

**HEARING BEFORE A PANEL  
OF THE BOARD OF  
ALBERTA GAMING, LIQUOR AND CANNABIS COMMISSION**

**IN THE MATTER OF the *Gaming, Liquor and Cannabis Act*  
Revised Statutes of Alberta 2000, Chapter G-1, as amended  
and the Regulation**

and

**Engblom Property Corporation  
o/a Indian Cabins Trading Post (Licensee)  
Indian Cabins, Alberta TOH 2P0**

<b>DATE OF HEARING:</b>	<b>January 18, 2023</b>
<b>HEARING PANEL:</b>	<b>Len Rhodes, Presiding Member Patti Grier, Panel Member Tongjie Zhang, Panel Member</b>
<b>LICENSEE / REPRESENTATIVE:</b>	<b>Todd Engblom, Owner/Operator</b>
<b>REGULATORY SERVICES DIVISION:</b>	<b>Toni Hazelwood, Hearing Officer</b>

**DECISION OF THE HEARING PANEL**

The Panel finds that the Licensee contravened section 69(1)(a) of the *Gaming, Liquor and Cannabis Act* (the Act) and section 1.6.2 of the Liquor Licensee Handbook (the Handbook).

In accordance with section 91(2)(c) of the Act, the Panel imposes a fine of \$10,000 or a 40-day suspension of the Class D general merchandise liquor store licence numbered 771330-1 for the contravention of section 69(1)(a) of the Act, and a warning for the contravention of section 1.6.2 of the Handbook.

The fine is to be paid on or before March 3, 2023 or the suspension period served commencing with the normal opening of business on March 6, 2023 and continuing until the normal close of business on April 15, 2023.

## I. Jurisdiction and Preliminary Matters

[1] On October 20, 2022, Gary Peck, the Vice President of the Regulatory Services Division (Regulatory Services) of the Alberta Gaming, Liquor and Cannabis Commission (AGLC) contacted Len Rhodes, Board Chair, via email to request that the Board convene a hearing for Engblom Property Corporation, operating as Indian Cabins Trading Post (the Licensee), as a result of alleged contraventions of:

- section 69(1)(a) of the Act: No liquor licensee or employee or agent of a liquor licensee may permit any activity in the licensed premises that is contrary to any municipal bylaw or any Act or regulation of Alberta or Canada.
- section 1.6.2 of the Handbook: ProServe certification is mandatory for the following full-time and part-time staff:
  - (a) positions where liquor is provided under the authority of a Class A, B, D, E, F and Duty-Free licence (excluding Class D – Sacramental Wine Resale licence):
    - i) licensed premises owners that are responsible for directly managing a licensed premises;
    - ii) licensed premises managers, supervisors, retailers, bartenders, servers, greeters, hosts and delivery service drivers;
    - iii) security staff (directly employed or contracted by the licensee); and
    - iv) owners and managers of a company contracted to provide security.
  - (b) positions where liquor is provided under the authority of a Special Event Licence (SEL) Public Resale - Commercial:
    - i) managers, supervisors, bartenders, servers, and drink ticket sellers;
    - ii) security staff (directly employed or contracted by the licensee); and
    - iii) owners and managers of a company contracted to provide security.
  - (c) positions where liquor is provided under the authority of a SEL Public Resale – Community:
    - i) the licensee and designates(s); and
    - ii) a minimum of 25% of all bartenders/servers on-site.
  - (d) persons registered with AGLC as a liquor agency and their employees, or a third-party agent acting on their behalf, whose duties include the sampling of liquor products.

[2] Pursuant to sections 91(1)(a) and 91(2) of the Act and the Administrative Sanction Guideline for Violations, the Board Chair directed that a hearing before a Panel of the Board be convened.

[3] In accordance with section 11 of the Act, the Chair of the Board designated three members of the Board to sit as a Panel to conduct the hearing and make a decision – Len Rhodes (Presiding Member), Patti Grier, and Tongjie Zhang.

