

**Alcohol Delivery Services And Underage Persons:
An Examination Into The Feasibility With Which Underage Persons Are Able To Obtain
Alcoholic Beverages**

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BACKGROUND

Within the last four to five years, grocery delivery services have established themselves in North Carolina. These services allow individuals to purchase any item available in select grocery stores for a fee, including alcoholic beverages. Examples of grocery delivery services include Postmates, Instacart, and Amazon.

Drizly is another service which connects consumers with alcoholic beverage retailers to purchase alcoholic beverages. Employees from the alcoholic beverage retailers deliver alcoholic beverages from their establishments, if the alcoholic beverages were purchased through Drizly.

Several of these alcohol delivery services follow a similar gig economy setup like Uber.¹³ Postmates and Instacart have application procedures whereby anyone can apply online and within a short time period be employed as a contract employee. Each contract employee makes their own hours and has little to no oversight.^{1, 10}

In North Carolina alcohol delivery services exist in almost every major city, to include larger college towns such as Chapel Hill, Durham, Raleigh, Greenville, Wilmington, Boone, Winston-Salem, and Charlotte.^{2, 11} The primary concern regarding alcohol delivery services is the ease with which individuals who are less than 21 years old could order alcoholic beverages and have them delivered to their doorstep.

Additionally, there are fewer safeguards to detect and prevent underage persons from receiving alcoholic beverages from alcohol delivery services. In North Carolina Alcohol Law Enforcement (ALE) Special Agents conduct surveillance of ABC permitted establishments to detect violations of North Carolina General Statutes, to include the purchase, possession, and consumption of alcoholic beverages by persons who are less than 21 years old.^{5, 6, 7} There are over 18,000 permitted ABC establishments in North Carolina and only 109 sworn ALE Special Agents.⁸ By allowing alcoholic beverages to be delivered to residences it makes every residence a potential site where an alcoholic beverage transaction could take place.

In 2018, Texas officials conducted a compliance check operation to determine if underage individuals were able to purchase alcoholic beverages using grocery delivery services. The result of the compliance check operation yielded completed sales in “two of nine tries”, a sale rate of 22.22 percent.¹²

It was anticipated we would experience a sale rate comparable to the sale rate found in the 2018 Texas study and of more than that witnessed during alcoholic beverage compliance check operations at traditional brick and mortar ABC permitted establishments in North Carolina.

OBJECTIVE

The objective of this operation was to conduct compliance checks in the greater Charlotte and greater Raleigh areas of North Carolina on alcohol delivery services to determine sale rates of each delivery service and as alcohol delivery services as a whole in North Carolina. In addition to determine the sale rates of alcohol delivery services, the success rates of the alcohol delivery

service compliance checks were also compared to alcohol compliance checks at traditional brick and mortar ABC permitted establishments in North Carolina.

METHODS

SAMPLE

From September 2018 to January 2019, North Carolina Alcohol Law Enforcement (ALE) Special Agents conducted eighteen (18) alcohol compliance checks on alcohol delivery services. The compliance checks were conducted in the greater Charlotte and greater Raleigh areas of North Carolina.

BUYERS

Depending on their availability, one of two underage persons were used to complete the complete the compliance checks. One underage person was a youthful appearing, 19 year old, white male. The other underage person was a youthful appearing, 18 year old, white male. The 19 year old male was used in four (4) of the 18 compliance checks. The 18 year old male was used in 14 of the 18 compliance checks.

STUDY PROCEUDRES

Prior to scheduling the operations, research was conducted on apartment complexes in the greater Charlotte and greater Raleigh areas to check for vacancies and to ensure alcoholic beverages could be delivered in less than one (1) hour by each of the selected delivery services.

Prior to beginning the compliance check operation, the ALE Special Agent conducting each operation examined the underage person's identification and ensured the underage did not possess a fictitious identification. The underage persons were instructed to present their identification if requested by the courier and to answer all questions truthfully.

The ALE Special Agent running each operation placed orders for malt beverages online through Instacart, Postmates, Amazon, and Drizly's websites. If presented with an age verification prompt, the Special Agent entered a fictitious date of birth to ensure an attempted delivery was made.

