED] 22 Occupation, profession, or business [REDACTED]23 City [REDACTED] 24 State [REDACTED] 25 ZIP code [REDACTED] 26 Country (if not U.S.) [REDACTED]27 Alien identification (ID) a Describe ID [REDACTED] b Issued by [REDACTED]**Part III Description of Transaction and Method of Payment**28 Date cash received 01/30/2015 29 Total cash received \$ .00 30 If cash was received in more than one payment, check here ☐ 31 Total price if different from item 29 \$ .00

32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):

a U.S. currency \$ 1800.00 (Amount in \$100 bills or higher \$ 3.00)  
b Foreign currency \$ .00 (Country [REDACTED])  
c Cashier's check(s) \$ .00  
d Money order(s) \$ .00  
e Bank draft(s) \$ .00  
f Traveler's check(s) \$ .00Issuer's name(s) and serial number(s) of the monetary instrument(s) ▶ [REDACTED]**33 Type of transaction**a ☒ Personal property purchased f ☐ Debt obligations paid  
b ☐ Real property purchased g ☐ Exchange of cash  
c ☐ Personal services provided h ☐ Escrow or trust funds  
d ☐ Business services provided i ☐ Bail received by court clerks  
e ☐ Intangible property purchased j ☐ Other (specify in item 34) ▶ [REDACTED]34 Specific description of property or service shown in 33. Give serial or registration number, address, docket number, etc. ▶ [REDACTED]**Part IV Business That Received Cash**35 Name of business that received cash New Hampshire State Liquor Commission 36 Employer identification number 02600061837 Address (number, street, and apt. or suite no.) 50 Storrs Street P.O. Box 503 Social security number [REDACTED]38 City Concord 39 State NH 40 ZIP code 03302 41 Nature of your business Wholesale & Retail Spirit & Wine Sales

42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.

Signature [REDACTED] Title NHSLC Commissioner43 Date of signature MMDDYYYY 44 Type or print name of contact person [REDACTED] 45 Contact telephone number (603) 271-1705

**Multiple Parties**

(Complete applicable parts below if box 2 or 15 on page 1 is checked)

**Part I Continued—Complete if box 2 on page 1 is checked**

3 Last name			4 First name			5 M.I.			6 Taxpayer identification number			
7 Address (number, street, and apt. or suite no.)						8 Date of birth (see instructions)			M M D D Y Y Y Y			
9 City			10 State		11 ZIP code		12 Country (if not U.S.)			13 Occupation, profession, or business		
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			c Number									
3 Last name			4 First name			5 M.I.			6 Taxpayer identification number			
7 Address (number, street, and apt. or suite no.)						8 Date of birth (see instructions)			M M D D Y Y Y Y			
9 City			10 State		11 ZIP code		12 Country (if not U.S.)			13 Occupation, profession, or business		
14 Identifying document (ID)			a Describe ID						b Issued by			
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27 Alien identification (ID)				a Describe ID								b Issued by			
				c Number											

Comments – Please use the lines provided below to comment on or clarify any information you entered on any line in Parts I, II, III, and IV

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**From:** Store 77  
**Sent:** Thursday, March 26, 2015 12:41 PM  
**To:** All\_Stores  
**Cc:** Christine M. Keefe  
**Subject:** FW: Suspicious Customer



Hello, Just had the same two gentlemen come through looking for Henny 1.75 and tried to pay for two cases of pineapple ciroc 750 and two cases of coconut ciroc 1.75. The I.D. matched the 2 credit cards the smaller man tried to use. Both were also signed. The taller man went to get the car. Neither C.C. went through. The smaller man went out to the car "to call about the cards" and then they both drove off. Description of both of them from below is correct. Same car, same cloths. They were headed to Keene to find the Henny. The smaller man had a card that said Alex Charles (I believe 99% sure). License and C.C. matched..

Thanks,  
Melissa #77

---

**From:** Store 36  
**Sent:** Thursday, March 26, 2015 11:47 AM  
**To:** Monic Simon  
**Cc:** Christine M. Keefe; Area\_2  
**Subject:** Suspicious Customer

The same vehicle used in the previous issues was just here (11:30-11:35 am) with 2 African American men 1<sup>st</sup> approximately 5'5" medium build, curly hair about 2" long with a black and white zip up hoodie with red lettering on the back and black jeans; 2<sup>nd</sup> approximately 5'5" with a light blue jean snap up shirt, black shinny jeans and black two tone high-top type sneakers. They got into a dark blue/grey Chevy Impala with New York Plate # GRC 2951 that has the passenger (right) break light out. The 1<sup>st</sup> man was the driver. They asked about 2 cases of Hennessy 1.75l which we didn't have and directed them to Keene. We did not get any identification for either man.

Thank You,  
Store # 36



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**From:** Christine M. Keefe  
**Sent:** Thursday, April 9, 2015 4:04 PM  
**To:** Store 63; Keith Burns; Store 21; Store 77  
**Cc:** All\_Stores; Monic Simon  
**Subject:** RE: Questionable customer

Because he's using a credit card. He would only need to fill out the form if he's using cash.

B

Chris Keefe  
Regional Supervisor  
603-419-0532

---

**From:** Store 63  
**Sent:** Thursday, April 09, 2015 4:02 PM  
**To:** Keith Burns; Store 21; Store 77  
**Cc:** All\_Stores; Christine M. Keefe; Monic Simon  
**Subject:** RE: Questionable customer

Hello all,  
I have a question about this gent.. Why wouldn't we make a concerted effort in trying to track his sales when we realize he is the one making the purchase and when he reaches the 10k threshold make him fill out a form?  
Thank you  
Shane  
63

---

**From:** Keith Burns  
**Sent:** Wednesday, April 08, 2015 2:13 PM  
**To:** Store 21; Store 77  
**Cc:** All\_Stores; Christine M. Keefe; Monic Simon  
**Subject:** RE: Questionable customer

Hi all.

I have attached my email sent March 27<sup>th</sup> concerning our responsibility.

**TONY BURNS**  
Regional Store Supervisor  
NH State Liquor Commission  
Phone: 603-339-5367

---

**From:** Store 21  
**Sent:** Wednesday, April 08, 2015 2:01 PM  
**To:** Store 77



**Cc:** All\_Stores; Christine M. Keefe; Monic Simon  
**Subject:** RE: Questionable customer

He was just here. Bought two cases of Patron Silver 750's and two cases of Johnny Walker Black 1.75. First credit card didn't work. Second one did. ID was good for both.

What is our responsibility in this situation?

Thanks

Joe

Assistant Manager

Store #21 / Peterborough

---

**From:** Store 77  
**Sent:** Wednesday, April 08, 2015 12:29 PM  
**To:** All\_Stores  
**Cc:** Christine M. Keefe; Monic Simon  
**Subject:** Questionable customer

Just a heads up to all.

We have just had a questionable customer Jeffrey Luc with a valid Florida license using a looks valid Visa Met life credit card with a snoopy on it.

Wearing a Chicago Bulls Camouflage hat scruffy looking beard Black and Grey argyle sweater blue jeans. Height 5'2"  
License plate FYX either 5113 or 513. Dark Silver ford 4 door not sure of make. One person enter one person stayed in vehicle.

Purchased 2 cases of Johnny walker black 1.75 and 4 1.75 silver patron.

Teresa & Melissa  
Store #77  
Rindge NH

**From:** Store 36  
**Sent:** Monday, May 11, 2015 11:51 AM  
**To:** James E. Richards  
**Subject:** RE: suspicious sale

I will.

Thank You,  
Mary  
Store # 36

---

**From:** James E. Richards  
**Sent:** Monday, May 11, 2015 11:48 AM  
**To:** Store 36  
**Cc:** Christine M. Keefe  
**Subject:** RE: suspicious sale

If the customer is of age, the card is signed and signatures match, and the credit card is approved, you should say "Thank you for shopping with us. Have a great day!" and that's it.  
Thank you,

**Jim Richards**  
Store Operations Administrator  
New Hampshire State Liquor Commission  
PO Box 503  
Concord, NH 03302  
603-230-7030

---

**From:** Store 36  
**Sent:** Monday, May 11, 2015 10:08 AM  
**To:** James E. Richards  
**Cc:** Christine M. Keefe  
**Subject:** RE: suspicious sale

Good Morning Jim,

I apologize for the delayed response to your inquiry about this sale. This sale felt/appeared to be very similar to the sales from March where credit card fraud was suspected. I felt that better safe than sorry was what I was doing with the email. If this isn't how we should handle these instances could you please outline exactly how we should so I can do better in the future.

Thank You,

Leigh Anne Phelps

Store 36 Jaffrey

---

**From:** James E. Richards  
**Sent:** Tuesday, May 05, 2015 4:18 PM  
**To:** Store 2; Store 77; Store 36; Area\_2; ALL\_Sups  
**Cc:** Monic Simon  
**Subject:** RE: suspicious sale

Leigh Anne Phelps, Patrick and Store 2,

I need to know exactly what this customer did to make this a suspicious sale. It looks like they are over 21 and purchased product and paid with a credit card that was accepted.

**Jim Richards**  
Store Operations Administrator  
New Hampshire State Liquor Commission  
PO Box 503  
Concord, NH 03302  
603-230-7030

---

**From:** Store 2  
**Sent:** Tuesday, May 05, 2015 4:08 PM  
**To:** Store 77; Store 36; Area\_2; ALL\_Sups  
**Cc:** Monic Simon  
**Subject:** RE: suspicious sale

They were here as well. It's a Dodge Durango.  
Like every were else all matched up.

-Store 2

---

**From:** Store 77  
**Sent:** Tuesday, May 05, 2015 3:56 PM  
**To:** Store 36; Area\_2; ALL\_Sups  
**Cc:** Monic Simon  
**Subject:** RE: suspicious sale

They were just through here, we weren't able to get a plate # either. Similar items, the first card declined and she produced another one that went through. Both cards matched the NY driver's license, Megan Weis.

Thanks,  
Patrick  
Store 77

**From:** Store 36  
**Sent:** Tuesday, May 05, 2015 12:37 PM  
**To:** Area\_2; ALL\_Sups  
**Cc:** Monic Simon  
**Subject:** suspicious sale

Black Male approximately 5'11" (??? NY id 1989/2019)  
Black baseball hat  
White t-shirt  
Dark grey sleeveless zip up hoodie  
Dark blue with white strip on outside of leg pants  
Blue Nike shoes

White female approximately 5'4" (Megan Wiss NY id 1990/2020)  
Paid with a master card that matched her ID  
Full length dress with multi-colored print in blues purples pinks and white  
With off white sandals flat multi strap zipped at heal

Driving a black Buick SUV(not sure the model)  
NY plates but unable to get the #  
They left after purchasing \$1755.48 and headed toward Peterborough #21

List of items purchased:

Ciroc Coconut liter x1case  
Johnnie Walker Red 750ml x1case  
Johnnie Walker Black 750ml x1case  
Grey goose 750ml x1case  
Hennessy Privilege VSOP 750 x1bottle  
Grey Goose 1.75 x1bottle  
Hennessy 1.75 x2bottles

They were also interested in Johnnie Walker 1.75s either variety, GG and Hennessy in the large sizes as well.

I called both #21 and #77. At the time neither store had seen them but a few minutes later #21 called back to let me know that they were there, so I figured that I'd send this along just in case.

