

BROADCAST TRANSCRIPT

Fox 45 News At Ten

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JEFF BARNES, co-anchor:

Buying booze online, having it delivered directly to your door. Could online liquor be falling into the wrong hands? If so, what are lawmakers doing about it? Not much as we found out. Joy Lepola investigates.

JOY LEPOLA reporting:

Bootlegging, back in the roaring 20s it was big business.

Ms. JUANITA DUGGAN (Wholesalers of America): If you bring it on over mules over the mountains of West Virginia and you don't pay the taxes on it and it's being given to people who shouldn't be drinking, it's the exact same thing.

LEPOLA: Except in this century, travel is taking place along the information super highway, in some cases, illegally.

Ms. DUGGAN: Ten percent of kids who admit to drinking have received their alcohol online.

LEPOLA: A dangerous reality that advocates like Juanita Duggan fear will only get worse.

Ms. DUGGAN: Because this is such a technologically savvy generation of kids.

LEPOLA: As part of our CRIME & JUSTICE investigation, we tapped in to find out just how easy it was. Within a matter of minutes our producer not only found a Web site, but successfully ordered a bottle of 190 proof grain alcohol. All he had to do was type in an age over 21, provide a credit card number and wait.

Ms. DUGGAN: It's untracked, it's unaccountable, the taxes are generally not paid and, as we know, IDs are rarely checked.

LEPOLA: The cost: just over \$25. A day later the order is delivered right to your door step. And even if you are of age, it's still illegal.

Mr. DANIEL ADAMS (Comptroller's Office): That makes it a felony in Maryland for anyone out of state to ship alcoholic beverages to a consumer in Maryland.

LEPOLA: And the company we ordered from knows that; it's stated on the company's Web site. It's in bold print that Randall's Wines and Spirits doesn't ship to Maryland; that's what the company claims. In our case it appears the company went out of its way to disguise what was inside the box to avoid any questions from being asked. The return address showed a

different state and a different company. Instead of Randall's, the company named was Fox River Dairy.

Obviously, we had a lot of questions, so we contacted both companies. The company that sold and shipped the alcohol, as well as the company named on the return address, both declined to comment for this story.

We also contacted UPS who delivered the grain alcohol, in a statement issued on behalf of the company a spokeswoman told us "UPS is investigating the issue. And the company will take the appropriate action." Adding, "Every package cannot be inspected." Still, UPS did sign a letter with the state comptroller's office suggesting it would do everything in its power to avoid delivering alcohol directly to Maryland consumers, and selling the alcohol to minors.

Mr. ADAMS: That's not what happened in this case.

LEPOLA: As our investigation uncovered, the state has similar agreements with DHL and FedEx, all companies that may be breaking the law whether they know it or not.

Ms. DUGGAN: In other situations, of course, we have seen a box that is clearly marked 'is containing alcohol,' 'requiring an adult signature,' requiring an ID check,' and they're left on door steps, they're put in the bushes. In one case, we saw a signature actually forged by a deliver man.

LEPOLA: Our package was left with a neighbor. Nowhere on the box of delivery slip did it indicate someone over 21 would have to sign for it.

Ms. DUGGAN: The whole situation is a problem because it circumvents all the safeguards that communities have put in place.

LEPOLA: Minors with easy access to alcohol, states losing millions in taxes, millions these online businesses are raking in.

Mr. ADAMS: The tax break alone gets them a step ahead of the people we license. The comptroller's office collects about \$26 million a year from just the alcoholic beverage taxes, from legal entities.

LEPOLA: And remember, that doesn't include Maryland's five percent sales tax. That too isn't being collected.

Ms. DUGGAN: I think enforcement is a serious problem.

LEPOLA: State enforces stated merely identifying a business can be tough, most of the time it's by accident. And even then, it's tough to bring them to justice.

Mr. JOHN HORNEY (Comptroller's Office): The best, I think, that we can do is notify them of our laws and ask for their cooperation.

LEPOLA: Sometimes getting a company to cooperate isn't an issue; other times it is, leading some to ask if the state could be doing more. Governor Robert Ehrlich believes it's league violators the state needs to nab.

Governor ROBERT EHRLICH (Maryland): Discretion is a really important part of law enforcement.

LEPOLA: As a congressman, Ehrlich supported legislation that allowed states to drag these modern day bootleggers into federal court, but Maryland's never capitalized on that law, in part, because the state's attorney general hasn't received a complaint.

Mr. JOSEPH CURRAN (Attorney General): Which leads me to believe that my initial fears some years ago that people could be abusing the Internet were either not founded or are—the laws we passed stopped it.

LEPOLA: As for the state law that makes it a felony to direct ship alcohol, it hasn't been enforced once by the comptroller. Not a single company has been brought up on criminal charges, that, even though the comptroller said it would actively pursue these online companies. And that, according to advocates, is part of the problem. In many, there is no one watching as businesses are cashing on minors breaking the law.

Joy Lepola, Fox 45 News at 10.

BARNES: The last time the state slapped a company with a fine was nearly five years ago.

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