[4] The Licensee was provided a Notice of Hearing via recorded mail and email on November 8, 2022.

[5] The parties and the Hearing Panel were provided with a record containing various documents pertaining to the issues before the panel. The Licensee confirmed receipt of the Notice of Hearing dated November 8, 2022 and the attached hearing record. The following documents were entered into evidence:

- Exhibit 1 Hearing Record, including Tabs 1 to 4
- Exhibit 2 Edmonton Police Service files, including Tabs 1 to 9

## **II. Issues**

[6] Did Indian Cabins Trading Post contravene section 69(1)(a) of the Act and/or section 1.6.2 of the Handbook?

[7] If the Licensee contravened either of the above provisions, what sanction(s) should the Panel impose in accordance with section 91(2) of the Act?

## **III. Regulatory Services Submissions**

[8] The Regulatory Services Division called four witnesses:

- Constable Brys Francis, Edmonton Police Service
- Conrad Moschansky, Investigator
- Jordan Neill, Inspector
- Dennis Storey, Director, Investigations

[9] The following is a summary of the evidence provided by Constable Francis, Investigator Moschansky, Inspector Neill and Mr. Storey.

### Background

[10] Constable Francis, who has been an EPS member for 16 years, investigated Mr. Todd Engblom and Indian Cabins Trading Post as a result of an operation conducted by him and the EPS Focused Intervention and Apprehension Team (FIAT), called Project Capone.

[11] Project Capone began in 2020 as a result of the rapidly rising number of large quantity liquor thefts and associated violence in Edmonton since 2018.

[12] Constable Francis clarified that large quantity liquor thefts do not include thefts of single bottles for personal use but rather thefts of multiple bottles or cases of liquor. These thefts are often paired with violence towards employees, whether the employees attempt to intervene or not.

[13] Constable Francis stated that the reported violence associated with liquor thefts ranged from verbal threats to physical assault to assault with weapons such as knives, bear spray and firearms, resulting in significant injuries.

[14] In 2018, 3,300 liquor thefts were reported to EPS and in 2019 there were 9,600 reported. Constable Francis stated that early in 2020, EPS anticipated that the number of thefts would continue to rise and surpass each of the previous years, with 600 reported liquor thefts in January 2020 alone.

[15] In December 2020, Constable Francis initiated Project Capone. The operation began with the observation of two, street-level thieves who were known for stealing cases of liquor and stealing from multiple retail liquor stores per day. Constable Francis and his team determined that the liquor was being trafficked but were unable to identify the demand for the stolen liquor due to the COVID-19 pandemic and resulting restrictions.

[16] In 2021, EPS members commenced the undercover component of Project Capone to identify other individuals involved in the liquor thefts and subsequent trafficking. The goal was to determine the hierarchy of the group, identify peripheral members that EPS was not yet aware of, take enforcement action against businesses purchasing stolen liquor and prosecute the traffickers.

[17] EPS members conducted surveillance and undercover scenarios and eventually identified three individuals that appeared to be the organizers of criminal activities including the trafficking of contraband tobacco, stolen liquor, stolen property and illicit substances. Their network was found to span throughout the Edmonton area, across Alberta and into British Columbia.

[18] During one of the scenarios, undercover officers communicated with the three individuals identified as the organizers and the undercover officers sold them liquor that was held out to be stolen.

[19] Constable Francis advised the Panel that all of the liquor bottles the officers sold that were purported to be stolen were given unique markings that could later be identified by EPS. Photos of the uniquely marked bottles were included as Exhibit 2, Tab 9.

[20] Through surveillance, EPS learned that that the group had an established distribution network and were able to distribute 1,028 cases of liquor within three weeks.

[21] EPS discovered that the liquor was being distributed out of personal residences as well as a flea market warehouse, called Lifestyle Megamart, owned by an individual referred to as T.A. During surveillance of the flea market in February 2022, EPS identified multiple liquor licensees that attended the unlicensed warehouse to purchase liquor.