Thank You,

Leigh Anne Phelps

Store 36 Jaffrey



# The State Employees' Association of New Hampshire, Inc.

Service Employees International Union, Local 1984  
CTW, CLC

EXHIBIT

10

December 28, 2016

Matthew J. Newland, Employee Relations Manager  
Bureau of Employee Relations  
Division of Personnel  
25 Capitol Street  
Concord, New Hampshire 03301

Dear Matt,

In accordance with Article 3.6.1, of the Collective Bargaining Agreement, I am requesting that [REDACTED] be granted a continued leave of absence from her position of Child Protective Service Worker II at the Department of Health and Human Services and G [REDACTED] B [REDACTED] from his position of Retail Store Clerk II at the Liquor Commission for a period of time beginning January 6, 2017 for a time not to exceed July 7, 2017.

Your cooperation would be greatly appreciated.

If you need more information or have any questions please contact Kristen Mulcahy at 603-271-3411 Ext. 122 or via email at [kmulcahy@seiu1984.org](mailto:kmulcahy@seiu1984.org).

Thank you very much for your cooperation.

Sincerely,

Richard Gulla

Cc:

[REDACTED]  
G [REDACTED] B [REDACTED]

9-27-17

Lg. Vol Sales - Consultation w/ SOA

- Glenn Miller
- Dan Strick
- Steve Gagner
- RW

concern:

Let EBS know what  
they should do

Is there liability (IRS)

- education

- policy

pl's do this/not this

} education  
roll out

ex/ no problem

\* protection

\* education

ex/ Minn

hold harmless w/r/to 8300

ex/ - get ~ top 8 issues/situations

FAQs / guidance  
to go w/ policy

taking steps to make  
sure no IRS problem

i cannot refuse a sale ?

**Rosemary Wiant**

**From:** Daniel I. St. Hilaire  
**Sent:** Thursday, February 22, 2018 4:23 PM  
**To:** Joseph W. Mollica; Michael R. Milligan; Rosemary Wiant  
**Subject:** FW: IRS 8300 Reporting  
**Attachments:** Large Volume Sales Policy F-112.pdf; 20171020111747.pdf; 8300.pdf; Large volume sales clarification letter.doc

FYI. Just found this email that I sent to Councilor Volinsky and Attorney General MacDonald.

Dan

---

**From:** Daniel I. St. Hilaire  
**Sent:** Friday, October 20, 2017 5:11 PM  
**To:** 'Andru Volinsky'  
**Cc:** 'MacDonald, Gordon'  
**Subject:** IRS 8300 Reporting

Councilor Volinsky,

Attached are documents relative to your request. The second attachment is attorney-client privileged but the Commission has waived this privilege with the consent of Attorney General MacDonald. Explanation of the general legal issue would best be explained in person or by phone. I have given Attorney General MacDonald a 30,000 foot view of these issues as well since his current administration was not involved in any of the decisions regarding the form 8300 reporting requirement.

Let me know if you need anything further. I will be out of the office until Wednesday, October 25, 2017 but I am happy to speak with you at any time before then. [REDACTED]

Thank you.

*Dan*

Daniel St. Hilaire, Esq.  
Director of Administration and Chief Operating Officer



**NH Liquor Commission**

50 Storrs Street, P.O. Box 503  
Concord, NH 03302-0503  
Phone: (603) 230-7073  
Cell: (603) 717-8209  
Fax: (603) 271-3897  
[daniel.sthilaire@liquor.nh.gov](mailto:daniel.sthilaire@liquor.nh.gov)

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ATTORNEY GENERAL  
DEPARTMENT OF JUSTICE

33 CAPITOL STREET  
CONCORD, NEW HAMPSHIRE 03301-6397

MICHAEL A. DELANEY  
ATTORNEY GENERAL



ORVILLE B. "BUD" FITCH II  
DEPUTY ATTORNEY GENERAL

April 12, 2010

Internal Revenue Service  
BSA Compliance Branch  
Form 8300 Penalty Appeal Coordinator  
P.O. Box 33577  
Detroit, MI 48232

Re: *State of New Hampshire Liquor Commission - "Notice of Proposed  
Penalty Assessment: Incomplete Form 8300" (Case No. 200740000017)*

To Whom It May Concern:

On October 5, 2009, the Chairman of State of New Hampshire Liquor Commission (the "Commission") sent a letter to your office appealing a ruling in the above-referenced matter. See attached (unsigned). To date, the Commission has received no response.

Timely clarification of this issue is critical to the Commission, as well as to my office, which provides legal counsel to the Commission, in order to ensure appropriate policies are in place at our State liquor stores to protect the public as well as State employees. Please let me know when we might expect a final decision, and whether you need anything further from us in order to fully evaluate our appeal.

Thank you for your attention.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Glenn A. Perlow".

Glenn A. Perlow  
Assistant Attorney General  
Civil Bureau

Enclosure

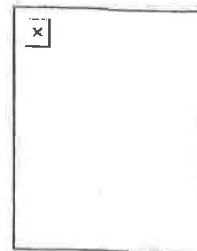
cc: Craig Bulkley, Liquor Commission  
461170





State of New Hampshire  
**LIQUOR COMMISSION**

Storrs Street  
P.O. Box 503  
Concord, N.H. 03302-0503  
(603) 271-3755



John H. Lynch  
Governor

Mark M. Bodi  
Chairman

Richard E. Simard  
Commissioner

October 5, 2009

Internal Revenue Service  
BSA Compliance Branch  
Form 8300 Penalty Appeal Coordinator  
P.O. Box 33577  
Detroit, MI 48232

RE: State of New Hampshire Liquor Commission - "Notice of Proposed Penalty Assessment:  
Incomplete Form 8300" (Case No. 200740000017)

To Whom It May Concern:

The State of New Hampshire Liquor Commission appeals a "Notice of Proposed Penalty Assessment For Late and/or Incomplete Form 8300" dated May 2, 2009 ("Notice") issued to the State of New Hampshire Liquor Commission ("State" or "NHLC"). The Notice indicates that there is a proposed \$200.00 penalty assessment against the State for the filing of four incomplete Form 8300. The proposed assessment consists of four individual penalties of \$50.00 each for a total of \$200.00 (collectively referred to as the "Proposed Assessment").

The State requested a waiver of the Proposed Assessment by letter dated May 22, 2009. This waiver request was denied.

The State is not liable for payment of the Proposed Assessment because the State is a "governmental unit" that is not subject to the filing requirements of Internal Revenue Code ("IRC") 6050I governing "Returns relating to cash received in trade or business, etc." Accordingly, the State is providing additional information for further consideration and appeal of the Proposed Assessment.

The filing requirement for the Form 8300 derives from the IRC 6050I governing "Returns relating to cash received in trade or business, etc." IRC 6050I states:

- (a) Cash receipts of more than \$10,000-- Any person—
  - (1) who is engaged in a trade or business, and
  - (2) who, in the course of such trade or business, receives more than \$10,000 in cash in 1 transaction (or 2 or more related transactions), shall make the return described in subsection (b) with respect to such transaction (or related transactions) at such time as the Secretary may by regulations prescribe.

The Internal Revenue Manual Section 4.26.10.8 (11-21-2006) expressly exempts "governmental units" from the Form 8300 filing requirements. It states: "Exceptions for Governmental Units: The language of IRC Section 6050I does not require governmental units to file Form 8300, except for the specific requirements for criminal court clerks." *Id.* (emphasis added); see Attachment A.

Internal Revenue Service  
October 5, 2009  
Page 2

Additionally, the Form 8300 filing requirement under IRC 6050I applies to a "person." "Person" is defined in IRC 7701(a)(1) to mean and include "an individual, trust, estate, partnership, association, company, or corporation." The Internal Revenue Manual Section 4.26.10.6 (11-21-2006) governing Trade or Business Requirement expressly states "No governmental units are included in this list." See Attachment A.

The NHLC is established by the New Hampshire State Legislature as an executive branch agency of the State. N.H. RSA Chapter 176. As an agency of the State of New Hampshire, the NHLC is a "governmental unit" and exempted from the Form 8300 filing requirements as stated in Internal Revenue Manual Section 4.26.10.8 (11-21-2006). Additionally, the NHLC does not meet the definition of "person" in IRC 7701(a)(1) because it is a governmental unit. See Internal Revenue Manual Section 4.26.10.6 (11-21-2006). Accordingly, the NHLC is not subject to the Form 8300 filing requirements under IRC 6050I, and requests that the Proposed Assessment be removed.

Under penalties of perjury, I declare that the facts presented in this written protest, which are set out in the accompanying statement of facts, schedules, and other statements are, to the best of my knowledge and belief, true, correct, and complete.

Please let me know if you need any additional information. Thank you for your consideration of this appeal.

Respectfully Submitted,  
New Hampshire State Liquor Commission

---

Mark M. Bodi, Chairman

---

Richard E. Simard, Commissioner

cc: Suzan Lehmann, Senior Assistant Attorney General, NH Attorney General's Office

**Craig W. Bulkley**

---

**From:** Lehmann, Suzan [Suzan.Lehmann@doj.nh.gov]  
**Sent:** Friday, September 04, 2009 10:56 AM  
**To:** Craig W. Bulkley  
**Cc:** Mark M. Bodi; Richard E. Simard; Brown, Michael K.  
**Subject:** RE: Form 8300 Reporting

Following up on our discussions on the Form 8300 reporting, research suggests that the commission does not have to complete and submit to feds the form 8300.

The filing requirement for the Form 8300 derives from the Internal Revenue Code. IRC 6050I governing "Returns relating to cash received in trade or business, etc.," states:

(a) Cash receipts of more than \$10,000.-- Any **person**--  
 (1) who is engaged in a **trade or business**, and  
 (2) who, in the course of such trade or business, receives more than \$10,000 in cash in 1 transaction (or 2 or more related transactions),  
 shall make the return described in subsection (b) with respect to such transaction (or related transactions) at such time as the Secretary may by regulations prescribe.

(1) Pursuant to the Internal Revenue Services' own manual, Internal Revenue Manual Section 4.26.10.8 (11-21-2006), "governmental units" are exempt from filing the Form 8300. It states: "Exceptions for Governmental Units: The language of IRC Section 6050I does not require governmental units to file Form 8300, except for the specific requirements for criminal court clerks. ( See IRM 4.26.10.9, Clerk of Criminal Court, for additional information)." Here is link to this information on the IRS website. [http://www.irs.gov/irm/part4/irm\\_04-026-010.html](http://www.irs.gov/irm/part4/irm_04-026-010.html)

(2) The Form 8300 filing requirement under IRC 6050I applies to a "person." "Person" is defined in the Internal Revenue Code Section 7701(a)(1) to mean and include "an individual, trust, estate, partnership, association, company, or corporation." According to the Internal Revenue Manual Section 4.26.10.6 (11-21-2006) governing Trade or Business Requirement, "No governmental units are included in this list." Here is the link to this information on the IRS website. [http://www.irs.gov/irm/part4/irm\\_04-026-010.html](http://www.irs.gov/irm/part4/irm_04-026-010.html)

Pleased be advised that while IRC 6050I specifically exempts "governmental units" from the requirements of 6050I, under the Internal Revenue Code a governmental entity still is considered a "trade or business" for federal tax purposes. Thus, for purposes of taxing, a trade or business includes a governmental entity which must file an information return for each calendar year with respect to payments made during the calendar year in the course of its trade or business. For example, states file Form 1099 for each person to whom it has made rents, services (including parts and materials), prizes and awards, or other income payments.

