

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Senator Hansen  
FROM Jon Catlett, JBC Staff (303-866-4386)  
DATE January 18, 2022  
SUBJECT Alcohol / Marijuana Enforcement Activity

### MARIJUANA ENFORCEMENT DIVISION

As of January 12, 2022, the Marijuana Enforcement Division had 115 FTE. This includes 39 FTE dedicated to enforcement activities, composed of 30 field criminal investigators and 9 field compliance investigators.

The Marijuana Enforcement Division has four offices across the state:

- Lakewood
- Longmont/Northern Regional Office
- Colorado Springs/Southern Regional Office
- Grand Junction/Western Slope Regional Office

The Division engages in numerous types of investigations including: Licensing, Underage Compliance Checks, Targeted Inspections (focusing on a particular rule or set of rules), Complaint-Based, and Risk-Based (prioritization based on inventory tracking monitoring, compliance history, the time between site-visits, reported sales, production levels, and other criteria)

The table below provides a breakout of enforcement activities carried out by the Division over the previous three years.

Marijuana Enforcement Division			
Enforcement Activities	2019	2020	2021
Business Background Investigation	322	331	437
Change of Location Investigation	76	56	51
Change of Ownership Investigation	764	451	347
Change of Trade Name Investigation	64	49	58
Individual Owner Background Investigation	517	475	742
Modification of Premises Investigation	386	292	294
Underage Sales Check Investigation (% Passed)	604 (97%)	118 (97%)	80 (95%)
Regulatory and Criminal Investigation	1,755	1,616	1,599
Renewal Investigation	4,098	4,020	4,320
Targeted Compliance Inspection	436	646	294

The Department notes that due to COVID-related impacts, the Division did not conduct the volume of underage sales checks in 2020 and 2021 as in previous years. The Division adapted to pandemic realities by implementing alternative methods for monitoring underage sale compliance, including

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targeted inspections, industry outreach, education, and other investigation types. The Division intends to increase the number of underage sales checks to align more closely with prior years as it continues to navigate pandemic-related risks. In addition, the Division continues to develop and implement alternative approaches to monitoring underage sales compliance.

## LIQUOR ENFORCEMENT DIVISION

As of January 14, 2022, the Liquor Enforcement Division had 58.7 FTE allocated to enforcement activities. These FTE include: Criminal Investigators: 28 (Vacant 17), Criminal Investigator Supervisors: 6 (Vacant 3), and Agent in Charge: 2 (Vacant 1).

The Division states that the vacancy rate (35.7%) is due to an increase in FTE allocation associated with the retail tobacco/nicotine licensure program instituted in 2021. The Division is working towards filling all investigatory positions as expeditiously as possible.

The Liquor Enforcement Division has three offices throughout the state:

- Lakewood; Northeast Regional Office
- Colorado Springs/Southern Regional Office
- Grand Junction/Western Slope Regional Office

The table below provides a breakout of enforcement activities carried out by the Liquor Enforcement Division over the previous three years.

<b>Liquor Enforcement Division</b>			
<b>Enforcement Activities</b>	<b>2019</b>	<b>2020*</b>	<b>2021*</b>
Investigations	593	837	534
Administrative Actions Licensees	192	398	238
Criminal Summonses to Employees	203	36	335
Criminal Summons Minor in Possession of Fraudulent Identification	149	71	99
Liquor Compliance Checks in Compliance	2,597	546	2,323
Liquor Compliance Checks Out of Compliance	122	21	134
Tobacco Compliance Checks in Compliance	2,597	735	3,865
Tobacco Compliance Checks Out of Compliance	120	37	238
Fraudulent Identification Enforcement Scans	3,821	2,540	1,412
Seized Fraudulent Identification	106	52	49
Inspections	1,971	5,162	1,510
Training Classes	43	48	54

*\*Under executive guidance the Division focus was COVID inspection.*

In addition to enforcement activities, the Division also carried out a number of investigations related to licensure. The table below provides a breakout of licensure-related activities over the previous three years. The licensing activities captured in the table include both investigatory activities (background for applicants and individual owners), as well as non-investigatory licensure activities.

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Liquor Enforcement Division			
Types of Licensing Functions	FY19	FY20	FY21
Business Background Investigation	1,704	1,467	1,668
Change of Location	65	56	63
Change of Trade or Corporation Name	388	223	192
Corporate Structure Change/Change of Ownership	114	79	105
Manager Registration	885	778	659
Masterfile Background	44	42	35
Corporate Personnel Fingerprints/Background	357	904	729
Modification of Premises	1,212	1,684	821
Special Events Permit (Beer)	8	6	8
Special Events Permit (Liquor)	196	104	87
Wine Festival Permit	20	10	7
Liquor Licenses Applications Received	2,073	1,836	1,466
Liquor Licenses Applications Issued	1,704	1,467	1,668
Liquor Licenses Renewals Received	13,946	12,555	13,212
Liquor Licenses Renewals Issued	14,522	16,153	12,335

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