[22] Through Project Capone, Constable Francis stated that his team was able to gather enough evidence to obtain search warrants for the locations where the stolen liquor was either housed or trafficked from, including Lifestyle Megamart, and the cell phones of the three targeted individuals.

[23] As a result of the search warrants, the three individuals were arrested and multiple criminal charges were laid against the three individuals, including charges related to the distribution of contraband tobacco, trafficking of stolen property, possession and trafficking of controlled substances, and more. Constable Francis stated that liquor thefts in the Edmonton area dropped by 25 per cent after the arrests of the individuals in spring 2022.

[24] The information extracted from the cell phones of the individuals provided EPS with sufficient evidence to link the group to other individuals, including liquor licence holders, some of which were also criminally charged.

[25] Through a Memorandum of Understanding between the Investigations branch of Regulatory Services and local law enforcement agencies, EPS advised the Investigations branch about Project Capone. At the conclusion of the operation, the EPS shared the results with the Investigations branch to allow Regulatory Services to follow up on any regulatory matters related to the licensed premises identified in the EPS operation.

[26] Indian Cabins Trading Post was one of 16 licensees that had illegally purchased or were believed to possess cases or bottles of liquor held out to be stolen.

[27] EPS shared a list of the licensees with the Senior Manager of the Investigations branch as well as the document with descriptions and photos of the uniquely marked and identifiable liquor that was held out to be stolen when as part of Project Capone.

#### Contravention 1: Section 69(1)(a) of the Act

[28] On the days following the sale of “stolen” liquor by undercover EPS members to the three organizers on February 16 and 17, 2022, EPS conducted constant surveillance on the individuals and the distribution locations.

[29] On February 22, 2022, EPS members surveilled the warehouse owned by T.A. They observed and photographed (Exhibit 2, Tab 2) a male, later determined to be Todd Engblom, knocking on the back door, entering the warehouse, then exiting with approximately eight red cases of liquor that appeared to be Smirnoff Vodka.

[30] Constable Francis’ team searched the licence plate on the vehicle Mr. Engblom was driving to determine the registered owner and found that it was registered to a corporation. A corporate registry search (Exhibit 2, Tab 8) confirmed Mr. Engblom to be the director of the corporation and the address and contact information on the search matched the information provided on the motor vehicle registration.

[31] Mr. Engblom returned to Lifestyle Megamart later that day in the same vehicle but left after three minutes. The FIAT team continued surveillance by following Mr. Engblom’s vehicle. They estimated that the cab of the vehicle contained six to ten cases of liquor.

[32] EPS contacted Regulatory Services to determine whether T.A. was licensed to sell liquor and whether Mr. Engblom held a liquor licence. Regulatory Services confirmed that Lifestyle Megamart is not licensed to sell liquor. However, another corporation owned by Mr. Engblom, operating as Indian Cabins Trading Post, is licensed to sell liquor.

[33] EPS conducted a public social media search of both Todd Engblom and Indian Cabins Trading Post and found two posts on the Licensee's Facebook page from February 23, 2022 (Exhibit 2, Tabs 3 and 4) indicating that Indian Cabins Trading Post had a "new shipment of hard liquor now in stock."

[34] Constable Francis presented a text message conversation that was extracted from one of the arrested individual's cell phones as a result of the Project Capone search warrants (Exhibit 2, Tab 7). He explained that the communications occurred in an encrypted application so that the communications could not be intercepted, however, a log of some of the chats were saved to the cell phone.

[35] On February 21, 2022, a peripheral member of the organized group sent a message to the owner of the phone with an image of a liquor order written on a post-it note. The note says "TOD" and then lists four items, including what Constable Francis deciphered as an order for ten cases of 750mL bottles of Smirnoff Vodka, four cases of 1.14L bottles of Smirnoff Vodka, and five cases of mixed size bottles of Crown Royal Whisky.

[36] The owner of the phone responded, confirming that the order could be dropped off at "T.A.'s shop tomorrow."