(3) The Internal Revenue Manual 4.26.10.6 (11-21-2006) governing Trade or Business Requirement provides that the "provisions of IRC Section 6050I apply to cash received by any person in a trade or business, trade or business having the same meaning as in IRC Section 162." IRC section 162 provides that a trade or business generally includes "any activity carried on for the production of income from the sale of goods or from the performance of services." There does not appear to be any concrete rules on what qualifies as a trade or business. Instead, courts have approached this question based on the facts and circumstances of

individual cases. Here, IRC 6050I specifically exempts "governmental units , " and therefore can be reasonably interpreted as not including the liquor commission. Here is the link to this information on the IRS website. [http://www.irs.gov/irm/part4/irm\\_04-026-010.html](http://www.irs.gov/irm/part4/irm_04-026-010.html)

(4) Jim Goldberg , legal counsel for NABCA , reached out to the other control states on this question at my request . He reported that two states responded and both said they do not report. Jim also conducted his own research and concluded that the liquor commission doesn't have report under IRC 6050I (see below email chain).

While reporting via a Form 8300 may not be required, the commission is free to file voluntary reports. You should consider adopting a policy that would enable the commission to file a Form 8300 when there is a suspicion of activity by a cash buyer and the protocol and process for such a filing.

To the extent that the commission desires not to subject itself to mandatory filing of Form 8300, you should consider sending a written response to the IRS' recent demand for payment of fees/fines for the alleged failure to properly complete a Form 8300 before taking any final action. In the response, the state's position with respect to the non-applicability of the Form 8300 filing requirement to the liquor commission should be explained. It would be prudent to get the IRS' reply to the state's position and confirmation of agreement. I can assist you with drafting of this response.

I have attached copies of the relevant provisions in the Internal Revenue Manual and federal laws and regulations for your information and convenience.

Please let me know if you have any questions.

Suzan

Suzan M. Lehmann  
Senior Assistant Attorney General  
N.H. Department of Justice  
Tel: (603) 271-3658  
Fax: (603) 223-6232  
Email: [Suzan.Lehmann@doj.nh.gov](mailto:Suzan.Lehmann@doj.nh.gov)

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-----Original Message-----

**From:** Craig W. Bulkley [<mailto:cbulkley@liquor.state.nh.us>]  
**Sent:** Tuesday, July 28, 2009 2:56 PM  
**To:** Lehmann, Suzan  
**Cc:** Mark M. Bodi; Richard E. Simard; John D. Bunnell; Eddie Edwards

**Subject:** FW: Form 8300 Reporting

Suzan:

Based on the information below from Jim Goldberg, the Commission is inclined to retract our current policy regarding IRS Form 8300 and discontinue any reporting.

We would appreciate your final thoughts on this and will wait to hear from you before taking any action. Thanks.



Please consider the environment before printing this e-mail.

Craig W. Bulkley  
Chief of Administration  
NH State Liquor Commission

☎ (603) 271-1708

FAX (603) 271-3897

Cell: (603) 490-1559

✉ [cbulkley@liquor.state.nh.us](mailto:cbulkley@liquor.state.nh.us)

---

**From:** Mark M. Bodi  
**Sent:** Tuesday, July 28, 2009 12:37 PM  
**To:** 'jimcounsel@aol.com'  
**Cc:** Craig W. Bulkley; John D. Bunnell  
**Subject:** RE: Form 8300 Reporting

Thank you Jim for this....it is quite helpful and I appreciate your assistance.  
Mark

**Mark M. Bodi**

Chairman  
NH Liquor Commission

P Please consider the environment before printing this e-mail.

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**From:** jimcounsel@aol.com [mailto:jimcounsel@aol.com]  
**Sent:** Tuesday, July 28, 2009 9:57 AM  
**To:** Mark M. Bodi  
**Subject:** Form 8300 Reporting

Mark:

This is to follow up on our telephone conversation of last week concerning the possible reporting to the IRS by the New Hampshire State Liquor Commission of cash payments in excess of \$10,000. The IRS requires reporting of such payments on Form 8300 under certain circumstances.

I don't profess to be an expert on Form 8300 reporting and a review of the IRS rules [Treas.Reg. 1.6050I-1(a)(iii)] does indicate a lack of clarity for reporting, but here's my analysis:

Obviously, one way to avoid reporting is not to accept cash payments in the amount of \$10,000 or more. Check payments do not trigger a reporting requirement.

9/4/2009

The IRS rules require reporting in the case of a "retail sale" of a "consumer durable."

My reading of the definition of "retail sale" indicates that even a wholesaler (like NH) is required to report if its "main" business is retail sale of product. Thus, if NH sells more at retail than at wholesale, it would appear to be covered.

But where I think you avoid the responsibility to report cash transactions is that I believe that you do not sell "consumer durable" products, defined as those products "expected to last one year or more under ordinary use." While it's apparent that a car, a boat and jewelry are "consumer durables" because they are expected to last one year or more, I don't believe alcohol beverages fall into that category.

And, for that reason, I do not believe that a state liquor commission has a reporting requirement even if you accept cash payments in excess of \$10,000.

James M. Goldberg  
Goldberg & Associates, PLLC  
1776 K Street, N.W., Suite 800  
Washington, DC 20006-2333  
202-628-2929  
202-463-4545 (FAX)  
jimcounsel@aol.com  
www.assnlaw.com

---

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*Discussed  
Craig will talk to  
Perlow*

**Evie Taft**

**From:** Craig W. Bulkley  
**Sent:** Wednesday, March 31, 2010 7:31 AM  
**To:** Bodi, Mark; Bunnell, John; Edwards, Eddie; Engel, Peter; Milewski, Deborah; Simard, Richard; Taft, Evie; Tsiopras, George  
**Subject:** FW: IRS Form 8300

Please note below the response from Glenn Perlow from the AG's office received late yesterday afternoon.



Please consider the environment before printing this e-mail.

Craig W. Bulkley  
 Director  
 Division of Administration  
 NH State Liquor Commission  
 ☎ (603) 271-1708  
 FAX (603) 271-3897  
 Cell: (603) 490-1559  
 ✉ [cbulkley@liquor.state.nh.us](mailto:cbulkley@liquor.state.nh.us)

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**From:** Perlow, Glenn [mailto:Glenn.Perlow@doj.nh.gov]  
**Sent:** Tuesday, March 30, 2010 4:53 PM  
**To:** Craig W. Bulkley  
**Cc:** Richard E. Simard; Joseph W. Mollica  
**Subject:** RE: IRS Form 8300

Craig and Commissioners,

You have asked for: "something in writing from the AG acknowledging that we do not have to [report certain transactions pursuant to IRS 8300] and that the AG will defend any state employee who may be prosecuted by another governmental entity for an otherwise legal sale."

I have reviewed the prior work on this issue done by SAAG Lehmann, and her advice to the Commission. I will not reiterate the details, but summarize that she advised the Commission that in her opinion federal law does not require such reporting. The Commission has accordingly challenged the IRS position, but a final determination has not yet been made. Simply put, until this open issue is fully resolved with the IRS, I am unable to provide more definitive advice than the preliminary opinion that has already been provided.

SAAG Lehmann also advised: "While reporting via a Form 8300 may not be required, the commission is free to file voluntary reports. You should consider adopting a policy that would enable the commission to file a Form 8300 when there is a suspicion of activity by a cash buyer and the protocol and process for such a filing." I also agree with this advice, as it can help protect employees and the State from potential liability. Of course I understand that the Commission will determine as a matter of policy how to direct its employees based on this

3/31/2010

preliminary opinion.

As to the question of defense and indemnity under RSA 99-D, please bear in mind that decisions regarding 99-D protection are made by the Attorney General on a case-by-case basis, when and if legal action is taken against a State official or employee, and after due investigation. Therefore we cannot make blanket, forward-looking statements regarding eligibility for such defense and indemnity. That said, should the Commission direct its employees not to report, then an employee simply following this direction would certainly be deemed to be acting within the scope of her "official duty," absent circumstances indicating something to the contrary.

Glenn A. Perlow  
Assistant Attorney General, Civil Bureau  
Department of Justice  
glenn.perlow@doj.nh.gov  
tel: 603-271-1271  
fax: 603-223-6217

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-----Original Message-----

**From:** Craig W. Bulkley [mailto:cbulkley@liquor.state.nh.us]  
**Sent:** Tuesday, March 30, 2010 10:45 AM  
**To:** Perlow, Glenn  
**Cc:** Richard E. Simard; Joseph W. Mollica  
**Subject:** IRS Form 8300

Glenn:

Our senior management team meets again tomorrow, and I will be expected to report on the status of a letter from the AG regarding this matter. As you know, this is of critical concern to us – and to our store employees.

Can you please give me a projected date of delivery of this letter?



Please consider the environment before printing this e-mail.

Craig W. Bulkley  
Director  
Division of Administration  
NH State Liquor Commission  
(603) 271-1708  
FAX (603) 271-3897  
Cell: (603) 490-1559  
✉ [cbulkley@liquor.state.nh.us](mailto:cbulkley@liquor.state.nh.us)

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3/31/2010





## New Hampshire Liquor Commission

50 Storrs Street, P.O. Box 503  
Concord, N.H. 03302-0503  
(603) 230-7026

Joseph W. Mollica  
Chairman

Michael R. Milligan  
Deputy Commissioner

The Commission has recently received a number of IRS Form 8300's. None of the forms were for a sale greater than \$10,000 as required by law. We are also aware of some stores requiring forms for "suspicious transactions" without providing any proof of illegal activity and the Commission has received information that our retail staff is profiling customers and sending the information to other stores - even when the transaction is not a cash sale. These possible discriminatory acts do not comply with the law and must cease immediately.

Our business is predicated on customer service and each customer should be treated fairly and with respect. Transactions should be performed uniformly throughout our stores.

Please be advised of the following:

1. **A Commission employee is NOT AUTHORIZED to** profile customers or send videos, photos or physical descriptions of customers from one store to another. If you have a concern that you can articulate or document, please forward that to the loss prevention officer or the administrator of store operations.
2. **A Commission employee is NOT AUTHORIZED to** check off the box that a transaction is suspicious unless you can provide facts to back up your knowledge or belief. Someone "looking" suspicious is not enough. The IRS defines a "suspicious" transaction as one:
  - a. where a person is trying to cause you not to file Form 8300; or
  - b. where a person is trying to cause you to file a false or incomplete Form 8300; or
  - c. where there is a sign of possible illegal activity.
3. **A Commission employee should not** complete an IRS form 8300 for sales of \$10,000 or less, unless you know, or have reason to know, that each sale is one of a series of connected transactions AND the aggregate sales exceeds \$10,000.
4. Transactions made beyond the 24 hour period are NOT related if there is a completely new purchase and you have no reason to believe that it is part of a series of connected transactions.
5. Please remember that the requirement to complete an IRS Form 8300 only applies to CASH (currency) sales only. It is not applicable when personal checks, debit cards, and credit cards are used by a customer in order to pay for the sale.

