



## C.R.A.S.H - The Coalition for Responsible Alcohol Shipping

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May 6, 2024

Governor Kathy Hochul  
State Capitol, Executive Chamber  
Albany, NY 12224

Senate President Pro Tempore Andrea Stewart-Cousins  
Room 909, Legislative Office Building  
Albany, NY 12248

Assembly Speaker Carl Heastie  
Room 932, Legislative Office Building  
Albany, NY 12248

Senate Minority Leader Robert Ort  
Room 907, Legislative Office Building  
Albany, NY 12248

Assembly Minority Leader William Barclay  
Room 933, Legislative Office Building  
Albany, NY 12248

Dear Governor Hochul, President Stewart-Cousins, Speaker Heastie, Minority Leader Ort, and Minority Leader Barclay:

We write to voice our concern about reports that the state legislature continues to advance measures that would weaken the alcohol beverage control laws in New York State - specifically proposals that would permit direct shipping of alcohol.

As law enforcement veterans with over 400 years of combined experience investigating large-scale criminal trafficking networks, policing violent crime in major metropolitan areas, and protecting national security, we know how even seemingly minor changes in policy around alcohol distribution can incur massive social costs. Permitting direct alcohol shipment to the home has proven to be an extreme measure that creates vulnerabilities in the alcohol supply chain, opening the door to violent crime, alcohol contamination, and increased underage consumption. As evidenced in other states, it will also overwhelm limited law enforcement resources that are already stretched past capacity handling violent crime.

Recent reports show that experimental policies to permit direct alcohol shipment in other states, including states neighboring New York, have failed with dangerous consequences. States have lost millions in tax revenue. Limited law enforcement resources were diverted to enforce criminal alcohol trafficking. Adulterated and counterfeit products have contaminated the supply chain creating a public health risk. Most importantly, vulnerabilities enabled illegal youth access, fueling underage consumption and the accompanying dangers related to teenage drinking:

- In Massachusetts, government regulators found a direct link between direct alcohol shipping and increased underage access. Investigations found that 96% of e-commerce platforms accepted alcohol orders and payment from a 15-year old consumer, and zero shipments verified the age of the recipient by checking ID upon delivery. The Commonwealth's chief investigator remarked, "The bottom line is that we have alcohol coming into our state from unlicensed entities and individuals throughout the country and the world..."<sup>1</sup>
- Vermont state regulators conducted a sting operation in which they found that of 40 undercover shipments that they orchestrated, zero were conducted lawfully. Half of the shipments were conducted by unlicensed facilities and 80% of the shipments were delivered without age verification. Unfortunately, some of the entities conducting illegal shipments were New York companies. Officials highlighted the lack of enforcement resources, "Lawful direct-to-

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<sup>1</sup> [Beverage Dynamics: Consumer Convenience, but at What Cost?](#)

consumer shipping in Vermont is significantly underregulated and would take a significant investment to properly regulate and ensure public safety.”<sup>2</sup>

- In South Carolina, State Representative Weston Newton brought a bottle of bourbon to the statehouse floor that he had purchased online without any age verification to emphasize the threats created by direct shipment. Newton said that direct shipping in South Carolina is “...circumventing regulation. It’s circumventing taxation. It’s circumventing the protections of making sure that folks that are getting access to alcohol are 21 (years old.)”<sup>3</sup>
- The Tennessee ABC issued official requests to FedEx and UPS to cease illegal alcohol shipments to Tennessee residents from an online retailer responsible for 240 separate shipments in a single year. State attorneys general in Michigan<sup>4</sup>, Ohio<sup>5</sup>, and Tennessee<sup>6</sup> have each filed suit seeking to enjoin either out-of-state shippers, e-commerce platforms, or retailers from shipping spirits into their states.

Beyond the United States, international criminal networks trafficking illegal, counterfeit alcohol have become a significant global threat. The World Health Organization estimates at least 25% of all spirits consumed are illicit, while other authorities, like the United Nations Conference on Trade and Development, place this figure at more than 40% in certain areas.<sup>7</sup> In countries where alcohol beverage laws are looser, with less oversight in the supply chain, counterfeit alcohol and tainted product have led to a public health crisis. European regulators seized over 14 million liters of illegal alcohol in a massive multinational sting operation.<sup>8</sup>

Looking to New York specifically, we know from experience that well-established and sophisticated criminal networks are already profiting from insufficient enforcement of legal adult products. Illegal alcohol shipping is alive and well and already occurring within New York’s borders. According to news reports, if you buy a bottle of liquor in New York, there’s a one in four chance it’s been smuggled in from out of state.<sup>9</sup> The criminal market for tobacco in New York is well known, as more than 60% of the cigarettes sold in the state are illegal.<sup>10</sup> The state has also failed thus far to contain the explosion of illegal cannabis shops after legalizing recreational marijuana.<sup>11</sup> It’s clear that the state cannot afford to properly enforce an additional channel for adult products right now.

In the absence of a thoughtful and vigilant enforcement strategy with significantly augmented, dedicated resources, direct alcohol shipping will create a windfall for violent criminal networks already exploiting these criminal supply chains in New York. Weaker alcohol laws through direct shipping will increase the burden on struggling law enforcement and provide a fertile environment for violent gangs, organized crime, international cartels to increase profits through illegal alcohol sales.

In the face of all the clear and present dangers associated with direct alcohol shipping as evidenced in other states, in light of a growing body of published research about skyrocketing

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<sup>2</sup> [VERMONT DEPARTMENT OF LIQUOR AND LOTTERY DTC SHIPPING PILOT COMPLIANCE PROGRAM](#)

<sup>3</sup> [SC lawmaker mail-ordered bourbon](#)

<sup>4</sup> [State Continues Crackdown on Illegal Alcohol Shippers](#)

<sup>5</sup> [Yost Looks to Curb Illegal Liquor and Wine Shipments.](#)

<sup>6</sup> [Tennessee Attorney General Skrmetti Sues Six Online Businesses in Federal Court to Halt Illicit Liquor Shipments](#)

<sup>7</sup> [Scientists’ new approach in fight against counterfeit alcohol spirits.](#)

<sup>8</sup> [OLAF European Anti-Fraud: 14.8 million litres alcoholic drinks seized across Europe](#)

<sup>9</sup> [Crains: New York City is Awash in Illegal Booze](#)

<sup>10</sup> [NYPost: Rising cigarette prices spark increase in ‘buttlegging’](#)

<sup>11</sup> [POLITICO: New York Illegal Weed Shop Crackdown](#)

rates of alcohol-induced illness,<sup>12</sup> and considering New York's proven challenges to combat the illegal markets for alcohol, tobacco, and cannabis within the state, it would be foolish and dangerous to legalize direct shipping of alcohol. Any perceived public benefit for a small group of profit-motivated merchants is dramatically outweighed by the incalculable social costs that this would incur.

We encourage you, as New York's leaders, to consider these facts before supporting a policy that is so clearly endangering public safety and public health. We stand by to offer our insights, expertise, and assistance to the state as it contemplates this extreme policy.

Sincerely,

Edgar Domenech  
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Deputy Director, Bureau of Alcohol Tobacco Firearms & Explosives (ret'd.)

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Sergeant, Addison, IL Police Department (ret'd.)  
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<sup>12</sup> [Times Union: Substance Abuse Experts Urge Reversal of Relaxed Liquor Laws](#)