[37] When asked by Mr. Engblom whether Constable Francis had any evidence of Mr. Engblom having contact with any alleged criminals or members of the group other than T.A., Constable Francis stated that EPS does not have any evidence of communications. However, he stated that the cell phone records they have are "good but incomplete."

[38] Constable Francis also confirmed that EPS did not observe Mr. Engblom with any of the targeted individuals, except T.A.

[39] Constable Francis suggested that, in his opinion, it was possible Mr. Engblom did not know the liquor was stolen but unlikely. However, from June 9 to 14, 2022, undercover officers attempted to contact Mr. Engblom to determine whether he knew the liquor was stolen but they were unsuccessful in contacting him.

[40] As a result, Constable Francis stated that EPS was unable to lay any charges against Mr. Engblom.

[41] When asked by the Panel whether Mr. Engblom was asked to produce receipts for his purchase of the liquor, Constable Francis reiterated that the undercover officers were unable to reach Mr. Engblom and that, due to the location of the licensed premises, EPS did not attend the premises to seek receipts.

[42] Investigator Moschansky, a Peace Officer and an AGLC investigator, advised the Panel that the onus is on the Class D Licensee to provide proof of purchase of all liquor to be sold from the licensed premises.

[43] On July 19, 2022, Investigator Moschansky was asked to assist in an investigation of Indian Cabins Trading Post following the information provided by EPS regarding Project Capone.

[44] Investigator Moschansky advised the Panel that Indian Cabins Trading Post is located on Highway 36 near Meander River in Alberta near the northern border. The licensed premises is approximately an eleven-hour drive from AGLC's St. Albert office and is approximately a six-hour drive from AGLC's Grande Prairie office.

[45] On July 26, 2022, Investigator Moschansky contacted Inspector Jordan Neill from the Grande Prairie office and provided him with a copy of the list of bottles that were uniquely marked and held out to be stolen under Project Capone. Investigator Moschansky requested that Inspector Neill travel to the licensed premises to conduct a maintenance inspection and search for any marked bottles. Investigator Moschansky asked that Inspector Neill attend without him due to the Inspector's closer proximity to the licensed premises and the urgency of the request.

[46] On August 3, 2022, Inspector Neill traveled to Indian Cabins Trading Post and completed a maintenance inspection. He advised Investigator Moschansky that he located 16, 750mL bottles of Smirnoff Vodka with the distinct markings from the list provided by Constable Francis.

[47] Inspector Neill advised the staff member working that he would be seizing the bottles and requesting proof of purchase in accordance with section 4.2.1 of the Retail Liquor Store Handbook. The staff member advised Inspector Neill that he did not know where the liquor was purchased from and that Mr. Engblom purchases the liquor for sale at their store. The staff member asked Inspector Neill whether he could sell the remaining stock of beer in the premises and Inspector Neill confirmed that he could.

[48] The seized liquor bottles were transported back to Investigator Moschansky who locked them in a secure exhibit room at the Connect Logistics warehouse.

[49] Constable Francis and Investigator Moschansky advised the Panel that there was no way these marked bottles could have been acquired legally.

[50] On September 12, 2022, Investigator Moschansky contacted Mr. Engblom via telephone and advised him that an incident report would be submitted as a result of the discovery of 16 bottles of stolen liquor at Indian Cabins Trading Post. Mr. Engblom explained to Investigator Moschansky that he purchased the liquor from Lifestyle Megamart and that he has been doing business with T.A. for over twelve years. He stated that he thought he was doing T.A. a favor by purchasing liquor that he claims he was told had been acquired from another retail liquor store that had closed.

[51] Although there were no criminal charges laid against the Licensee, Dennis Storey, Director of Investigations at AGLC, advised the Panel that if the Licensee applied for a liquor licence today neither Engblom Property Corporation nor Mr. Engblom would clear a background check or be eligible to hold a liquor licence.

