



DEPARTMENT OF LIQUOR CONTROL  
THE COUNTY OF KAUAI

DEREK S. K. KAWAKAMI, MAYOR  
MICHAEL A. DAHLIG, MANAGING DIRECTOR

GERALD T. RAPOZO  
DIRECTOR

March 25, 2019

Representative Roy M. Takumi, Chair  
Representative Linda Ichiyama, Vice Chair  
House Committee on Consumer Protection & Commerce

**Hearing:** Thursday, March 28, 2019  
2:00 p.m.; Room 329

**Position:** Support of SB 638, SD1 Relating to Liquor

Dear Chair Takumi, Vice Chair Ichiyama and Members of the Committee:

The Department of Liquor Control, County of Kauai, appreciates the opportunity to submit testimony in support of the above-referenced measure.

Although the County of Kauai does not have the types of problems that the City & County have in regards to the illegal sale of liquor at non-licensed establishments, we do **support** enhancing laws that deter the illegal manufacture and sale of liquor.

We also **support** of the addition of unlicensed sale of liquor to the covered offenses subject to forfeiture, and to the definitions of "organized crime" and "racketeering activity" as it provides law enforcement with another tool to prosecute these illegal activities.

Thank-you for the opportunity to submit testimony on this matter.

Respectfully Submitted,

GERALD T. RAPOZO  
Director



**LIQUOR COMMISSION  
CITY AND COUNTY OF HONOLULU**

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ASSISTANT ADMINISTRATOR

March 25, 2019

The Honorable Roy M. Takumi, Chair  
The Honorable Linda Ichiyama, Vice Chair  
and Members of the Committee on Consumer Protection  
& Commerce

House of Representatives  
State Capitol, Room 329  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

**SUBJECT: Senate Bill 638 SD1  
Relating to Liquor**

The Liquor Commission, City and County of Honolulu, (Commission), appreciates the opportunity to submit testimony in **strong support** of the above-referenced measure. Currently, there are businesses in Honolulu County that operate after-hours clubs and sell liquor without a license. Our experience has shown that businesses who sell liquor illegally are also conducting other illegal activities. By increasing the penalties to a felony, the proposed measure will deter the illegal sale of liquor, with a corresponding deterrence to other related and undesirable activities.

We are in strong support of this bill as it will not penalize an unwitting server or an owner who inadvertently was late in its license renewal. Instead, it will address the growing problem of illicit businesses operating outside of the established liquor laws and becoming a blight on the surrounding communities.

We also are in strong support of the addition of unlicensed sale of liquor to the covered offenses subject to forfeiture, and to the definitions of "Organized crime" and "Racketeering activity" because it provides law enforcement with another tool to prosecute these types of activities.

Thank you for the opportunity to testify.

Sincerely,

  
Franklin Don Pacarro, Jr.  
Administrator

FDPjr:PHN:ACH

POLICE DEPARTMENT  
**CITY AND COUNTY OF HONOLULU**

801 SOUTH BERETANIA STREET · HONOLULU, HAWAII 96813  
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KIRK CALDWELL  
MAYOR

SUSAN BALLARD  
CHIEF

JOHN D. McCARTHY  
JONATHAN GREMS  
DEPUTY CHIEFS

OUR REFERENCE **WO-KK**

March 28, 2019

The Honorable Roy M. Takumi, Chair  
and Members  
Committee on Consumer Protection  
and Commerce  
House of Representatives  
Hawaii State Capitol  
415 South Beretania Street, Room 329  
Honolulu, Hawaii 96813

Dear Chair Takumi and Members:

**SUBJECT: Senate Bill No. 638, S.D. 1, Relating to Liquor**

I am Walter Ozeki, Acting Major of the Criminal Investigation Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD supports Senate Bill No. 638, S.D. 1, Relating to Liquor.

The HPD has long recognized the problems created by persons or establishments that participate in the unlicensed manufacture or sale of liquor. The full impact of these problems extend far beyond just the obvious fact that they are able to operate unregulated with no concern or regard towards complying with regulations that govern the legal service of liquor. The bigger impact to the community results from the illegal activity and disruptive behavior that these establishments attract to our neighborhoods.

Unlicensed liquor sales encourage under aged consumption of liquor and provides an attractive venue for the distribution of other illegal substances and other illegal activity. Further impacts to our community include the accompanying noise, nuisance complaints, and other acts of violence and destruction resulting from unlicensed liquor sales.

The Honorable Roy M. Takumi, Chair  
and Members  
March 28, 2019  
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The classification of unlicensed manufacture or sale of liquor as a misdemeanor does little to deter this activity and provides little in the way of investigative tools available to police to combat this illegal activity. By reclassifying this offense to a Class C felony, including it as a covered offense for forfeiture purposes and by adding it to the class of organized criminal activities under Hawaii Revised Statute Chapter 842, you provide a true deterrence where the financial rewards no longer outweigh the potential risks and punishments associated with the commission of this offense.

The HPD urges you to support Senate Bill No. 638, S.D. 1, Relating to Liquor.

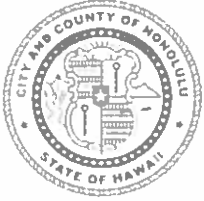
Thank you for the opportunity to testify.

Sincerely,

  
Walter Ozeki, Acting Major  
Criminal Investigation Division

APPROVED:

  
Susan Ballard  
Chief of Police



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
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March 27, 2019

The Honorable Roy Takumi, Chair  
The Honorable Linda Ichiyama, Vice Chair  
and Members of the Committee on Consumer Protection & Commerce  
415 South Beretania Street, Conference Room 325  
Honolulu, HI 96813

**LATE**

Subject: SB 638, SD1, Relating to Liquor  
Hearing: Thursday, March 28, 2019 @ 2:00 pm

This testimony is to convey my strong support for SB 638, SD1. The Honolulu City Council adopted Resolution 17-280, CD-1, which urged the Legislature to enact legislation found in SB 638, SD1. This measure helps address an ongoing community problem associated with the sale of liquor at "private" clubs that are not under the jurisdiction of the Liquor Commission. This measure increases the penalty for the unlicensed sale of liquor to a class C felony, and adds the unlicensed sale of liquor as an offense for which property is subject to forfeiture, includes unlicensed sale of liquor in the definitions of "organized crime" and "racketeering activity."

Currently, under Hawaii Revised Statutes section 281-101 the penalty for the unlicensed manufacture or sale of liquor is a fine of not more than \$2,000, imprisonment for not more than one year, or both. This penalty has reportedly been described as "a slap on the wrist" and "merely a cost of doing business" for businesses illegally selling liquor without a proper license from the Honolulu Liquor Commission.

The amendments in this bill give the law "teeth," providing stiffer penalties and creating more of a deterrent against operating without any oversight or regulation from the Liquor Commission.

Thank you for allowing me the opportunity to submit testimony. For the foregoing reasons, I respectfully request your passage of SB 638, SD1.

Sincerely,

A handwritten signature in black ink, appearing to read "Brandon Elefante", written over a set of horizontal lines.

Brandon Elefante  
Councilmember, District 8