

Introduction

[Music]

Kirsten Barber: You're listening to the NCDPS Safety Scoop, a podcast that dives into the stories of the people, programs and resources within the North Carolina Department of Public Safety. Each episode, we'll give you the scoop from department personnel on how NCDPS enhances the safety of the people of North Carolina.

[Music]

Season 4 Episode 8

Kirsten: The North Carolina Alcoholic Beverage Control Commission, the ABC Commission, is the regulatory body over the sale, purchase, transportation, manufacture, consumption and possession of all alcoholic beverages across the state. The mission of the commission is to enhance public safety in North Carolina communities through regulation, education, permitting and the proper sale and responsible consumption of alcohol. As the chief regulator for all alcoholic beverages in the state, the commission sits squarely at the intersection of public health, public safety and fair commercial regulation. This episode's guest, Deputy Commissioner Mike DeSilva, takes us behind the scenes of the commission and shares what has changed and what has stayed the same since its founding in 1935.

Hi, everyone! Welcome to this episode of the Safety Scoop. We have a first-time guest with us. The ABC Commission is the focal point of this episode. We are learning a little bit more about them as they celebrate their 90th anniversary. Mike DeSilva, representing the ABC Commission. So, Mike, happy to have you

on the podcast, and if you just want to give our listeners a little bit of information about yourself.

DC Mike DeSilva: Absolutely, and thank you, Kirsten, very much for the invitation. The ABC Commission is part of the North Carolina Department of Public Safety, so work colleagues. And a little bit about myself, but before that I always like to lead in any time I get a chance to talk about the commission and share our mission with folks, which is, we focus on enhancing public safety. Every day we think about this through our regulations, permitting, education and most of all the proper sale and responsible consumption of alcohol. It's on our wall; when you walk in our office, you see that, um, so it's something we believe in every day. I'd just like to kick off the meeting with that, so I appreciate it.

A little bit about me: I've been with the commission since June of 2022 and had about 22 years in, give or take, in, um, state government, local and state government, mostly state government. I was in law enforcement. I was a Charlotte City police officer for a couple years, and then a North Carolina state road investigation agent for 20 years. And then I left and went into the corporate world for ten years, and Chairman Hank Bauer brought me onto his team, as I said, a little over three years ago. And I think the best way to describe my role is oversee the day-to-day operations of our six sections and make sure we're doing what we need to be doing, providing good customer service and making sure that our directors are doing what they need to do to lead each of those six sections. Uh, so, it's a really good job. I've learned a ton about the industry and our education programs, and I'd love to tell you more about both of those areas.

Kirsten: That sounds great. Well, thank you for giving us some background on yourself and looking forward to learning more about the commission and their mission, uh, for public health and public safety, uh, throughout this podcast, so let's just dive right in. Uh, like I said before...

DC DeSilva: Great!

Kirsten: ...this year marks the 90th anniversary for the commission, big milestone. Can you take us through a brief history of how this body has evolved since 1935?

DC DeSilva: Absolutely, we're very proud to be celebrating our 90 years, and what we—we're calling it is "90 years of spirited service." And so, we developed a theme, as I just stated, 90 years of spirited service, with members of our leadership team and members of the ABC boards that are out there, the GMs that—that run the stores. We felt like it was really something important to celebrate to make the public aware of who the system is; not just the ABC Commission, mind you, but the whole system. And the system—it's important to understand the distinction—the ABC system is what's 90 years old, and the very first... I'm a history guy, so I'll give you a little quick history. The very first sale, as I like to jokingly say, of legal spirits...

[Laughs]

...was on July 2nd, 1935, in Wilson, North Carolina, and we actually had an event there about a month ago to commemorate that. And so, with those sales, we've evolved, and now here we are 90 years later, like I said. And the partnerships that comprise the system are the agency that I work for, the ABC commission; the ABC boards that I mentioned to you; the ABC retail stores. That's the 449 stores when people say, "Hey, I need to buy a bottle of..." whatever their favorite brand is, that's the store you go to in your local community. Uh, it's also comprised of suppliers, the people that make the spirits; brokers, they help sell the spirits and promote the spirits; the vendors we work with, the shipping and logistics vendors; law enforcement is a huge part of that; community programs. There's more, but those are just some of the partners that—that make up the whole system.