[52] Mr. Storey explained that, in accordance with section 13 of the Gaming, Liquor and Cannabis Regulation, the Licensee and its operators are identified by Regulatory Services as not acting in accordance with law, with honesty and integrity, and are considered by Regulatory Services to be a detriment to liquor activities in Alberta.

[53] Further, Mr. Storey suggested that in his opinion, the licence should be cancelled and Mr. Engblom should not be permitted to own, operate or be employed by a liquor licensee. He suggested that when a licensee does not operate within AGLC's legislation, regulation or policies and without the best interests of the public in mind, the integrity of the licensee is tarnished and, as a result, the integrity of AGLC is brought into question.

[54] Mr. Storey submitted that Smirnoff Vodka is not unique nor difficult to obtain from an approved source, such as a retail liquor store. Despite that, the Licensee chose to purchase the liquor from an unapproved source. Mr. Storey suggested that the Licensee is willing to put the best interests of the community at risk in order to increase revenue and has contributed to the promotion of liquor thefts in Alberta.

[55] Both Constable Francis and Mr. Storey stated that the demand for stolen liquor is being created by the licensees that are purchasing the stolen liquor at a reduced rate.

#### Contravention 2: Section 1.6.2 of the Handbook

[56] Inspector Jordan Neill advised the Panel that during his maintenance inspection at Indian Cabins Trading Post on August 3, 2022, he requested to see the ProServe certification for the sole staff member on duty. The staff member provided his certificate which had expired on November 4, 2019. The staff member told Inspector Neill he would renew it right away.

[57] The staff member also found a copy of Mr. Engblom's ProServe certification and provided it to Inspector Neill. Mr. Engblom's certification had expired on June 16, 2022.

[58] Inspector Neill advised the Panel that he conducted a review of the training database and found that the staff member had renewed his certification on August 11, 2022 and Mr. Engblom completed his ProServe on January 17, 2023.

[59] Inspector Neill confirmed that during regular operating checks, employee ProServe certification status is checked but he advised that Indian Cabins Trading Post was closed a few times during COVID-19 when he attended to inspect the premises.

#### **IV. Indian Cabins Trading Post Submissions**

[60] The representative for the Licensee, Mr. Engblom, gave evidence on behalf of Indian Cabins Trading Post.

[61] Mr. Engblom confirmed that he is the individual pictured at the warehouse in the surveillance images presented by Constable Francis (Exhibit 2, Tab 2). Mr. Engblom admitted to the Panel that he attended Lifestyle Megamart twice on February 22, 2022 and purchased six to eight cases of Smirnoff Vodka to be sold at Indian Cabins Trading Post.



[62] However, Mr. Engblom submitted that he was not aware the liquor was stolen. He advised the Panel that he has known T.A. for twelve years and has been purchasing products from T.A.'s market for sale at Indian Cabins Trading Post for many years with no issues.

[63] Indian Cabins Trading Post is a general store and gas station that offers products such as food, indigenous blankets, hunting and fishing equipment, beer and sometimes hard liquor. Many of the goods sold at Indian Cabins Trading Post are purchased from T.A.'s business. As such, Mr. Engblom stated that it is not unusual for him to attend the warehouse. However, the purchase of liquor from the Lifestyle Megamart on February 22, 2022 was the first and only time Mr. Engblom has purchased liquor from T.A.

[64] T.A. advised Mr. Engblom that he had acquired liquor from a friend who was forced to close his retail liquor store as the lease had expired. T.A. offered the liquor to Mr. Engblom at a reduced rate. Mr. Engblom advised the Panel that he did not ask T.A. for further details about the source of the liquor because they had a long-standing relationship and he trusted T.A.

[65] Mr. Engblom asserted that the purchase of liquor from T.A. was out of convenience. He purchased \$15,000 worth of merchandise that he was shipping up to be sold at Indian Cabins Trading Post so he purchased the liquor from T.A. at the same time to save him from having to order from Connect Logistics to purchase liquor, which he typically does.

