



**State of Arizona
Department of Liquor Licenses and Control**

Industry Alert

March 20, 2012

Commercial Coercion, Bribery, and Inducements

The purpose of this industry alert is to help Arizona liquor-licensed distributors identify unlawful activities which are currently being practiced, and may be occurring at their business with or without their knowledge. Specifically, I am referring to provisions for unlawful "commercial coercion", "bribery", and "inducements" as outlined in Arizona Revised Statutes (law) and Arizona Administrative Code (rule). For your convenience, all statutes and rules are cited on this page below my signature. I hope you find this helpful when reviewing these unlawful practices with your staff.

The intent of these laws is to ensure that no advantage is given to any one liquor-licensed business in Arizona's open, competitive market. With few exceptions, the solicitation and/or provision of anything of value from an Arizona liquor-licensed distributor to an Arizona liquor-licensed retailer constitutes a violation of Arizona liquor law and is subject to disciplinary action. Arizona distributor and retail licensees can expect enforcement of the laws as written.

If, after reviewing the statutes and rules below, you wish to discuss these matters further, please contact me directly.

Sincerely Yours,

Alan Everett
Director

Current statutes and rules which reference "commercial coercion", "bribery", and "inducements":

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| A.R.S. §4-243. | <u>Commercial coercion or bribery unlawful; exceptions</u> |
| A.R.S. §4-243.01. | <u>Purchasing from other than primary source of supply unlawful; definitions</u> |
| A.A.C. R19-1-206. | <u>Inducements, Prohibited</u> |
| A.A.C. R19-1-226. | <u>Commercial Coercion and Bribery</u> |
| A.A.C. R19-1-228. | <u>Exceptions to General Rule</u> |
| A.A.C. R19-1-230. | <u>Tapping Equipment, Furnishing, Selling, and Servicing</u> |