Kirsten: So, Mike, the ABC Commission, uh, does fall under the Department of Public Safety, but who exactly is the commission made out of, uh, at the top?

DC DeSilva: Great question. So, Chairman Hank Bauer leads the commission, and he was appointed in late 2021 by Governor Roy Cooper and was reappointed, uh, this past—early this year by Governor Josh Stein. Our two commissioners that serve with the chairman, the three of them make up the ABC Commission that meets monthly that hears certain issues and—and legal matters and—and different things of that nature. So, we have two great commissioners. They've been with us for a couple years now. LT McCrimmon and David Sherlin are our two commissioners that serve with Chairman Bauer. We've got a really good team.

So, a little bit of history: Uh, after Prohibition ended, the way North Carolina looked at it was, “You know what? We're going to let each local community make their own decision...” And it's a pretty unique system. “...their own decision on whether they want to approve alcohol sales.” You could be in a municipality or a county like Wake County, where you and I are here, it's the Wake County ABC Board. And so those kinds of decisions were going on from 1935 through still today, and the result has been there are now 171 local agency boards across the state that control those 449 agency stores. Just a little more detail for you: An ABC board is comprised of members of that particular community, that municipality or that county, and they're appointed by their governing body, so either the municipality, you know, the town, the city or the county. So, again, Wake County, it's where I live, for example, the Wake County Board of County Commissioners appoints the members who serve on the Wake County ABC Board. And then the boards across the state own and operate all the ABC retail stores. Hopefully that makes sense. I know there's a lot in there, but it is a pretty unique system.

Kirsten: I really appreciate you taking the time to go through all the working parts, uh, of this system that you just laid out. And I know you are definitely not the only history buff in North Carolina.

[Both laugh]

DC DeSilva: That's right.

Kirsten: So, I know some folks, uh, are definitely ingrained with the—with the history of Prohibition in our state and, uh, how things have evolved since that first alcohol sale you mentioned in, uh, Wilson County.

DC DeSilva: And if you—if you don't mind, just real quick, I—I wanted to share a few, uh, I thought they were interesting facts. I—I learned these in preparation for that event we had, like I said, a few weeks ago in Wilson. The audience might find this interesting. In 1935, since I'm in the spirits business, the top three cocktails were Martini, that was number one, um, Old Fashioned and a Manhattan, which all three of those are still very popular to this day.

Kirsten: I was about to say that.

DC DeSilva: Yeah, yes, um, my wife enjoys a good Martini, so I know that for a fact. Cocktails, you know, which are comprised of spirits, made up just under (uh, I looked it up) 70% of all sales of bars back then were spirit-based. They were cocktails. And beer was only 22%. Wine was only 4.5%, so that was kind of interesting, you know, how it's grown and evolved over the years. And then just for fun, just, you know, a new house was \$4,000 back in the day. In '35, a new car was \$625. I like movies. A movie ticket was only a quarter. And then the last little kind of interesting one, a gallon of milk was only 47 cents. So, it'd be nice to have those prices today, but that's not reality, is it? So. But just kind of of-interest.

Kirsten: Thank you for sharing those numbers, definitely interesting indeed, and miss those—miss those prices for sure.

DC DeSilva: Yes.

Kirsten: Well, you have covered some of the—the partnerships, but I want to focus a little bit on the public safety aspect of the commission's mission. So, your—your partnerships with law enforcement that you mentioned, how are those established within the communities that you serve and work in, and how are those navigated, um, with the other partners that the commission works alongside?