*Any employee with a question or scenario they would like clarified should contact me or their area supervisor. Thank you.*



## New Hampshire Liquor Commission

50 Storrs Street, P.O. Box 503  
Concord, N.H. 03302-0503  
(603) 230-7026



### POLICY AND PROCEDURE

<b>Policy Number:</b>	F-112
<b>Issue/Reissue Date:</b>	03/23/2015
<b>Topic:</b>	Finance/Store Operations Large Volume Sales
<b>Amends/Supersedes Policy No/Date:</b>	Store Operations Manual Cash Control and Security 2-11 Original Effective Date: September 29, 2006; Revision: August 17, 2012
<b>Distribution:</b>	All NHLC Employees
<b>Purpose:</b>	Cash, Product, and Risk Management Control
<b>Policy:</b>	Large Volume Sales Policy

#### I. POLICY STATEMENT:

The Commission is committed to maintaining high legal, ethical, and moral standards. It is determined to promote a culture of honesty and prevention of fraud, criminal conduct, and loss prevention. All employees of the Commission are expected to share this commitment which is identified within our mission statement of the Commission.

#### II. PURPOSE:

The New Hampshire State Liquor Commission ("Commission") recognizes the importance of sound management practices as they relate to store operations for protecting the State of NH, the NHSLC, the employees, and customers. This policy is intended to provide management of Large Volume Sales for our Customers. Failure through omission to follow and abide by these requirements may result in adverse personnel action up to and including dismissal under the New Hampshire Division of Personnel rules.

#### III. POLICY:

Integrity, respect, and professionalism are the values for all NH Liquor Commission employees. All NHSLC employees are expected to embrace and adhere to them while carrying out the mission. Furthermore, all employees are expected to be forthright, honest, and truthful with those they come in contact with whether it is the staff of other agencies, the general public or colleagues from within the Commission. All employees will interact with members of the public, co-workers, and management in positive, supportive, and cooperative way.

- Any retail sales transaction must transpire during the normal business hours of the particular store.

- All retail sales, regardless of the volume, must be processed at the cash register in a manner similar to the accepted practice.
- When processing a Large Volume Sale two (2) employees must each individually count cash and bottles at the cash register when a transaction is processed prior to the customer exiting the Retail and Outlet Store.
- Store personnel may answer customer inquiries via telephone regarding current or upcoming sales and product pricing.
- The distribution of any internal NHSLC Marketing documents (electronic or paper) to anyone not employed by the NHSLC is prohibited.
- NHSLC employees will not disseminate any information to their customers regarding the presence of local or state law enforcement personnel in the area of, or on the routes leading to or from, any of our stores.
- All customers that purchase a volume of product totaling \$10,000.00 or more in cash, either through one or multiple related transactions, must complete IRS Form 8300 in its entirety before the sale is processed through the cash register, using one of the forms of identification for the customer that is a currently acceptable form of identification for the purchase of product in our stores (valid driver's license, passport, military ID). The Store Manager or the person in charge will complete Part I through Part III of the IRS form 8300. This information must be printed neatly!
- Cash is defined as US or foreign currency, cashier's check, money orders, NHSLC gift cards or any pre-paid gift card, bank drafts or traveler's checks.
- Completed forms should be forwarded to the NHSLC Store Operations, attention Store Operations Program Assistant, by the store where the purchase was made at the close of business on the day of the transaction(s).
- No New Hampshire State Liquor Commission Employee shall accept any gratuities connected to large volume sales.
- All stores are to service customer requests for all large sales and follow these guidelines.

*NOTE: As outlined in NHSLC policy F-103 CASH HANDLING, all sales are to be handled at the cash registers. ONLY licensees will have the option of receiving product through the rear door if the store can safely accommodate the request. All other sales are to leave the store through the front door.*

**8300**

# Report of Cash Payments Over \$10,000 Received in a Trade or Business

**8300**

Department of the Treasury  
Internal Revenue Service

► See instructions for definition of cash.  
► Use this form for transactions occurring after August 29, 2014. Do not use prior versions after this date.  
For Privacy Act and Paperwork Reduction Act Notice, see the last page.

1 Check appropriate box(es) if: a ☐ Amends prior report; b ☐ Suspicious transaction.

## Part I Identity of Individual From Whom the Cash Was Received

2 If more than one individual is involved, check here and see instructions ☐

3 Last name 4 First name 5 M.I. 6 Taxpayer identification number

7 Address (number, street, and apt. or suite no.) 8 Date of birth (see instructions) M M D D Y Y Y Y

9 City 10 State 11 ZIP code 12 Country (if not U.S.) 13 Occupation, profession, or business

14 Identifying document (ID) a Describe ID ► b Issued by ►  
c Number ►

## Part II Person on Whose Behalf This Transaction Was Conducted

15 If this transaction was conducted on behalf of more than one person, check here and see instructions ☐

16 Individual's last name or organization's name 17 First name 18 M.I. 19 Taxpayer identification number

20 Doing business as (DBA) name (see instructions) Employer identification number

21 Address (number, street, and apt. or suite no.) 22 Occupation, profession, or business

23 City 24 State 25 ZIP code 26 Country (if not U.S.)

27 Alien identification (ID) a Describe ID ► b Issued by ►  
c Number ►

## Part III Description of Transaction and Method of Payment

28 Date cash received M M D D Y Y Y Y 29 Total cash received \$ .00 30 If cash was received in more than one payment, check here ☐ 31 Total price if different from item 29 \$ .00

32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):

a U.S. currency \$ .00 (Amount in \$100 bills or higher \$ .00)  
b Foreign currency \$ .00 (Country ►)  
c Cashier's check(s) \$ .00 Issuer's name(s) and serial number(s) of the monetary instrument(s) ►  
d Money order(s) \$ .00  
e Bank draft(s) \$ .00  
f Traveler's check(s) \$ .00

33 Type of transaction  
a ☐ Personal property purchased f ☐ Debt obligations paid  
b ☐ Real property purchased g ☐ Exchange of cash  
c ☐ Personal services provided h ☐ Escrow or trust funds  
d ☐ Business services provided i ☐ Bail received by court clerks  
e ☐ Intangible property purchased j ☐ Other (specify in item 34) ►

34 Specific description of property or service shown in 33. Give serial or registration number, address, docket number, etc. ►

## Part IV Business That Received Cash

35 Name of business that received cash 36 Employer identification number

37 Address (number, street, and apt. or suite no.) Social security number

38 City 39 State 40 ZIP code 41 Nature of your business

42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.

Signature

Authorized official

Title

43 Date of signature M M D D Y Y Y Y 44 Type or print name of contact person 45 Contact telephone number

# Cognac Lovers Outdrink Hennessy -- WSJ

By Matthew Dalton | Published October 28, 2017 | Features | Dow Jones Newswires

Booming demand for the liquor tests its biggest producer; rationing in the U.S.

This article is being republished as part of our daily reproduction of WSJ.com articles that also appeared in the U.S. print edition of The Wall Street Journal (October 28, 2017).

COGNAC, France -- Global demand for cognac is booming, and Hennessy, which controls half of all production of the brown liquor, is scrambling to keep drinkers sated.

Hennessy, part of the Paris-based luxury conglomerate LVMH Moët Hennessy Louis Vuitton SA, is struggling with capacity constraints here in the Cognac region of southwestern France. It can't bottle enough of the stuff, and it is trying to persuade vineyard owners to cultivate more grapes. This year, a springtime frost also hit supply.



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LVMH said earlier this month its third-quarter cognac sales volumes fell from a year earlier -- it didn't say by how much -- because Hennessy held back stock to have enough for the holiday season in the U.S. That hit one of LVMH's biggest and most profitable brands. Hennessy sales last year were about EUR1.6 billion (\$1.89 billion), according to analyst estimates. That represents only 4.2% of LVMH's overall revenue, but roughly 10% of its operating profit.

Shortages have so far been limited mostly to the U.S., one of the brand's biggest markets.

Liquor distributors have been rationing Hennessy V.S, the low-price cognac that is the brand's top-seller in America. But Hennessy executives say they are cautious about raising prices for fear of angering customers.

Gotham Wines & Liquor on the Upper West Side of Manhattan is out of stock and is waiting for the next allocation from its distributor. Staff "look at the history of client buying and they determine how much Hennessy you get for the month," said Jack Battipaglia, manager of Gotham.

The Pennsylvania Liquor Control Board, which sells liquor across the state, said Hennessy has agreed to boost shipments by 10%, but that isn't enough to keep up with demand.

"That's created out of stock situations for various Hennessy products," said Shawn Kelly, a spokesman for the board.

Last year, cognac makers sold 179 million bottles world-wide, or about EUR2.8 billion in sales, up 6% from the previous year and 17% from five years ago. In North America, sales have doubled over that period.

Cognac can only be made from grapes grown near the Charente river here. The grapes are fermented into wine, then distilled twice into a clear liquid called eau de vie, or water of life. Eau de vie is aged anywhere from two years to more than a century in wooden barrels, giving the cognac its brown color.

An April frost that damaged the grape crop across France put Hennessy under more pressure than other suppliers. That is because its main product is V.S, which is aged for just three years. The frost forced Hennessy to delay shipments immediately in the tightly choreographed production of V.S to help make up for shortfalls anticipated three years from now.

One of Hennessy's key constraints has been bottling capacity. It is investing more than a hundred million euros to boost it, and this month the company opened a new plant that is expected to boost shipments by more than 14%.

At the new facility, bottles rattle along a conveyor belt at a rate of 20,000 an hour, passing through a series of machines where they are filled with cognac, labeled and then packaged in twelve-bottle boxes.

To fill all those bottles, Hennessy executives also need to ensure there are enough grapes.

Despite its size, Hennessy is at the mercy of the region's grape-growing families, which have been in the business for generations. The giant has been trying to persuade skeptical growers to expand grape production, which once stood at 247,000 acres of cultivated land but has fallen to 185,000 acres. Growers are wary, having been forced in the past to uproot vineyards because of oversupply at a time when cognac was in lower demand.

Bernard Peillon, president of Hennessy, said he hoped as part of negotiations next year to persuade growers to plant an additional 5,000 acres. "We are slowly increasing the acreage as long as the business dynamism remains," he said.

Write to Matthew Dalton at [Matthew.Dalton@wsj.com](mailto:Matthew.Dalton@wsj.com)

(END) Dow Jones Newswires

October 28, 2017 02:47 ET (06:47 GMT)

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**URL**

<https://www.foxbusiness.com/features/cognac-lovers-outdrink-hennessy-wsj>

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## **Nicole Brassard-Jordan**

---

**From:** Mark R. Roy  
**Sent:** Friday, October 20, 2017 11:35 AM  
**To:** All\_Stores; ALL\_Sups; All Marketing  
**Cc:** Gordon Heins; James E. Richards; Nicole Brassard-Jordan; Weigand, Doug (dweigand@southernwine.com)  
**Subject:** Hennessy 200ml, 375ml flask, & 750ml

Good Morning Everyone:

I have just gone in and placed special orders for all the stores I could based on what we could send out, current inventory in some stores, and current absolutes in the system. I started form small to make sure we have products on our shelves in as many stores as we can and then worked my way up to the largest absolutes for our large volume purchasers. This should help fill your stores for the upcoming promo card sale. This will continue to be a bi-weekly process to ensure we have stock to keep our sales level and enough product to get us through the end of the calendar year. Hope you all have a great weekend!

Thank you,  
Mark Roy  
Spirits Marketing Specialist  
NHS LC 230-7007





## Nicole Brassard-Jordan

---

**From:** Pete Hammer <PHammer@sgws.com>  
**Sent:** Wednesday, December 6, 2017 3:25 PM  
**To:** Nicole Brassard-Jordan  
**Subject:** RE: Hennessy VS

Hi Nicole,

Hope all is well, thank you for your direction, I will follow up immediately on the F18 allocation plan and we'll get back to you soon. I was hoping to get into market before the end of December but not sure it will work, I will confirm my plans ASAP.

