



LICENSING STANDARDS INVESTIGATIONS

Enforcement Division
Policy Number: LE 1.01.02

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POLICY

The Texas Alcoholic Beverage Commission (TABC) investigates applicants, permit holders, and license holders as necessary to ensure that all permit and license holders meet the standards set out in the Alcoholic Beverage Code and Commission Rules.

To qualify for a permit or license under the Alcoholic Beverage Code and Commission Rules, the applicant, the funding, and the location must meet certain standards. The TABC has designed applications for an alcoholic beverage permit or license to help determine whether an applicant meets these standards.

A licensing standards investigation may result in:

- no action;
- the issuance of a permit or license;
- the TABC protesting the issuance of a permit or license;
- an applicant withdrawing an application;
- the voluntary cancellation of the permit or license;
- the TABC refusing to issue a permit or license; or
- the TABC bringing administrative or criminal charges against a permittee or licensee or any other person who has violated the law.

PROCEDURES

a. Identifying an Original or Renewal Application for Investigation.

1. At any point in the application process, a TABC employee may refer an original or renewal application to a licensing standards investigator.
2. A licensing standards investigator will initiate an investigation when:
 - he or she suspects that information provided by an applicant is false, incomplete, or inaccurate;
 - he or she suspects that the applicant, permittee, or licensee does not meet the standards for the specific permit or license;
 - he or she requires more information to determine whether the applicant meets the standards for holding an alcoholic beverage permit or license; or
 - any person files a complaint alleging that the applicant, permittee, or licensee fails to meet the standards for a specific permit or license.

b. Investigating Applications in the Field.

1. If a field accounts examiner, or someone acting in a similar capacity, identifies a need for a licensing standards investigation, he or she will forward the file to the field licensing standards investigator (FLSI). If no FLSI is available locally, he or she will

- make a note on the clearance sheet of the application indicating the specific need for a licensing standards investigation and will forward the completed application to headquarters.
2. Upon obtaining the application file, the FLSI will briefly describe his or her reason for investigation on the clearance sheet, if the accounts examiner has not done so.
 3. The FLSI will review the file and attempt to resolve whether the applicant meets the standards for the permit or license.
 - If the FLSI decides that the applicant satisfies the standards for the permit or license, he or she will note this conclusion on the clearance sheet and return the application file to the accounts examiner for submission to the licensing headquarters.
 - If the FLSI requires further information to determine whether the applicant satisfies the standards for the permit or license, the FLSI will create a complaint record in the agency computer system, which begins the documentation for a licensing standards investigation. Refer to *Investigations*, § 1.01.00 in this manual, for general procedures regarding opening and tracking complaints. The FLSI may request information directly from the applicant, permittee or licensee, or may ask the accounts examiner to request additional information.
 - If the FLSI decides that the application requires further investigation by a headquarters licensing standards investigator (HQLSI), he or she will note this on the clearance sheet and return the application to the accounts examiner to be forwarded to licensing headquarters when it is otherwise complete. FLSI's may recommend an investigation by an HQLSI when the investigation requires a significant amount of time or other resources, involves multiple districts, or any other reason that prevents the FLSI from completing a thorough investigation.
 - If the FLSI concludes that the applicant, permittee, or licensee, does not meet the standards required of an applicant for an alcoholic beverage permit or license, he or she will begin procedures to reject the application. The FLSI will enter a complaint record in the agency computer system.
 4. The FLSI will not investigate an application for more than 10 workdays without the approval of the captain.

c. Headquarters Investigation.

1. The district offices will forward applications to licensing headquarters for review.
2. An accounts examiner at licensing headquarters will refer an application to a licensing standards investigator if the application file contains a note from a field employee requesting licensing standards investigation or if any other evidence indicates that the applicant may not satisfy the standards for the requested alcoholic beverage permit or license.
3. An HQLSI will review the file and attempt to resolve whether the applicant meets the standards for the permit or license.
 - If the HQLSI finds that the applicant satisfies the standards for the requested alcoholic beverage permit or license, he or she will return the file to licensing

headquarters for processing.

- If the HQLSI concludes that the applicant must provide more information, the HQLSI will create a complaint record in the agency computer system or add to an existing electronic complaint record for the application. The HQLSI should note the action taken and the reason for the action. The HQLSI will ask licensing headquarters to request additional information from a permittee or licensee, if necessary.
 - If the HQLSI concludes that the applicant does not satisfy the standards for holding the requested alcoholic beverage permit or license he or she will begin procedures to reject the application.
4. The HQLSI will not investigate an application for more than 10 workdays without the approval of the supervising assistant chief of enforcement. Time spent waiting for requested information will not count toward this time limit.

d. Rejecting the Application.

1. The LSI will enter a violation record into the agency computer system and relate it to the complaint record. If a complaint record has not already been entered into the computer system, this must be done before entering a violation record.
 2. The LSI will complete a report in the agency computer system detailing both the investigation and the reason or reasons that the agency must protest the issuance of the permit or license.
 3. The LSI will return to the violation record. In the “comments” section, the LSI will note that a report has been completed in the agency computer system and will provide the reference number for that report.
 4. The LSI will inform his or her sergeant or supervisor that the violation record is ready for approval in the computer system and will submit the paper file on the case containing all related documents and evidence to the sergeant or supervisor.
 5. The sergeant or supervisor will approve or reject the case. If the sergeant or supervisor approves the file, he or she will approve the violation record in the computer system and submit the file to the Legal Services Division. Upon sergeant or supervisor approval, the computer system will automatically notify the Licensing Division to begin procedures to reject the application.
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