DC DeSilva: Great question, and one I love—I love to talk about, being a former law enforcement officer myself. So, Chairman Bauer, myself, our leadership team, the commission as a whole, we are very supportive of all law enforcement, uh, especially with our brother agency, as I like to say, ALE, Alcohol Law Enforcement, which is also part of DPS. But in general, law enforcement has been a part of the system, like I said, for the 90 years. Law enforcement investigates what's going on out there and, you know, we—we try to promote doing things the right way, but the reality is, not everybody does things the right way, so things need to be investigated and looked into. And then, those law enforcement officers, whether they're ALE agents or specially trained local law enforcement officers are trained by ALE to go in and look for violations in establishments that sell any type of alcohol. Could be spirits, could also be beer and wine.

Those partnerships, you know, the—the law enforcement officers, I like to say they're our—they're the boots on the ground. They're—they're the true people out in the field working. They're the eyes and the ears that help the commission immensely because what they go out and in-investigate, whether they determine it on their own, whether they get a lead, whether there's a complaint, you know, they get involved in a variety of different ways, they investigate, and then they submit these in-reports to our legal team, and then they handle those cases and work with the folks who, again, have maybe some challenges about how they're handling their business. And so, without law

enforcement, none of that would be addressed. They are a very important partner in all of this.

Some ABC boards, uh, you might know this, but, um, it's interesting that not a lot of people do. A lot of people think, "Oh, my local ABC board, the police department, you know, Raleigh PD, they'll go into a bar and investigate." Well, certain officers that have received specialized training from ALE might be part of a unit that does that, but by and large, ALE goes in to do the majority of these investigations, as well as if an ABC board is large enough and has the proper funding, like Wake County has a Wake County ABC Board Police Department. So, they go in and—and enforce, you know, Chapter 18b laws in bars, pubs, grocery stores, convenience stores, anywhere that sells alcohol. So, having those ABC police departments out there just is a force multiplier that really helps make sure that people are doing things the right way, and if they're not, then there needs to be, you know, some consequences to their actions and some. And then the key is educating them to not continue, whether it's making an honest mistake or something that, you know, they should know better than they're doing, or if it's somewhere in between. But as I said, law enforcement is a huge partner, uh, with us in accomplishing that mission.

Kirsten: So, you mentioned supporting those, uh, retailers and, uh, other, uh, partners throughout communities. Are there any educational programs that you provide to ensure that these community members are updated on current, uh, laws and other items that they need to have to successfully run their businesses?

DC DeSilva: So, two programs I really wanted to highlight. Our program is called RASP, Responsible Alcohol Seller/Server Program. So, we go in. We have a staff, it's part of our ECO team, Education Community Outreach, and we have staff that's specially trained that goes out to bars, restaurants, taverns, ABC stores, wherever it's needed; community, um, meetings; youth; people who impact youth, coaches and teachers; any audience that is right for this message, and

really teaches them, um, about alcohol education. One of the programs I didn't mention yet is—Talk It Out, and that is also under our ECO team.

I get excited sometimes. I'm talking about Talk It Out and RASP in the same conversation. Bringing it back around to RASP, that—that is geared toward folks that sell and serve alcohol, so let me—let me focus back on that. That program reaches... This past year, we had almost 113,000 people took our online RASP training. In addition, we provide quite a bit of in-person training for RASP, so we're really out there working with the people that are in the industry that are working at these, um, establishments that sell alcohol to say, "Hey, here's what's important. Here's what you need to look for that someone might be, you know, under the influence. Here's how you can handle that." You know, what n—like you said, Kirsten, what new laws are, what new rules are. How can we help them be better educated? That's the focus of it.

And then the other really good program that—that's kind of a cousin program, I would call it, to our RASP program, ALE has a great program, and their acronym is BARS, and it's Be A Responsible Server, and I think it's very similar to our program. Their agents go out and put on education programs for folks that, as the—as the acronym suggests, serve alcohol to make sure that they are doing it legally, properly, responsibly; that they're looking for signs of someone that is, you know, under the influence; how to handle that. Making places safer, always the imperative.