[66] Mr. Engblom submitted that he is aware of AGLC's approved sources where liquor can be purchased but that he believed the liquor he was buying came from a licensed retail liquor store that had gone out of business.

[67] Further, Mr. Engblom asserted that he would not have announced on the Indian Cabins Trading Post Facebook page (Exhibit 2, Tabs 3 and 4) that the premises had new stock of hard liquor if he knew the liquor was stolen; he indicated he would have tried to conceal the acquisition of the liquor. He was not aware that the liquor was stolen until August 3, 2022 when Inspector Neill seized it from the Indian Cabins Trading Post.

[68] Mr. Engblom has held two liquor licences over the past several years and advised the Panel he has a clean track record and no previous violations. Additionally, he stated that he usually purchases his liquor directly from AGLC with no issues.

[69] With respect to the lapse in ProServe certification, Mr. Engblom advised the Panel that Indian Cabins Trading Post was forced to close throughout the COVID-19 pandemic and there were two or three times that Inspector Neill attended to conduct an inspection but the premises were closed due to the health orders in place. Mr. Engblom suggested that, as a result, neither he nor his employee were aware their ProServe certification had expired.

## **V. Summation**

### **Regulatory Services**

[70] With respect to the alleged ProServe violation, section 1.6.2 of the Handbook states that ProServe is mandatory for licensed premises owners that are responsible for directly managing a licensed premises and licensed premises managers, supervisors, retailers, bartenders, servers, greeters, hosts and delivery service drivers. Neither Mr. Engblom nor the staff member managing the premises at the time of Inspector Neill's inspection had valid ProServe certification.

[71] With respect to the alleged contravention of section 69(1)(a) of the Act, Regulatory Services submits that the Licensee is no longer eligible to hold a liquor licence, in accordance with section 92(1) of the Act and section 13.1 of the Gaming, Liquor and Cannabis Regulation.

[72] Regulatory Services is of the opinion that the evidence presented by Constable Francis and Investigator Moschansky is clear; Mr. Engblom attended Lifestyle Megamart and purchased six to eight cases of liquor from an unlicensed, unapproved source.

[73] Shortly after, Mr. Engblom posted on the Indian Cabins Trading Post Facebook page advertising new stock of hard liquor.

[74] Project Capone was initiated to address the rising liquor thefts and resulting violence. As a result of the substantial surveillance and undercover operation described by Constable Francis, Regulatory Services was able to determine that Mr. Engblom purchased liquor that was held out to be stolen.

[75] Regulatory Services takes the position that their follow up investigation has identified the Licensee's willingness to support illegal activity by possessing property obtained by crime for the purpose of the trafficking.

[76] Mr. Storey has confirmed that such actions contravene section 13 of the Gaming, Liquor and Cannabis Regulation and constitute a detriment to liquor activities. If Indian Cabins Trading Post were to apply for a liquor licence today, they would not clear a background check and would not be granted a liquor licence.

[77] Regulatory Services is of the opinion that if the Licensee were allowed to continue to operate a licensed premises, the demand for stolen liquor will continue and likely escalate. Complicit licensees that purchase liquor from unapproved sources generate profit for organized crime groups and leave Albertans at risk.

[78] Regulatory Services believes that a monetary penalty would not serve as a deterrent for the Licensee. Although Regulatory Services acknowledges that Mr. Engblom believes the liquor was liquidated from a licensed premises, he did not ask for verification or the name of the source of the liquor and he ought to have known it was illegitimate.

[79] Regulatory Services requests that the Panel cancel the liquor licence and direct that the Mr. Engblom, Engblom Property Corporation and his associates become ineligible to hold a liquor licence for a minimum of five years.

#### **Indian Cabins Trading Post**

[80] Mr. Engblom reiterates that he has a clean track record and has never received an administrative sanction nor does he have a criminal record.

[81] Mr. Engblom suggests that he certainly would not have posted details about new liquor stock on social media if he knew it were stolen. Mr. Engblom submits he likely would have attempted to hide it.

