

## Why is it important?

Alcohol is a highly regulated industry. Al Capone, George "Bugs" Moran, and other notorious bootlegging gangsters engaged in corruption, money laundering, profiting from illegitimate businesses (illegal gambling, prostitution, drugs), not paying taxes, and defiance of laws.

[16-1-101](#), MCA states the purpose of Title 16:

- This code is an exercise of the police power of the state for the protection of the welfare, health, peace, morals, and safety of the people of the state and of the state's power under the 21st Amendment to the United States Constitution to control the transportation and importation of alcoholic beverages into the state.
- The overall purposes of this code under the 21st Amendment to the United States Constitution are to promote temperance, create orderly markets, and aid in the collection of taxes.

Our purpose and main goal is public safety.

## Background Evaluations To:

- Keep the criminal elements out of the industry
- Preserve the ability to collect tax revenue
- Provide transparency to regulators
- Prevent cross-tier ownership
- Ensure compliance with laws and rules

## Alcoholic Beverage License Application

Requirements needed to aid in the review of whether a person may be considered a good purveyor of alcoholic beverages ([16-4-401](#), MCA) and of good moral character:

- Criminal check
- Ownership in other businesses
- Tax check
- Review of finances

## Criminal Checks - Vetting Owners and Managers to Protect:

- Public health
- Safety of patrons
- Safety of nearby businesses

The public should not want unvetted individuals who may disregard the law, including alcohol laws, and attract violent behavior or disorder, i.e. shootings, stabbings, illegal drug activity, or using the business to conceal illicit activities.

## Ownership in Other Businesses To:

- Disclose the business structure
- Reveal who is financially benefiting from the sale of alcohol
- Reveal all owners
- Reveal any new owners
- Make sure people are suitable to own an alcoholic beverage license
- Prevent cross-tier ownership

## Tax Checks To:

- Make sure all owners are current on taxes
- Make sure the business entity is current on all taxes
- Provide details of a person's character and ability to operate a successful business involving alcohol
- Ensure taxes are collected and paid is an important aspect of the alcohol industry, especially in maintaining funding for governmental agencies responsible for the proper licensing and enforcement of state and federal alcohol laws along with funding alcohol prevention and alcohol treatment programs

## Review of Finances To:


- Ensure funding for the alcoholic beverage license is from a suitable source (non-institutional lenders are vetted)
- Ensure funding for a business is from a suitable source
- Provide transparent finances

Learning from the history of Prohibition, background checks ensure that suitable people are engaged in alcoholic beverage businesses.

Background checks must be thorough, detailed, and comprehensive to guarantee the individuals involved meet statutory requirements to ensure the safety of the citizens.

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