Kirsten:

I really appreciate you going into those two specific examples of providing support for the communities as the body that—that oversees all these different aspects of, uh, alcohol regulation and education and permitting. To stay on kind of the—the same path, every year millions of dollars from ABC store purchases are funneled back into communities. Do you have any other examples of this type of programming?

DC DeSilva:

I do, and I love talking about these examples. And just a little bit of background, um, since you brought it up, about how we're—we operate I think will help kind of tell the picture, um, more fully. So, there's 171 boards. Each bottle sold, and you can go on our website to see this, there's a state map, and—and citizens can go and look up anywhere on the state they want (and they're mostly interested in their hometowns), and you can see how much, um, money was provided back, distributed back to your area and what those programs are. And one thing I—I meant to highlight earlier was every ABC board returns 5% of their sales back to local law enforcement, so that's really important.

But back to the system itself. So, we, the ABC Commission, is entirely self-funded. All of our revenue to run the warehouse or run our business operations come from the sale of each bottle of spirits. We do not receive any funding from the general fund. So, each bottle sold, there's a breakdown, but the bottom line is, a lot of money comes back to the state and to, like I said, the municipalities where the board is or the county is. And just some numbers for you I think are very interesting: Last year, we were just under \$1.9 billion with a B in ABC revenue. Uh, that resulted in \$542+ million being distributed to the general fund and a little over \$170 million back to those municipalities, cities and counties in distributions to support all their programs. Some of the programs, I mentioned Alcohol Law Enforcement, prevention programs, treatment programs, recovery programs, um, other public service programs, um, that the local ABC boards have relationships with and—and provide these distributions to. That website where you can look at the state map and see (pretty interesting) is abc.nc.gov/everybottlegivesback (all one word). It's colorful and interactive and—and has a lot of good information. Got a couple local examples I'd love to share with you, if that's all right.

Kirsten:

Yes, please keep going.

DC DeSilva:

Great, okay. Wake County ABC Board gave \$25,000 to, uh, Mothers Against Drunk Driving, MADD, a lot of people know that acronym. Um, they gave several

thousand, um, I want to say two—I think it was \$250,000, to Boys and Girls Clubs. So, kids, you know, Boys and Girls Clubs are synonymous with, um, doing good for—for our youth and having a safe place for kids to go to after school. I used to volunteer at a Boys and Girls Club. I know the good work they do. Uh, Durham County, nearby, gave a distribution to Wake Monarch Academy. That is a private school here in Wake County, and it's Wake County's only recovery high school, so if someone that is in high school is battling substance abuse, this gives them an alternative of where they can go to complete their education. I've been to some of their events, and it's a great program.

And then down the road just a little bit, one of the more smaller boards, [unintelligible] ABC Board, one of their programs is called Sold Out Youth Ministries in their community, and they support them. So, there's hundreds of other examples out there, and for folks who are interested, you can find those on that interactive map I described. And I like to say this: Even if—we say this, um, when we're speaking to groups—even if you're a teetotaler, and that's fine, that's everybody's choice whether they drink or not, but even if you don't consume any spirits or beer or wine and you don't buy any, you still benefit from all the good works that the money that is distributed back into those communities does, an—and that's a pretty neat thing, I think.

Kirsten: I agree, um, lots of good work being done. With this amount of money that's being, uh, put back into communities, is that something that the county-based commissions decide where that money goes each year?

DC DeSilva: Yes, my understanding is that the ABC boards, now they might work with their general managers that actually run the stores, and they might bring in some community leaders. They each probably have their own system of how they do it, per se, but in general terms, yes, the boards coordinate the distributions with local. I know one board, I think they have a grant program, and you apply for a certain grant. They might have it this should go toward, we'll just say maybe

alcohol treatment, so some facilities that specialize in that could put in for the grant. Things of that nature.