After each purchase attempt was complete, all couriers were interviewed by the Special Agent running the compliance check operation. Data gathered from the couriers included: name, age, sex, and prior experience working as an employee of an alcoholic beverage retailer in North Carolina. For the purposes of this study, an individual was considered working as an employee of an alcoholic beverage retailer if they had retail experience selling alcoholic beverages by working in a traditional brick and mortar ABC permitted establishment such as a convenience store, grocery store, restaurant, or bar/night club which held ABC permits under North Carolina General Statute 18B-1001.⁴

Although Amazon has brick and mortar establishments in Charlotte and Raleigh, which hold ABC permits under the trade name “Prime Now”, employees of Amazon were not considered to have experience working in a retail alcoholic beverage setting. Amazon’s business model is as a delivery service, not as a walk-in retail establishment. Amazon employees were only considered to have had experience working in an alcoholic beverage retail environment if they had worked for another ABC permitted establishment in North Carolina which fit the requirements in the above paragraph.

After each interview was completed, the couriers were informed of the four acceptable forms of identification, pursuant to North Carolina General Statute 18B-302(d)(1),³ and reminded not to sell or give alcoholic beverages to underage and intoxicated individuals. If the courier completed the transaction with the underage person, the courier was provided with an oral warning.

After completing the alcohol delivery compliance checks, a comparative analysis was performed on the above alcohol delivery compliance check data and alcohol compliance check data maintained by the North Carolina Alcohol Law Enforcement. The comparative analysis was done to determine the sale rate difference between traditional brick and mortar ABC permitted establishments and alcohol delivery services.

A query of the North Carolina Alcohol Law Enforcement Case Records Management database was conducted for records which were resolved, alcohol compliance checks that occurred between January 1, 2011 and December 31, 2018. The query returned a total of 197 alcohol compliance checks performed, not including the alcohol delivery compliance checks. These compliance checks were conducted across North Carolina by multiple underage persons.

The results were further filtered to remove 15 compliance checks that stated the employee of the ABC permitted establishment asked for the underage persons’ identification, but identification was not presented. An additional four (4) compliance checks were removed because they indicated identification was presented, but was not requested by the employee of the ABC permitted establishment. This was done in order to maintain consistency with the current study. This resulted in a remainder of 178 compliance checks for analysis.

RESULTS

Of the 18 compliance checks conducted, there were five (5) sales, accounting for approximately 27.78 percent of compliance checks. The underage person was handed the alcoholic beverage in ten (10) of the attempted purchases, approximately 55.56 percent. In half of those instances the courier retrieved the alcoholic beverage and informed the underage that the sale could not be completed. For the purposes of this study, a sale was not considered complete until the courier walked away from the apartment and the underage was in possession of the alcoholic beverage.

Delivery Service	Compliance Checks	Completed Sales	Times Alcoholic Beverage Handed To Underage (Excluding Sales)
Instacart	6	1	2
Postmates	5	3	1
Amazon	5	0	2
Drizly (Red Line Beer and Wine/Wine Feed)	2	1	0
Total =	18	5	5

Table 1. Number of alcohol delivery compliance checks, completed sales, and times alcoholic beverages were physically handed to the underage person per delivery service

Identification was requested and presented to the courier in 16 of the 18 compliance checks. The underage person's age was requested in 6 of the 18 compliance checks. In every instance in which a courier requested the underage person's age, they also checked the underage person's identification. Out of the five (5) completed sales, identification was not requested and presented in two (2) attempts. In one (1) of the completed sales the courier scanned the underage person's identification; but, according to the courier, the courier did not look at the telephone screen to see the warning the underage person was not 21 years old or older. In another instance in which a sale took place the courier asked for identification, but the courier did not scan the identification. In another completed sale, the courier requested the underage person's identification, scanned the identification, asked the underage person's age, made statements stating indicating he/she knew the underage person to be less than 21 years old, and still provided the underage person with the alcoholic beverage.

