




MEMORANDUM

TO: Alcohol Beverage Control

DATE: Friday, May 19, 2023

FROM:  James Hoelscher, Enforcement Chief

RE: Enforcement Report, Alcohol

AMCO Special Investigator I, Michael Chiesa, has resigned from his position with AMCO, effective May 21, 2023. He has accepted the Position with DEC, Environmental Crimes Unit as their Chief Investigator (Special Investigator II). I want to congratulate Chief Michael Chiesa on his new position. Chief Chiesa has an impressive resume, commitment to public service and irreplaceable experience and knowledge that will only benefit everyone in his new role. I will continue to work with Chief Chiesa collaboratively in the future. His resignation will be felt by AMCO Enforcement as his absence leaves a very high standard to meet. I am grateful for his service and his dedication to AMCO as well as to the boards, licensees, and people of Alaska.

The AMCO Enforcement Unit is currently in the final stages of recruiting for two Special Investigators. One position is for the new position for FY 2023 and one for the Mat- SU Special Investigator. AMCO continues to respond to complaints and answer questions, inspect premises and investigate observed and reported violations.

AMCO Investigators have been extremely focused on several important Alcohol & Marijuana cases. One case I would like to bring attention to involves an Anchorage bootlegger. An individual was purchasing very large quantities of Kirkland Vodka, over \$50k in a 16-month period, and repacking them into empty water bottles and reselling them for \$10. It is estimated in that same period the total profit of bootleg alcohol sold was approximately \$140,000. This investigation was a joint operation with the Anchorage Police Department, I would like to thank them for their professionalism and commitment to assisting us with this case. The operation led to a search warrant and two arrest warrants for the individuals who sold alcohol to an undercover AMCO Investigator. While this was a successful case, I would like to bring attention to the fact that we were only able to charge the individuals with two misdemeanors. I would recommend revisiting our statutes and to see if selling without a license, specifically large quantities, can be modified to a felony.

AMCO has entered a memorandum of understanding with the Division of Agriculture that relates to AMCO's enforcement of the Division's regulations pertaining to industrial hemp products. As of the writing of this memo, we are waiting to receive some training and to go on a few inspections with the

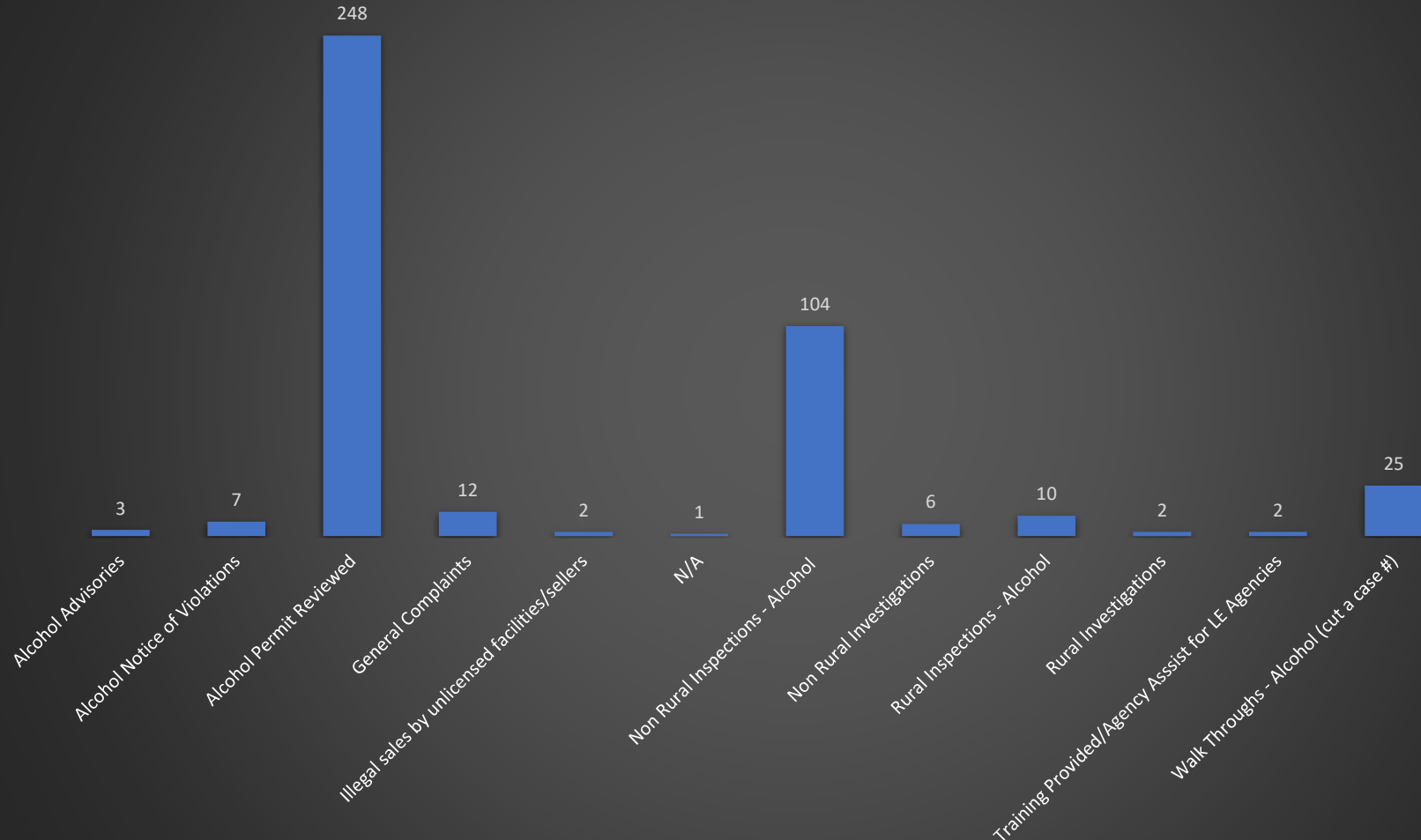
Division of Agriculture. Once this is completed, I will implement an enforcement plan for my investigators on the enforcement of any person found to be selling hemp products without a registration or to any registered or non-registered retailer that is found to be selling non-endorsed hemp products.