Thanks for all your support and direction  
Pete

---

**From:** Nicole Brassard-Jordan [mailto:[Nicole.Brassard-Jordan@liquor.nh.gov](mailto:Nicole.Brassard-Jordan@liquor.nh.gov)]  
**Sent:** Wednesday, December 06, 2017 11:28 AM  
**To:** Doug Weigand <[dweigand@sgws.com](mailto:dweigand@sgws.com)>  
**Cc:** Mark R. Roy <[Mark.Roy@liquor.nh.gov](mailto:Mark.Roy@liquor.nh.gov)>; Pete Hammer <[PHammer@sgws.com](mailto:PHammer@sgws.com)>; Dawn P. Howe <[Dawn.Howe@liquor.nh.gov](mailto:Dawn.Howe@liquor.nh.gov)>  
**Subject:** RE: Hennessy VS  
**Importance:** High

Hi Doug and Peter,

I have a full schedule today and can't fit the time in but encourage you to speak to Mark today. Our goal is to have all the product out to stores from the warehouse before the end of the year to finish the year strong. If Mark's recommendation after talking with you both is to take them off R than I will support it. But I would ask do we have an allocation plan of what is coming for 2018 and delivery's expected in Jan and Feb?

Thanks, Nicole

---

**From:** Doug Weigand [mailto:[dweigand@sgws.com](mailto:dweigand@sgws.com)]  
**Sent:** Wednesday, December 6, 2017 8:50 AM  
**To:** Nicole Brassard-Jordan  
**Cc:** Mark R. Roy; Pete Hammer  
**Subject:** Hennessy VS

Good Morning Nicole,

I am inquiring about the current restricted status on Hennessy VS 200mls, 375mls and 750mls. Understanding that you have been diligent in managing the business of VS to market, I have my concerns when it comes to next year's allocation. My concern is having leftover 2017 product and therefore MHUSA adjusting their 2018 allocations accordingly. Would you have any thoughts on when you would be releasing the restricted status?

*(Below is the current DHL inventory snapshot, along with scheduled December deliveries.)*

If you are available today, both Pete Hammer and I are welcome to discussing this topic on a conference call. Hope this message finds you well and I look forward to hearing from you.

Thank you,

Douglas S. Weigand  
Senior Sales Director - NH/VT



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A Division of Southern Glazer's  
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(603) 223-2323 x215 (w)  
(603) 496-5171 (c)

#### CURRENT INVENTORY - HENNESSY VS

Vendor	Vendor Name	NH Status	Brand	Brand Code Desc	Size Desc	Pk	SumOfEnd Cases
8112	MOET HENNESSY USA INC	R	307	Hennessy VS Cognac	200mL	24	5,872.21
8112	MOET HENNESSY USA INC	R	4638	Hennessy VS Cognac Flask	375mL	12	4,947.00
8112	MOET HENNESSY USA INC	R	4685	Hennessy VS Cognac	750mL	12	2,487.08

#### DELIVERY APPOINTMENTS FOR DECEMEBER

##### December 2017: Last Delivery of 2017

Hennessy VS	NH Code #	Size	Total Actual Cases Allocated	Apt. Date	Quantity
NEW HAMPSHIRE	4685	750mL	235	12/7/2017	235
NEW HAMPSHIRE	4638	375mL FL	609	12/7/2017	609
NEW HAMPSHIRE	4621	375mL Round	0		
NEW HAMPSHIRE	307	200mL	306	12/7/2017	306
NEW HAMPSHIRE	4673	1.75L	129	12/7/2017	129

NEW HAMPSHIRE	820	1.00L	144	12/7/2017	144
NEW HAMPSHIRE	4683	50mL	10	12/7/2017	10
			1,433		1,433

**Joseph W. Mollica**

EXHIBIT

15

**From:** Nicole Brassard-Jordan  
**Sent:** Friday, March 02, 2018 3:33 PM  
**To:** Joseph W. Mollica; Michael R. Milligan  
**Cc:** Daniel I. St. Hilaire  
**Subject:** FW: Follow Up

***Good afternoon Chairman Mollica and Deputy Commissioner Milligan:***

***Yesterday Mark Roy and I met with John Schmitt, Senior Vice President of Moet Hennessy Control States for our annual review of programs and allocations planned for 2018. We discussed allocations which have been strained due to worldwide supply shortages. It is evident that currently decreasing Moet Hennessy sales in New Hampshire have put our secured allocations in jeopardy. I wanted to make you aware of this situation as our sales and state revenues will be affected.***

***Thank you.  
Nicole***

***Nicole Brassard Jordan  
Division Director  
Marketing, Merchandising and Warehousing NH Liquor Commission PO Box 503 Concord,  
NH 03302-0503  
603-230-7046***

***-----Original Message-----***

***From: John SCHMITT [<mailto:john.schmitt@moethennessy.com>]  
Sent: Thursday, March 1, 2018 4:24 PM  
To: Nicole Brassard-Jordan  
Subject: Follow Up***

***Nicole***

***Great seeing you today and continuing our conversations on the MHUSA portfolio and Hennessy VS, in particular on the Hennessy VS allocations due to supply constraints. As discussed our full year plan is currently in tact but that plan is predicated on staying on course with the depletions as the allocations have been laid out on a monthly basis for all states. So if we get too far behind on the plan we stand to lose the cases behind plan to open or other markets that are out of stock. This is simply a metric of the strong brand strength and the flow of the goods we will be receiving from France and is the same approach being utilized nation wide.***

***I want to make sure we all understand the environment we are working under and if any points of clarification are needed I am happy to address. You are an important customer and the transparent approach we have had over the past year has allowed us collectively to navigate and smooth the waters to a new allocated environment.***

*Let me know if there is anything else you may need as a follow up to this or the other topics covered.*

*Thanks*

*John Schmitt*

#####  
#####

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#####  
#####

**Rosemary Wiant**

**EXHIBIT**

tabbles

16

**From:** Nicole Brassard-Jordan  
**Sent:** Wednesday, March 28, 2018 9:15 AM  
**To:** Rosemary Wiant  
**Subject:** FW: NHSLS #15 Recommended Spirits Planograms - Approved  
**Attachments:** 15 Spirits Planograms.pdf; 15StorePlan.pptx

Good Morning Rose,

Attached is the spirits set for our Keene location. These sets are produced once per calendar year for all our locations, this store receive the set by email on 2/23/18.

Please let me know if you need any additional information.

All the best,  
Nicole

---

**From:** Mark R. Roy  
**Sent:** Wednesday, March 28, 2018 8:27 AM  
**To:** Nicole Brassard-Jordan  
**Subject:** FW: NHSLS #15 Recommended Spirits Planograms - Approved

As requested.

Thank you,  
Mark Roy  
Spirits Marketing Specialist  
NHSLS 230-7007

---

**From:** Jon Bardwell [<mailto:JBardwell@sgws.com>]  
**Sent:** Friday, February 23, 2018 10:46 AM  
**To:** Mark R. Roy  
**Subject:** NHSLS #15 Recommended Spirits Planograms - Approved

Attached are the new spirits planograms and layout for your store.  
The assortment reflects all commission decisions made thru February 22, 2018.

The reset team and the commission have performed an space to sales analysis of your store, and some segments sizes are changing to allow for additional space to be dedicated to your growing categories, at the expense of some of your over spaced sections.

All segments have been set by current regular retail price progression, with increased facing assigned based on your stores sales performance

Please take note of the blocking within the major segments and brands, and in some cases added space built into the sets to allow for clean vertical blocks to be established.

Make all attempts to set the segments in the space allotted, beginning and ending with straight lines, making any adjustments within the footage

As in the past, all efforts have been taken for the planograms to reflect your current assortment and inventory of active and OTB items

Within the description:

One Time Buys are noted as "OTB"

Delisted Items are notes as "Deleted", one facing has been assigned to these items, and if/when inventory sells thru, please expand on better selling items nearby

Our suggestion is that you examine the new store plan, and develop a plan of execution, as some sections are changing size or location.

Please feel free to contact Jon Bardwell with any questions about your sets.

**JON BARDWELL**

Customer Development Manager

SGWS Control States East

O: 603-230-2609

C: 603-496-9728

**Please note my new email address:**

[jbardwell@sgws.com](mailto:jbardwell@sgws.com)



**SOUTHERN GLAZER'S  
WINE AND SPIRITS**



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Spirits Schematic - Section 12  
Brandy / Flavored Brandy[illegible]



New Hampshire Store #15  
Keene, NH (2/18)  
Spirits Schematic - Section 12  
Brandy / Flavored Brandy

4732 REMY MARTIN VSOP COGNAC 1.75 LT 2F 13Sold \$94.99	3601 REMY MARTIN V 750.00 ML 2F 10Sold \$39.99	4254 REMY MARTIN 1738 RYL 375.00 ML 2F 61Sold \$29.99	782 REMY MARTIN 1738 ACCORD RYL 750.00 ML 2F 44Sold \$57.99	4528 REMY COGNAC 750.00 ML 1F 2Sold \$199.99	2311 D'USSE VSOP COGNAC 375.00 ML 2F 1Sold \$26.99	4320 D'USSE VSOP COGNAC 750.00 ML 2F 12Sold \$52.99	5468 HINE VSOP COGNAC 750.00 ML 1F 7Sold \$64.99	4878 ALLENS COFFEE BRANDY 750.00 ML 2F 78Sold \$7.99	7878 ALLENS COFFEE BRANDY 1.75 LT 3F 247Sold \$15.99	4896 HIRAM WALKER COFFEE BRANDY 1.75 LT 2F 67Sold \$19.99
4498 CALVADOS BOUVARD GRAND SOLAGE 750.00 ML 2F 11Sold \$42.99	4513 CHAUFFE- COEUR VSOP CALVADOS VSOP 750.00 ML 2F 7Sold \$49.99	4527 CAMUS GRAND VSOP 750.00 ML 2F 7Sold \$39.99	5076 MARIE DUFFAU NAPOLÉON ARMAGNAC 750.00 ML 2F 42Sold \$38.99	2362 GRAN DUQUE DALBA 750.00 ML 2F 1Sold \$44.99	4813 MONTER U SHERRY FRENCH BRANDY 750.00 ML 1F 1544 \$54.99	5881 JOSIAH BARTLETT APPLE BRANDY 750.00 ML 2F 9Sold \$32.99	1769 MR. BOSTON COFFEE TRAVELER 750.00 ML 2F 8Sold \$7.49	4916 MR BOSTON COFFEE BRANDY 1.75 LT 3F 270Sold \$13.99	4882 ARROW COFFEE BRANDY 750.00 ML 2F 101Sold \$8.49	8670 ARROW COFFEE BRANDY 1.75 LT 4F 606Sold \$15.49
4626 MEUKOW VS COGNAC 750.00 ML 3F 89Sold \$24.49	4624 MEUKOW 90 750.00 ML 2F 24Sold \$28.99	9131 CAFFO DOMINIQUE BRANDY 750.00 ML 2F 1Sold \$24.99	8664 ASBACH URALI GERMAN BRANDY 750.00 ML 2F 66Sold \$24.99	4779 MOLLETO GRAPPA DI BARBERA 750.00 ML 39Sold \$29.99	4829 MR BOSTON BLACKBERRY BRANDY 1.75 LT 3F 332Sold \$13.99	8819 LEROUX BLACKBERRY BRANDY 750.00 ML 3F 275Sold \$7.99	4806 LEROUX BLACKBERRY BRANDY 1.75 LT 3F 230Sold \$16.99			
8252 GAZDINA PLUM BRANDY 750.00 ML 2F 98Sold \$18.99	8267 GAZDINA WILLIAM'S PEAR BRANDY 750.00 ML 2F 70Sold \$21.99	1782 GAZDINA RASPBERRY BRANDY 750.00 ML 2F 1Sold \$23.99	6254 TSILILI GRAPE BRANDY 750.00 ML 2F 15Sold \$21.99	5836 BAUERS OBSTLER PEAR BRANDY 1.00 LT 2F 15Sold \$29.99	4783 MR BOSTON APRICOT BRANDY 1.75 LT 3F 118Sold \$13.99	8823 LEROUX APRICOT BRANDY 750.00 ML 3F 216Sold \$7.99	4932 ARROW GINGER BRANDY 750.00 ML 3F 199Sold \$7.99	4945 JACQUIN GINGER BRANDY 750.00 ML 3F 379Sold \$10.49		