	All Compliance Checks	Compliance Checks That Ended In Completed Sales
Identification Checked	16	3
Identification Not Checked	2	2
Total =	18	5

Table 2. Rate of identification checked/no checked compared to all alcohol delivery compliance checks and alcohol delivery compliance checks which ended in sales

Of the 18 alcohol delivery compliance checks, only five (5) of the couriers had ABC retail experience. Two (2) of the aforementioned five (5) couriers completed the alcoholic beverage sale.

Delivery Service	ABC Retail Experience	No ABC Retail Experience
Instacart	2	4
Postmates	1	4
Amazon	0	5
Drizly (Red Line Beer and Wine/Wine Feed)	2	0

Total =	5	13
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Table 3. Alcohol delivery couriers with ABC retail experience

	ABC Retail Experience	No ABC Retail Experience
Completed Sale	2	3
No Sale	3	10

Table 4. Number of completed alcohol delivery sales and no sales compared to ABC retail experience

An analysis of the 178 compliance checks showed there were 49 completed sales to underage persons, approximately 27.53 percent. Identification was requested and checked in 153 of the 178 compliance checks. Identification was requested and checked in 29 of the 49 sales, approximately 59.18 percent. Of the transactions in which a sale was not completed, identification was checked in 124 of the compliance checks, approximately 96.12 percent.

	Identification Checked	Identification Not Checked
Completed Sale	29	20
No Sale	124	5
Total =	153	25

Table 5. Comparison of sales vs no sales during traditional alcohol compliance checks in which identification was checked vs not checked

CONCLUSION

Although the sample size in the alcohol delivery compliance check study was very small, the sale rate of 27.78 percent was very similar to the 27.53 percent sale rate found in traditional alcohol compliance checks in North Carolina and the “over 20 percent” cited in the 2018 Texas article.¹² However, due to the small sample size it, cannot be certain the 27.78 percent sale rate would prevail if more alcohol delivery compliance checks were conducted.

Additionally, one factor which may have influenced the sale rates in the alcohol delivery compliance checks was the usage of two different underage persons. Additionally, the same underage persons used in the alcohol delivery compliance checks were not the same underage persons used in the traditional alcohol compliance checks.

Another potential issue with comparing the alcohol delivery compliance checks to the traditional compliance checks includes the Special Agents’ reasons for choosing which ABC permitted establishments at which to conduct a compliance check. Reasons for selecting an ABC permitted establishment could have included previous complaints, violation history, perceived likelihood a violation would have been detected, or a multitude of other unknown decision criteria. Ultimately, it is unclear why specific ABC permitted establishments were chosen for the traditional compliance checks.

Although there are variables which were not controlled for, it is surprising to see only a small difference in sale rates. Again, it is unsure if the same sale rate would prevail if a larger sample size were taken.

After conducting the alcohol delivery compliance checks, additional concerns regarding procedures with which the couriers operate surfaced. These concerns include forgetting to check identification, handing alcoholic beverages to the underage person before checking identification, and knowingly providing alcoholic beverages to the underage person after determining the underage person was less than 21 years old.

Two of the concerns, forgetting to check identification and handing alcoholic beverages to the underage person, are as a result of the procedures each courier employs. It is anticipated these concerns could be corrected if the companies ensure each courier is trained on the applicable ABC laws and the proper procedures for delivering alcoholic beverages.

The third concern, knowingly providing alcoholic beverages to the underage person, could have been a result of the courier's perceived lack of financial compensation compared to the time it would take to return the alcoholic beverages. In this instance, the courier made comments "I do not feel like returning it" and "...I didn't want to go all the way back and return. I shouldn't have did it. I shouldn't have did it." During other compliance checks, it was discovered if the courier had telephoned their respective company then they would receive a \$15 bonus for refusing to complete the sale and returning the alcoholic beverages.

As a result of the study, it is recommended alcohol delivery companies provide frequent in-person training to couriers who elect to deliver alcoholic beverages. Additional administrative regulations might also be useful in order to hold both the courier and the alcohol delivery service accountable. However, it is still a concern that a few couriers may still choose to willfully violate the law and provide alcoholic beverages to underage persons.

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