AMCO Enforcement assisted the Department of Law and the FBI with a case involving a husband and wife, Brian Keith Corty, 52, and his wife Candy Corty, 47, used false and fraudulent claims to solicit investors to buy shares of stock in Ice Fog Holdings, LLC, a company purportedly established to grow, extract, develop, manufacture, and sell products in the medical and recreational marijuana markets in Alaska and other future markets from 2017 to 2020. The two initiated numerous applications under their names and the entity listed above. A federal grand jury in Alaska returned an indictment charging them with conspiracy and wire fraud for perpetrating a years' long scheme that defrauded nearly two-dozen investors out of over \$700,000 dollars.

AMCO Enforcement has recently been invited to teach at the Village Police Officer Advanced Academy #7, held in Bethel from May 20, 2023 to June 9, 2023. Investigator Hamilton is invited to travel to Bethel and instruct VPO's in Alcohol & Marijuana Laws.

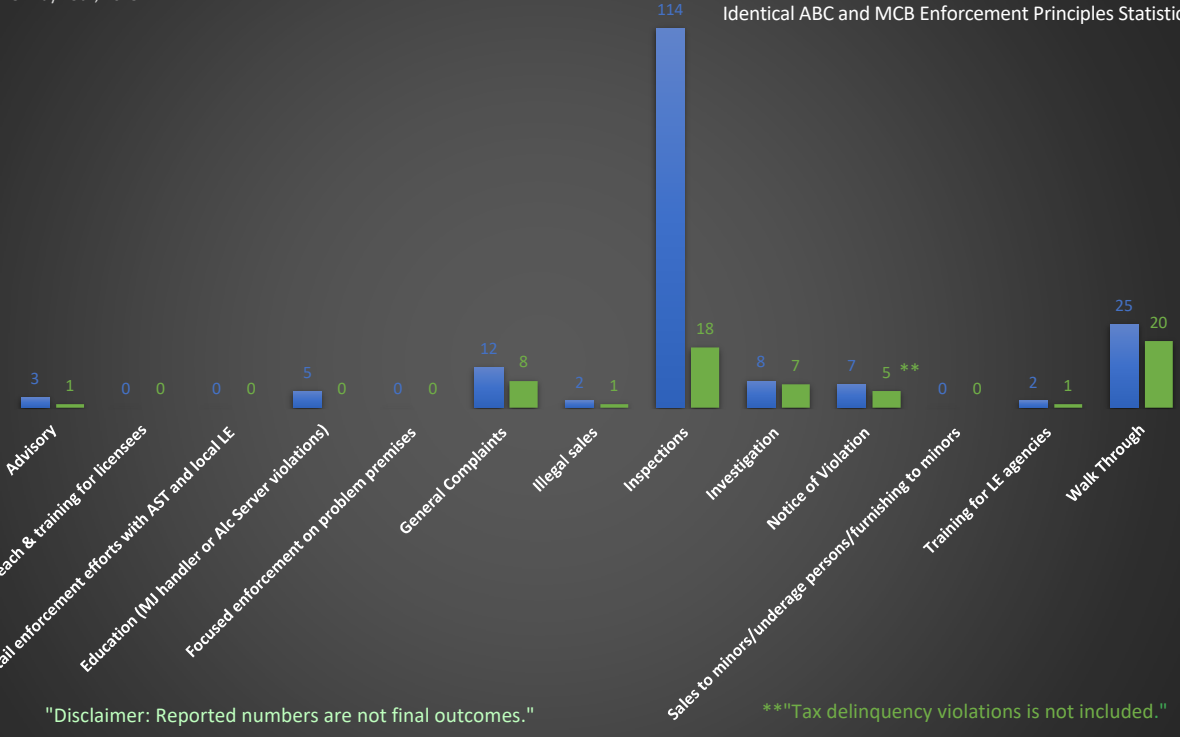
AMCO Enforcement has continued to conduct inspections for both alcohol and marijuana in a consistent and steady manner.

ABC Enforcement Principles



"Disclaimer: Reported numbers are not final outcomes."

Alcohol
Marijuana



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**"Tax delinquency violations is not included."