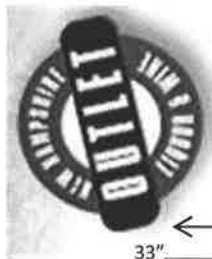
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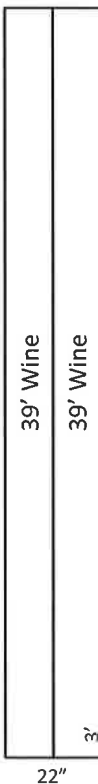
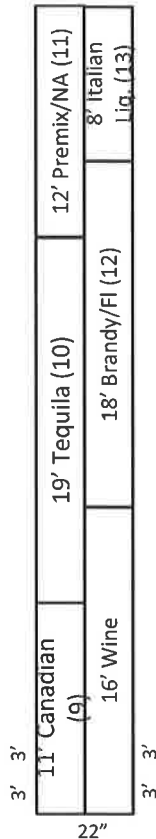
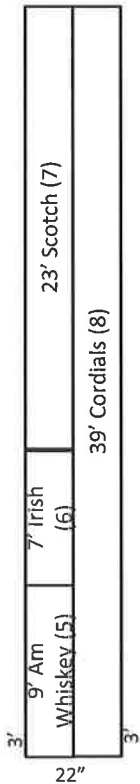
**Keene, NH  
Store #15  
2/18**



Door

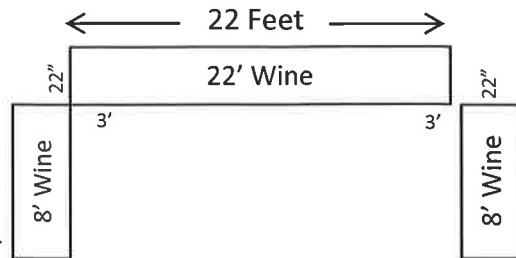
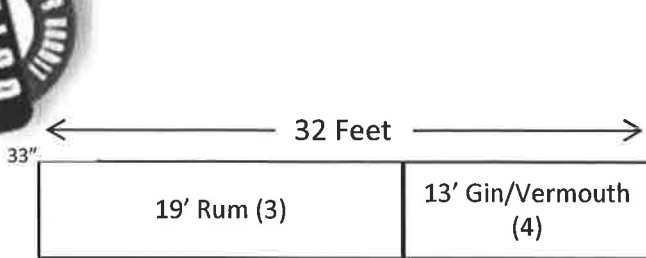


**Spirits – Cluster 1  
Wine – Cluster 2**



Out

In



**Spirits = 1,024'  
Wine = 1,182'**

Assumption: Wall mounted wood racks merchandise 3 shelves/ ft of length  
Free standing wood racks merchandise 1.5 shelves/ ft in length



Pembroke, NH  
Store #81

Spirits – Cluster 4  
Wine – Cluster 4

6/17

Office



44"

72 Feet

72' Vodka w/ 12' Imp (1)

Door

22' Gin/Vermouth (4)	39' Rum (2)	13' Premix/NA (3)
22' Tequila (5)	8' Am Whisky	

22"

14' Brandy/FI (9)	34' Scotch (7)	10' Irish (8)
17' Canadian (10)	13' Schnapps (11)	

22"

Registers

40' Cordials (12)
Side 140' Wine

22"

Registers

Side 2 40' Wine
Side 340' Wine

22"

Registers

It

Side 4 36' Wine
Side 5 36' Wine

22"

Registers

Side 6 32' Wine
Side 7 32' Wine

22"



Spirits = 1,428'  
Wine = 1,304'

3' 3'

Side 8 42' Wine

42 Feet

22"

28 Feet

28' Bourbon (13)	Cooler	Wine Vault
------------------	--------	------------

Door

Side 10 8' Wine
--------------------

Door

Side 9 6' Wine
3' 3'

tabbles\*

EXHIBIT

18





(1)

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## Allegations About Cash Sales At N.H. State Liquor Stores Echo Earlier Investigation

By [TODD BOOKMAN \(/PEOPLE/TODD-BOOKMAN\)](#) • FEB 22, 2018

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[http://mediad.publicbroadcasting.net/p/nhpr/files/styles/x\\_large/public/201802/hennessy\\_pic.jpg](http://mediad.publicbroadcasting.net/p/nhpr/files/styles/x_large/public/201802/hennessy_pic.jpg)

*Hennessy on display at a New Hampshire Liquor Store*

CREDIT LAUREN CHOOLJIAN/NHPR

Large all-cash transactions. Out-of-state customers going store to store to buy enormous quantities of Hennessy cognac. Employees unsure about how to handle potentially illegal liquor sales.

Those are the details at the center of a memo released last week

[http://mediad.publicbroadcasting.net/p/nhpr/files/201802/ahv\\_ltr\\_to\\_sununu\\_macdonald\\_re\\_\\_questionable\\_business\\_practices\\_of\\_t](http://mediad.publicbroadcasting.net/p/nhpr/files/201802/ahv_ltr_to_sununu_macdonald_re__questionable_business_practices_of_t) by Executive Councilor Andru Volinsky. But they also mirror - to a remarkable degree - the content of an independent New Hampshire legislative report released nearly six years ago.

Read NHPR's earlier reporting on this story (<http://nhpr.org/post/councilor-says-nh-liquor-commission-aiding-cross-border-money-laundering-scheme>)

EXHIBIT

20

tabbies



3007  
Hennessy VS Cognac  
\$9.99 200mL

4638  
Hennessy VS Cognac  
Flask  
\$17.49 375mL

Hennessy on display at a New Hampshire Liquor Store  
Credit Lauren Choiljian/NHPR

**Rosemary Wiant**

EXHIBIT

tabbles

21

**From:** Dawn P. Howe  
**Sent:** Thursday, March 8, 2018 9:29 AM  
**To:** Rosemary Wiant  
**Subject:** FW: Marketing Memo 6960 - February Pricing  
**Attachments:** February2018.docx

Rose,  
Here is what I sent out regarding the February sale. Let me know if you need anything else.

Dawn Howe  
Assistant to the Director of Marketing  
NH Liquor Commission  
603-230-7063  
[dawn.howe@liquor.nh.gov](mailto:dawn.howe@liquor.nh.gov)  
50 Storrs Street  
Concord, NH 03302-0503

---

**From:** Dawn P. Howe  
**Sent:** Tuesday, January 16, 2018 12:53 PM  
**To:** All Stores; Brokers  
**Cc:** All Marketing; 'The Country Mile'  
**Subject:** Marketing Memo 6960 - February Pricing

**MKT Memo 6960**  
January 16, 2018

February 2018 pricing has been finalized and beginning today, all stores may print sales tags. Please remember to select MONTHLY sales tags and the correct sale period for February (January 29-February 25, 2018).

**The sale color card for the month of February is PINK**

If any of your store products require more than one shelf placement (i.e., Dewar's, Bacardi), you need to print additional sales tags. Your sale tag program gives you the option to print "individual sale tags).

Thank you.

Dawn Howe  
Assistant to the Director of Marketing  
NH Liquor Commission  
603-230-7063  
[dawn.howe@liquor.nh.gov](mailto:dawn.howe@liquor.nh.gov)  
50 Storrs Street  
Concord, NH 03302-0503

NEW HAMPSHIRE STATE LIQUOR COMMISSION  
MONTHLY RETAIL SPECIALS PRICE LIST  
JANUARY 29, 2018 THRU FEBRUARY 25, 2018

BRAND	DESCRIPTION	SIZE	PROOF	COMPARE AT	SALES PRICE	AMOUNT SAVED	DATE EXCEPTIONS
KENTUCKY WHISKEY							
1855	Westland Sherry Wood Oak Wsk	750mL	92.0	89.99	79.99	10.00	I
1857	Westland Peated Oak Whiskey	750mL	92.0	89.99	79.99	10.00	I
2764	Hatfield & McCoy Whiskey	750mL	80.0	31.99	25.99	6.00	I
1609	CALI Whiskey	750mL	85.0	34.99	29.99	5.00	I
2444	Clyde May's Alabama Style Wh	750mL	85.0	34.99	29.99	5.00	I
2130	Bully Boy American Whiskey	750mL	84.0	32.99	29.99	3.00	I
2363	Ghost Owl Whisky	750mL	100.0	34.99	31.99	3.00	I
2365	Smooth Ambler Old Scout Wsky	750mL	99.0	31.99	28.99	3.00	I
TENNESEE WHISKEY							
1233	Jack Daniels No 7 Black	1.75L	80.0	43.99	36.99	7.00	I
1237	Jack Daniels Single Barrel	750mL	94.0	49.99	44.99	5.00	I
1770	Jack Daniels Tennessee Fire	1.75L	70.0	43.99	38.99	5.00	I
1927	Jack Daniels 'Barrel Proof'	750mL	100.0	69.99	64.99	5.00	I
2760	Jack Daniels Tennessee Honey	1.75L	70.0	43.99	38.99	5.00	I
9203	Jack Daniel SB Wsky 1582	750mL	94.0	49.99	44.99	5.00	I
9204	Jack Daniel SB Wsky 1583	750mL	94.0	49.99	44.99	5.00	I
9205	Jack Daniel SB Wsky 1584	750mL	94.0	49.99	44.99	5.00	I
9206	Jack Daniel SB Wsky 1585	750mL	94.0	49.99	44.99	5.00	I
9207	Jack Daniel SB Wsky 1586	750mL	94.0	49.99	44.99	5.00	I
9208	Jack Daniel SB Wsky 1588	750mL	94.0	49.99	44.99	5.00	I
9209	Jack Daniel SB Wsky 1589	750mL	94.0	49.99	44.99	5.00	I
9210	Jack Daniel SB Wsky 1590	750mL	94.0	49.99	44.99	5.00	I
9211	Jack Daniel SB Wsky 1591	750mL	94.0	49.99	44.99	5.00	I
9212	Jack Daniel SB Wsky 1592	750mL	94.0	49.99	44.99	5.00	I
9213	Jack Daniel SB Wsky 1594	750mL	94.0	49.99	44.99	5.00	I
9214	Jack Daniel SB Wsky 1596	750mL	94.0	49.99	44.99	5.00	I
9215	Jack Daniel SB Wsky 1597	750mL	94.0	49.99	44.99	5.00	I
9216	Jack Daniel SB Wsky 1598	750mL	94.0	49.99	44.99	5.00	I
9217	Jack Daniel SB Wsky 1600	750mL	94.0	49.99	44.99	5.00	I
9218	Jack Daniel SB Wsky 1602	750mL	94.0	49.99	44.99	5.00	I
171	Gentleman Jack	1.75L	80.0	55.99	51.99	4.00	I
811	Jack Daniels No 7 Black	Liter	80.0	31.99	27.99	4.00	I
1060	Jack Daniels Bruins Glass Pk	Liter	80.0	31.99	27.99	4.00	I
1232	Jack Daniels No 7 Black	750mL	80.0	26.99	22.99	4.00	I
1501	Jack Daniels TN Honey Flask	750mL	70.0	26.99	22.99	4.00	I
1789	Jack Daniels Tennessee Fire	750mL	70.0	26.99	22.99	4.00	I
2015	Jack Daniels Tennessee Honey	750mL	70.0	26.99	22.99	4.00	I
1545	Gentleman Jack	750mL	80.0	31.99	28.99	3.00	I
1843	Jack Daniels Single Barrel	375mL	94.0	27.99	24.99	3.00	I
1244	Jack Daniels Winter Jack	750mL	30.0	17.99	15.99	2.00	I
BLENDED WHISKEY							
2379	3 Bines Hop Flavored Wsky	750mL	90.0	34.99	29.99	5.00	I
6227	Bastille 1789 French Whiskey	750mL	80.0	29.99	24.99	5.00	I
680	Midnight Moon Strawberry	750mL	100.0	23.99	19.99	4.00	I
1677	Ballotin Bourbon Ball Wsky	750mL	60.0	25.99	21.99	4.00	I
1738	Ole Smoky Moonshine Cherries	750mL	100.0	21.99	17.99	4.00	I