Kirsten:

So, Mike, this is the time in the podcast where I like to ask our guests to share any success stories, jobs well done, productive things that they have seen, uh, through the work of their colleagues and their section within DPS. Uh, so, I know in your introduction you said that you've been here for a handful of years, so I just wanted to open it up to you to see if you have any success stories to share with our listeners for the ABC Commission.

DC DeSilva:

Absolutely, and before I share a few of those, I just want to re-emphasize, 'cause you've been so good to ask about it and highlight it, the partnership with law enforcement is so important. We appreciate their expertise, their knowledge, their getting out there and doing the job in tough conditions oftentimes and in unsafe conditions almost all the time. They have such a positive impact on their communities. We do what we can to support them. It's not easy, Kirsten. It—it's complex and—and hopefully some of them listen to the podcast, I'm sure, and other citizens. So, again, Chairman Bauer and myself just wanted to thank them again for all the work they do and the partnerships we have with them.

Some successes we've had here at our agency. Yes, we are in the business of helping the ABC stores fulfill the orders for the spirits that they need to sell in their communities. Through that comes a lot of great funding for great programs. Those are our two prime-primary functions: the sales and the education. You cannot have one without the other. So, our ECO team, as I mentioned, just a couple things that they are in charge of that go so well, I—I mentioned these earlier, the Talk It Out campaign. You know, having these crucial conversations with youth, whether it's parents, coaches, teachers, mentors, aunts, uncles, friends, you know, about, "Hey, you're not old enough to legally drink. There—there's a lot of reasons why you shouldn't be drinking. There's a lot of good alternative things out there to do." Uh, let's have those

conversations. That's been a great program. Every Bottle Gives Back, I mentioned it highlights, you know, what the sales of each bottle of spirits does in your community.

Something I've been very involved with and proud of, and you mentioned it early in the show, the 90th anniversary and celebrating 90 years of spirited service. That will continue on through the summer and into the fall. It's, uh, been a, we say, a year-long celebration. It—it started in—in spring and kind of really got some legs as we started celebrating some events this summer.

Our products and pricing section—all of our sections do tremendous work, but—but I'll just mention them insomuch as I mentioned the 1.9, almost \$1.9 billion in sales. They have a big impact on getting the products into the state bailment warehouse and to getting the right kind of products. What products do the citizens want, the customers want? So, we do a good job on that. Other highlights: our warehouse, although it's 41 years old, and we are really trying hard to secure a new warehouse, and Chairman Bauer is working closely with the legislature, and DPS supports us, and—and we have a lot of support. We appreciate it. Um. It is vital for us to continue all the good work we do to get a new warehouse, so hopefully that is, uh, not far down the line. So. But our current warehouse, even though it's—it's 41 years old, it's running well. There are days we have to, you know, keep it going with duct tape...

[Laughs]

...and a Band-Aid on some things, but overall, it's doing the job. We actually have two warehouses. You might find that interesting. The main warehouse, which is behind our office here on Tryon Road, that's where the supply comes in. We have a warehouse out in the Clayton area 'cause we don't have enough room in this warehouse I mentioned, so we have to use the Clayton warehouse. That's where a lot of product goes first to be stored, and then it comes to the warehouse where I'm located here and gets put away, and then the pickers

from our third-party vendor partner help pick the product based on the orders. And the orders, you know, get packaged up and shipped out and delivered, uh, out across all 449 stores across the state.

I think a couple more successes real quick are Chairman Bauer and this leadership team have really instilled, yes, we're a state agency, but we're a business. We're an almost \$1.9 billion business, so emphasizing customer service has been so important the last three and a half years. Uh, it was before, but we've, you know, really emphasized it even more and made a commitment to it. Increasing and updating our IT is a big success. We've gotten some great things done. We've got a lot more great things to do to make us more efficient.

