

**DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL**

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PR 17-12



## **ABC Fines Two Large Beer & Wine Wholesalers and numerous Retailers for Unfair Business Practices**

### ***Wholesalers facilitated Prohibited Marketing Practice(s)***

**Sacramento** - The Department of Alcoholic Beverage Control (ABC) has reached a \$400,000 settlement with Anheuser-Busch, LLC wholesalers and a \$10,000 settlement with Straub Distributing Company LTD for their engagement in unfair marketing practices aimed at retail licensees. Additionally, approximately 34 retail licensees also received disciplinary sanctions levied against their ABC licenses for their related activities.

The settlements came after a year-long investigation begun in 2015 by ABC's Trade Enforcement Unit that found the wholesalers covered the cost of, or partially financed, refrigeration units, television sets and draught systems at retailers in the Southern California area, in violation of the law. When wholesalers provide prohibited things of value to retailers, it results in unfair marketplace advantages over other wholesalers. Investigators inspected more than 100 retail customers of Anheuser-Busch, LLC's distributorships in Sylmar, Pomona, Carson (Beach Cities) and Riverside. They also found that Straub Distributing Company LTD, which distributes Anheuser-Busch products in Orange County, engaged in the activity as well.

"The investigative efforts of ABC's Trade Enforcement Unit and the discipline imposed in these cases reflect the Department's commitment to maintaining a safe and fair marketplace," said Acting Director Ramona Prieto. "I appreciate the wholesalers renewed commitment to training, education, and restructuring of their business practices as means of ensuring compliance with the law."

The settlement with Anheuser-Busch, LLC includes one of the largest penalty fines imposed in the history of ABC, but more importantly, it focuses on the training and transparency necessary to promote a safe and fair economic marketplace. As part of the settlement by Anheuser-Busch, LLC, the company must provide training to its current and newly hired employees regarding the administration of a rental or lease program of Anheuser-Busch, LLC refrigeration equipment by a company unit within the confines of law. Additionally, upon request by the Department, Anheuser-Busch, LLC, must provide evidence of the training. In exchange for suspension of \$200,000 of the fine, Anheuser-Busch, LLC agreed to extend the conditions of discipline to all Anheuser-Busch, LLC wholesalers in the state.

Failure to comply with the terms of the agreement may result in the imposition of the suspended penalty against any Anheuser-Busch, LLC wholesaler licensed by ABC.

ABC's mission is to provide the highest level of service and public safety through licensing, education, and enforcement. To learn more about ABC programs that help protect communities, prevent alcohol-related harm and potentially save lives visit [https://www.abc.ca.gov/programs/programs\\_PE.html](https://www.abc.ca.gov/programs/programs_PE.html).

ABC is a Department of the Business, Consumer Services and Housing Agency.