NEW HAMPSHIRE STATE LIQUOR COMMISSION  
MONTHLY RETAIL SPECIALS PRICE LIST  
JANUARY 29, 2018 THRU FEBRUARY 25, 2018

BRAND	DESCRIPTION	SIZE	PROOF	COMPARE AT	SALES PRICE	AMOUNT SAVED	DATE EXCEPTIONS
-------	-------------	------	-------	---------------	----------------	-----------------	--------------------

BRANDY AMERICAN

4916	Mr Boston Coffee Brandy	1.75L	70.0	13.99	9.99	4.00	I
8670	Arrow Coffee Brandy	1.75L	60.0	15.49	11.99	3.50	I
1866	E&J Vanilla Brandy	750mL	60.0	12.99	9.99	3.00	I
4494	Jenkins French Brandy	1.75L	80.0	18.99	16.99	2.00	I
4502	E & J XO Brandy	1.75L	80.0	26.99	24.99	2.00	I
4522	Lairds Apple Jack	750mL	80.0	15.99	13.99	2.00	I
4550	E & J XO Brandy	750mL	80.0	15.99	13.99	2.00	I
4563	Christian Bros Brandy	1.75L	80.0	19.99	17.99	2.00	I
4806	Leroux Blackberry Brandy	1.75L	70.0	16.99	14.99	2.00	I
4882	Arrow Coffee Brandy	750mL	60.0	8.49	6.49	2.00	I
4896	Hiram Walker Coffee Brandy	1.75L	70.0	19.99	17.99	2.00	I
5444	E & J Superior RSV VSOP	1.75L	80.0	23.99	21.99	2.00	I
5480	E & J Superior RSV VSOP	750mL	80.0	13.99	11.99	2.00	I
7878	Allens Coffee Brandy	1.75L	60.0	15.99	13.99	2.00	I
8214	E & J Brandy VS	750mL	80.0	12.99	10.99	2.00	I
8450	E & J Brandy VS	1.75L	80.0	21.99	19.99	2.00	I
4932	Arrow Ginger Brandy	750mL	60.0	7.99	6.49	1.50	I
4945	Jacquín Ginger Brandy	750mL	70.0	10.49	8.99	1.50	I
1769	Mr Boston Coffee Brandy PET	750mL	60.0	7.49	6.49	1.00	I
5133	E&J Apple Brandy	750mL	60.0	12.99	11.99	1.00	I
8819	Leroux Blackberry Brandy	750mL	70.0	7.99	6.99	1.00	I
8823	Leroux Apricot Brandy	750mL	70.0	7.99	6.99	1.00	I

BRANDY IMPORTED

2362	Gran Duque D'Alba Brandy	750mL	80.0	44.99	39.99	5.00	I
4491	Calvados Marquis De St Loup	750mL	80.0	34.99	29.99	5.00	I
4513	Chauaffe-Coeur Calvados VSOP	750mL	86.0	49.99	44.99	5.00	I
4802	Monteru Sauternes French Bra	750mL	81.6	54.99	49.99	5.00	I
4813	Monteru Sherry French Brandy	750mL	83.4	54.99	49.99	5.00	I
4844	Monteru Triple Toast Brandy	750mL	82.0	54.99	49.99	5.00	I
9131	Caffo Dominique Brandy Rsva	750mL	80.0	24.99	19.99	5.00	I
4498	Calvados Boulard Grnd Brandy	750mL	80.0	42.99	38.99	4.00	I
4762	Hartley Brandy VSOP	750mL	80.0	9.99	6.99	3.00	I
1768	Hartley VSOP Brandy	1.75L	80.0	18.49	16.49	2.00	I
4737	St Remy VSOP Authentic Brndy	750mL	80.0	13.99	11.99	2.00	I
5107	St Remy XO Napoleon Brandy	750mL	80.0	18.99	16.99	2.00	I
5836	Bauers Obstler Echt	Liter	80.0	29.99	27.99	2.00	I
8664	Asbach Uralt German Brandy	750mL	80.0	24.99	23.99	1.00	I

COGNAC

782	Remy Martin 1738 Accord Ryl	750mL	80.0	57.99	47.99	10.00	I
1240	Remy Martin VSOP Gift Pack	750mL	80.0	42.99	36.99	6.00	I
4320	D'Usse VSOP Cognac	750mL	80.0	52.99	46.99	6.00	I
4722	Remy Martin VSOP Cognac	750mL	80.0	42.99	36.99	6.00	I
1426	Hennessy V.S.O.P Privilege	1.75L	80.0	104.99	99.99	5.00	I
3601	Remy Martin V	750mL	80.0	39.99	34.99	5.00	I
4527	Camus Grand VSOP Elegance	750mL	80.0	39.99	34.99	5.00	I
4628	Martell Cordon Bleu	750mL	80.0	119.99	114.99	5.00	I

NEW HAMPSHIRE STATE LIQUOR COMMISSION  
MONTHLY RETAIL SPECIALS PRICE LIST  
JANUARY 29, 2018 THRU FEBRUARY 25, 2018

BRAND	DESCRIPTION	SIZE	PROOF	COMPARE AT	SALES PRICE	AMOUNT SAVED	DATE EXCEPTIONS
COGNAC (CONTINUED)							
4732	Remy Martin VSOP Cognac	1.75L	80.0	94.99	89.99	5.00	I
350	Courvoisier VS VAP	750mL	80.0	26.99	22.99	4.00	I
4624	Meukow 90	750mL	90.0	28.99	24.99	4.00	I
4678	Courvoisier VS Cognac	750mL	80.0	26.99	22.99	4.00	I
4989	Martel VS Single Distillery	750mL	80.0	29.99	26.99	3.00	I
5802	Martell VSOP Cognac	750mL	80.0	36.99	33.99	3.00	I
1777	Remy Martin VSOP	375mL	40.0	22.49	19.95	2.54	M
8808	Salignac VS Cognac	750mL	80.0	19.99	17.99	2.00	I
1778	Remy Martin VSOP	200mL	40.0	11.99	10.45	1.54	M
1802	Courvoisier VS Congac	200mL	80.0	7.79	6.99	0.80	M
ARMAGNAC							
5076	M Duffau Napoleon Armagnac	750mL	80.0	39.99	35.99	4.00	I
CORDIALS LIQUEURS & SPECIALT							
5299	Southern Comfort	1.75L	70.0	26.99	20.49	6.50	I
1533	Boston Harbor Maple Cream	750mL	15.0	29.99	24.99	5.00	I
5431	Pumpkin King Liqueur	375mL	60.0	24.99	19.99	5.00	I
5740	Sweet Revenge	750mL	77.0	19.99	14.99	5.00	I
8965	St George Absinthe Verte	750mL	104.0	59.99	54.99	5.00	I
1671	Woody's Apple Pie Brbn Cream	750mL	27.0	21.99	17.99	4.00	I
1675	Woody's Original Bourbon Crm	750mL	27.0	21.99	17.99	4.00	I
1807	Kinky Green Liqueur	750mL	17.0	20.99	16.99	4.00	I
5218	Chila Orchata Cinnamon Cream	750mL	27.5	17.99	13.99	4.00	I
5921	RumChata Liqueur	750mL	27.5	23.99	19.99	4.00	I
5962	Vermont Ice Maple Creme	750mL	30.0	31.99	27.99	4.00	I
6096	Kinky Blue Liqueur	750mL	34.0	20.99	16.99	4.00	I
6156	Cinnabon Cinnamon Liqueur	750mL	27.0	23.99	19.99	4.00	I
6499	Kinky Liqueur	750mL	34.0	20.99	16.99	4.00	I
8428	Trader Vics Macadamia Nut	750mL	53.0	20.99	16.99	4.00	I
323	Tequila Rose Strawberry Gift	750mL	30.0	17.99	14.99	3.00	I
1660	Bubba's Secret Stills Liquor	750mL	70.0	24.99	21.99	3.00	I
3533	Lidestri Pink Limoncello	750mL	26.0	20.99	17.99	3.00	I
4178	Fabrizia Limoncello	375mL	54.0	12.99	9.99	3.00	I
4701	Fabrizia Limoncello	750mL	54.0	19.99	16.99	3.00	I
5042	Tequila Rose Liqueur	750mL	30.0	17.99	14.99	3.00	I
5195	Jenkins Melon Liqueur	750mL	40.0	9.99	6.99	3.00	I
5296	Southern Comfort 100 Proof	1.75L	100.0	31.99	28.99	3.00	I
5626	Baja Luna Black Raspberry	750mL	30.0	12.99	9.99	3.00	I
5628	Baja Rosa Strawberry Liqueur	750mL	34.0	12.99	9.99	3.00	I
5669	Fabrizia Blood Orange	750mL	54.0	19.99	16.99	3.00	I
6015	Jackson Morgan Salted Carmel	750mL	30.0	27.99	24.99	3.00	I
6049	Fabrizia Crema di Limoncello	750mL	54.0	19.99	16.99	3.00	I
6510	Simply Ginger Liqueur	750mL	40.0	32.99	29.99	3.00	I
8135	Choco Lat Liqueur	750mL	30.0	13.99	10.99	3.00	I
8491	Forbidden Secret Dark Mocha	750mL	30.0	22.99	19.99	3.00	I
809	Southern Comfort	Liter	70.0	19.99	17.99	2.00	I
1157	Bailey's Almande	750mL	13.0	21.99	19.99	2.00	I



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Four bottles of liquor are displayed against a green background. From left to right: a bottle of Jack Daniel's Tennessee Whiskey, a bottle of White Horse Scotch Whisky, a bottle of Tito's Handmade Vodka, and a bottle of CLOS du BOIS Chateau Champagne.