And then one more last one we're really proud of, I had mentioned permitting is a big part of what we do, and every year, an establishment that has permits to sell alcohol has to renew their ability to sell, and there's fees associated with it. And some people are very good and they—they know they need to do it. Some people, it slips their minds. So, it—it's a big process, and it starts in the early spring and goes through April 30th, and then we actually give them a grace period in—in May to pay. And this year, we collected \$26 million in registration renewal fees, and we had a—just had a 95% renewing prior to that cancellation date, and that was a 2% increase from the year before. That's just some of the good things we're doing, I think, from a business perspective here at the commission.

Kirsten:

Thanks for sharing! So, we've—we've looked into the past, talked about the present but now let's look to the future. The ABC Commission has hit this 90-year milestone that we talked about throughout this episode, but what's in store for the next ten years?

DC DeSilva:

Wow, 100 years.

[Laughs]

That's, um, that's pretty neat. I don't think I'll still be here at the commission, um, but there will be great leadership and staff still here ten years from now, so we hope this blueprint for what we're doing for the 90th will serve them well and celebrate a century of the system, which is, like I said, all about partnerships and collaboration. I think growing our business, that's what any good business looks for. Chairman Bauer always has his eye on the horizon and—and what do we need to be doing to grow our business to be more efficient, to provide better customer service, to make sure we've got the right products, uh, in the warehouse for the ABC stores to order? The new warehouse, oh, I certainly hope ten years from now that the ABC Commission has been in a new warehouse for—for several years. That would be great if we could say that.

I think just always looking to improve, you know, the way we do things over the next ten years. DPS helps us, and—and we work with them, on strategic initiatives, and we just went through that new cycle of strategic initiatives, which has been good. So, things like improving our permitting process, making it easier for people to obtain permits, whether it's a retail permit for a business, or someone's getting married, and they need, you know, a permit for their wedding venue, or they're having a special, you know, one-time event, a permit for that. Using technology, being able to do that online, we are very close to completing that project. Continuing the education piece, continuing to grow that and—and serve more people with educating them on alcohol and the proper way to handle it and—and sell it and consume it. I would say those are all good goals, uh, to continue over the next several years. But yeah, ten years from now, I hope I'm around to go celebrate wherever they do it in ten years.

Kirsten:

Fantastic! Well, we have reached the end of our time together. Any final thoughts you would like to share with our listeners?

DC DeSilva:

Well, first of all, thank you very much, Kirsten, for inviting me. It's fun to talk about what we do. It's great to talk about it with you and—and get the ability to

share it with your podcast listeners, so I think and hope they'll find it interesting. I'll just sum it up by saying, as a former law enforcement officer, and when I was working, partnering up and collaborating and communicating was the key to getting the job done. And working together on solutions, and that's how we did it in public safety, and that's the same concepts that the commission does with, you know, our DPS partners, with our business partners, community education partners, everyone. I think we've all—we all understand, hey, for this to be successful, we've got to work together, collaborate, make sure we're all aligned on what we're doing and how we're doing it. Every day, our job is to think about public safety in North Carolina and how we can enhance that public safety through what we do here: regulate, permit and educate and help people understand the proper sale and responsible consumption of alcohol.

Kirsten: Of course, and—and appreciate your willingness to come on and share, um, not only your experience with the commission but all the interesting, uh, history and facts that you have brought to this episode. So, um, for anyone, uh, who's made it to the end, can you share the URL that they can go to—to find out more about the ABC Commission?

DC DeSilva: That would be abc.nc.gov, and you'll find a lot of useful information on the website.

Conclusion

[Music]

Kirsten: This is the Safety Scoop, a podcast written, produced and edited by the NCDPS communications team. The mission of the North Carolina Department of Public Safety is to safeguard and preserve the lives and property of the people of North Carolina. Follow the department on social media for a closer look at ongoing initiatives and resources. We're on Facebook, X and Instagram at NC

Public Safety. Special thanks to Clyde Roper for this episode's topic and ABC Commission's Jess Strickland for the behind-the-scenes work to make this episode possible. If you enjoyed today's episode, be sure to subscribe to the Safety Scoop on your favorite podcast app. I'm your host, Kirsten Barber. Thanks for listening.

[Music]