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NEW HAMPSHIRE LIQUOR COMMISSION  
Minutes of December 7, 2017 Meeting



Meeting commenced at 10:35 a.m.

Present: Chairman Joseph Mollica; Deputy Commissioner Michael Milligan; Daniel St. Hilaire, Director of Administration; Patrick Kerns, DHL; Nicole Brassard Jordan, Director of Marketing, Sales and Warehousing; James Richards, Store Operations Administrator; Lisa Gosselin, Wine Marketing Specialist; Mark Roy, Spirits Marketing Specialist; Chief Mark Armaganian, Director of Enforcement and Licensing

Excused: N/A

Public: Bob Knight, SGW&S; Craig Buckley, NHL

I) PLEDGE OF ALLEGIANCE

ACCEPTANCE OF MINUTES FROM COMMISSION MEETING HELD NOVEMBER 30, 2017

*Chairman Mollica made a motion to accept the minutes from the November 30, 2017 Commission Meeting. Deputy Commissioner Milligan seconded the motion. The motion was unanimously adopted.*

II) ADMINISTRATION

- 1) Director St. Hilaire - *Reported that the construction project next door and went through the punch list with the contractor and everything is just about done. They still have some minor electrical work to do and some other add-ons that we put in that they'll come back for – for instance doors to the restrooms and the lockers came in early and those are all installed. Most everything is just about done.*

*Chairman said that was great news and thanked Director St. Hilaire for his report.*

- 2) DHL - Key Performance Indicators (KPI's) Report Update

*Mr. Kerns forwarded the KPI Report to the Commission and it's been reviewed. Mr. Kerns indicated that all is well in Bow, NH and a moderate to heavy week not terribly heavy although he knew that would change next week but the warehouse is in very good shape at this point. They did 121,000 in and 115,000 out. They will be in that 100K range again this week. Next week they anticipate 120K and 130K and 120K so the next three weeks (inaudible) scattered wide we are in good shape and head on with the pick, and that's where we need to be. All in all this is good.*

*Chairman thanked Mr. Kerns. Deputy Commissioner Milligan had nothing further to add.*

IV) MARKETING AND SALES

- 1) Director Brassard Jordan
  1. February Broker Submitted Quarterly Price Changes –  
*Deputy Commissioner Milligan motioned to move the February price changes and Chairman second.*

# NEW HAMPSHIRE LIQUOR COMMISSION

## Minutes of December 7, 2017 Meeting

### For Information Only:

#### Administrative Notice of Non-Compliance to Liq 401.03

2. New Administrative Notices - Commission was provided information on violations - *Deputy Commissioner Milligan motioned to move the information on this week's violations and Chairman second.*
3. Updated information on previous weeks' Administrative Notices – *The two notices that were brought forth last week came back into stock within a week which Director Brassard Jordan said was fantastic. That was all Director Brassard Jordan had to report for this week.*  
*Deputy Commissioner Milligan motioned to move the administrative notices and the updated information on this week's violations and Chairman second. Director Brassard Jordan pointed out that the information provided was for "information only" and didn't need to be moved. Deputy Commissioner Milligan and Chairman concurred.*

### 2) Store Operations

1. Store Security Recommendation – Holiday 2017 - *Deputy Commissioner Milligan asked Chief Armaganian if we would have enough people to fill the positions recommended at the larger, busier stores. Chief Armaganian response was that Lt. Young is working to ensure coverage. Director Richards also explained that he reached out to enforcement and gave them a "heads up" that this was being requested and recommendation that coverage be provided. Deputy Commissioner Milligan motioned to move section two subsection one and Chairman second.*
2. Recommendation 2017 December Extended Holiday Store Hours – *Director Richards is requesting to extend holiday hours for Christmas Eve and New Year's Eve period at various stores locations and eliminating some extended hours on Sunday. Deputy Commissioner Milligan motioned to move section two, subsection two and Chairman second.*

### 3) Merchandising

#### A) Wines

1. NH Winery New Listing – Gilmanton Winery, Jack the Ripper  
*Approved NH Winery new listing as requested.*
2. Recommended and Not Recommended Allocated Wines for Distribution to Selected Stores  
*Approved recommended and not recommended allocated wines for distribution to select stores, as recommended.*
3. Recommended and Not Recommended California Allocated Wines for Distribution to Selected Stores  
*Approved recommended and not recommended California allocated wines for distribution to select stores, as recommended.*
4. Recommended Allocated 2018 Wine Week for Distribution to Selected Stores  
*Approved allocated 2018 wine week for distribution (Gina Gallo) to select stores, as recommended.*
5. One Time Purchase and Distribution for our Power Buy Program – CA Trip  
*Approved one-time purchase and distribution for the power buy program from the California buying trip, as recommended.*

# NEW HAMPSHIRE LIQUOR COMMISSION

## Minutes of December 7, 2017 Meeting

6. 15-Day Retail Promotional Card Give-away March and April 2018 Wine Sale  
*Approved March 14-28 promotional gift card giveaway for on-premise licensees will receive an additional 10% off if they spend \$150.00 or more; and April 2-29 "Down Under Sale" Australia, New Zealand, and South African wines 15% off 12 bottles of any sized bottle of wine, as recommended.*
  7. Specialty Purchase –Martignetti Companies, Decoy by Duckhorn wines  
*Approved specialty purchase of varies listed wines by Martignetti Companies, as recommended.*
  8. Specialty Purchase –Martignetti Companies, Earthquake and 7 Deadly Zinfandel  
*Approved extension of specialty purchase of Earthquake and 7 Deadly Zinfandel wines for the month of December by Martignetti Companies, as recommended.*
  9. Specialty Purchase –Martignetti Companies, R Strong Pinot Noir and Cab Svg Alexander  
*Approved extension of specialty purchase of Rodney Strong Pinot Noir and Cabernet Sauvignon wines for the month of December by Martignetti Companies, as recommended.*
  10. February Special Offers
    - (a) Martignetti
    - (b) Perfecta
    - (c) Pine State
    - (d) Southern Glazer's Wine & Spirits
    - (e) MS Walker*Approved February Special Offers as recommended.*
  11. On-Premise Special Discount –January  
*Approved On-Premise Special Discount for Wines and Spirits for January, as recommended.*
  12. Additional Size Request – Southern Glazer's Wine & Spirits  
*Approved for Dom Chandon Rose Sparkling 187ml, as recommended.*
  13. One Time Buy, Southern Glazer's Wine & Spirits, Cheval des Andes  
*Approved for a One-time buy 15 cases from Southern Glazer's as recommended.*
  14. One Time Buy, Southern Glazer's Wine & Spirits, Cloudy Bay Te Koko  
*Approved for a One-time buy 20 cases from Southern Glazer's as recommended.*
  15. One Time Purchase & Distribution for our Power Buy Program – Misc. Brokers  
*Approved for a One Time Purchase for our Power Buy Program – Misc. Brokers*
  16. Primary Source Recommendations  
*Approved all primary source recommendations (19 primary source, 10 imported, 9 exclusive agent), as recommended.*
  17. In-Store Wine Tasting - Maria Skinskey  
*Approved In-Store wine tasting class at Store #50 on January 23, 2018 6:30pm-7:45pm, as recommended.*
  18. December Liquor and Wine Outlets Tastings – Additional  
*Approved for additional store tasting for the month of December, as recommended.*
- B) Spirits
1. January Special Offer "Betcha Can't Beat This"  
*Approved for January Special Offer, as recommended.*

# NEW HAMPSHIRE LIQUOR COMMISSION

## Minutes of December 7, 2017 Meeting

2. February Sale Special Offers
  - (a) Horizon Beverage
  - (b) Martignetti
  - (c) Perfecta Wine Company
  - (d) Pine State Beverage
  - (e) Southern Glazer's Wine & Spirits
  - (f) MS Walker

*Approved February Special Offers as recommended.*
3. Last Chance Pricing on Close Out Items, MS Walker

*Approved last chance pricing on close out items for MS Walker, as recommended.*
4. One Time Buy Offers
  - (a) Perfecta Wine Company, Michael Godard Vodka and Gin

*Approved for One-time Buy Offer of Michael Godard Vodka and Michael Godard Gin as recommended. Mr. Roy to follow-up with the Chairman on the product's origin. Mr. Roy believes the product is Polish.*
  - (b) Southern Glazer's Wine & Spirits, Orphan Barrel Library Pack

*Approved for One-time Buy Offer of 5 1pack cases of Orphan Barrel Library 750ml as recommended.*
  - (c) Southern Glazer's Wine & Spirits, Jefferson's Presidential Select 16yr Bourbon

*Approved for One-time Buy Offer of 33 pack cases of Jefferson's Presidential Select 16yr Bourbon as recommended.*
  - (d) Southern Glazer's Wine & Spirits, Caol Ila 18yr Single Malt Scotch

*Approved for One-time Buy Offer of 14, 6 pack cases of Caol Ila 18yr Single Malt Scotch as recommended.*
  - (e) Southern Glazer's Wine & Spirits, Entrapment Whiskey

*Approved for One-time Buy Offer 12, 6 packs cases of the Entrapment Whiskey as recommended.*
  - (f) Southern Glazer's Wine & Spirits, Johnnie Walker Blue Year of the Dog

*Approved for One-time Buy Offer 7, 3 pack cases of Johnnie Walker Blue Year of the Dog and 3, 3 pack cases of the Ghost and Rare as recommended.*
  - (g) MS Walker, Mad River Bourbon

*Approved for One-time Buy Offer 50, 6 pack cases Mad River Bourbon which is located in Vermont, as recommended.*
  - (h) MS Walker, Mezcales de Leyenda Oaxaca Mezcal

*Approved for One-time Buy Offer 25, 12 pack cases of Mezcales de Leyenda Oaxaca Mezcal and 25, 6 pack cases of Mezcales de Leyenda Durango Mezcal, as recommended.*
  - (i) MS Walker, West Cork Glengarriff Series Irish Whiskey

*Approved for One-time Buy Offer 25, 6 pack cases of West Cork Glengarriff Series Irish Whiskey with 2 offerings in this series, as recommended.*
5. Test Market Request, Southern Glazer's Wine & Spirits, Creyente Mezcal

*Approved to deny test market request for Creyente Mezcal, as recommended.*
6. Test Market Results

*Approved to distribute #1175 Effen Blood Orange Vodka, #1582 Smuggler's Notch Maple Bourbon both in 750ml for full distribution and Partida Blanco Tequila failed to reach full distribution however, will available for special distribution, as recommended.*

# NEW HAMPSHIRE LIQUOR COMMISSION

## Minutes of December 7, 2017 Meeting

7. Sweepstakes "Win a World Pro Ski Tour VIP Package" from Tito's Vodka  
*Approved to Win one of two World Pro Ski Tour VIP Package at Waterville Valley,  
as recommended.*

V) LATE ITEMS No Late Items

VI) PUBLIC COMMENT

VII) ENFORCEMENT AND LICENSING REPORT      Agenda

VIII) EXECUTIVE SESSION      No Executive Session Items

At 11:02 a.m. the meeting was adjourned.

Minutes prepared and submitted by:  
Katherine de Oliveira, Paralegal