[82] Indian Cabins Trading Post does not attract nor contribute to any violence and it is never Mr. Engblom's practice to sell stolen property as the patrons and the community surrounding the licensed premises are important to him.

[83] Indian Cabins Trading Post was compliant when Inspector Neill seized the liquor bottles off the shelf and both the staff member and Mr. Engblom have since renewed their ProServe certification.

[84] Indian Cabins Trading Post was forced to close throughout the COVID-19 pandemic and, in the absence of regular inspections, Mr. Engblom and his staff member were unaware their ProServe certifications had expired.

[85] Mr. Engblom admits to foolishly purchasing the liquor from T.A. without asking him to see a liquor licence or asking for further information about the source of the liquor. Other than the purchase from T.A., Mr. Engblom did not have any interactions with the charged individuals on February 22, 2022. Mr. Engblom is of the opinion that the Panel did not hear any evidence that he had communications or interactions with the alleged criminals.

[86] Mr. Engblom asserts that Indian Cabins Trading Post will never purchase liquor from T.A. again and AGLC will be the liquor supplier for the Licensee moving forward.

[87] Mr. Engblom, on behalf of the Licensee, requests that the Panel impose a monetary fine rather than cancelling the liquor licence and shutting down his business.

#### **VI. Analysis**

[88] The Panel carefully considered the oral evidence of the witnesses and the submissions of the parties.

[89] With respect to the contravention of section 69(1)(a) of the Act, the Panel finds that Mr. Engblom admittedly attended T.A.'s warehouse and purchased six to eight cases from a business that was not licensed to sell liquor.

[90] Pursuant to section 4.2.1 of the Retail Liquor Store Handbook, Class D liquor licensees are able to purchase liquor directly from AGLC or from a liquor supplier or liquor agency authorized by AGLC to warehouse and distribute its products, or from other Class D licensees.

[91] The Panel finds that the onus is on the Licensee to purchase liquor in accordance with AGLC's policies. As a long-standing Licensee, Mr. Engblom is aware of the requirements and failed to purchase liquor from an approved source.

[92] The Panel finds as fact that the 16 bottles seized by Inspector Neill from Indian Cabins Trading Post contained unique identifiers placed by Constable Francis and his team as part of Project Capone. The Panel finds that the evidence provided by Constable Francis and Investigator Moschansky confirms that the specially marked bottles were held out to be stolen and could not have been legally acquired by the Licensee.

[93] As such, the Panel finds that the licensee contravened section 69(1)(a) of the Act.

[94] However, the Panel finds no evidence that Mr. Engblom had any direct contact or communications with the organizers of the criminal activity. The Panel finds that Mr. Engblom had a long-standing business relationship with T.A. and he trusted T.A. as a supplier of products for Indian Cabins Trading Post.

[95] Further, the Panel has not heard any evidence that Mr. Engblom knew the liquor was stolen.

[96] With respect to the contravention of section 1.6.2 of the Handbook, the Panel finds that both Mr. Engblom and the staff member operating the store did not have valid ProServe certification when Inspector Neill conducted his inspection at the premises on August 3, 2022 and subsequent database search on August 4, 2022.

[97] However, the Panel finds that, based on oral evidence from Mr. Engblom and Inspector Neill, Mr. Engblom and his employee had valid certification at the time of the hearing. The Panel finds that Indian Cabins Trading Post has mitigated the issue of expired ProServe certification of its employee and owner at the time of this hearing.

[98] Nevertheless, licensees and their employees are expected to keep track of and maintain their ProServe certification by successfully repeating the ProServe program, including passing the exam, before the certificate expires.

## **VII. Finding**

[99] For the reasons noted above, the Panel finds that the Licensee contravened section 69(1)(a) of the Act and section 1.6.2 of the Handbook.

[100] In accordance with section 91(2)(c) of the Act, the Panel imposes a fine of \$10,000 or a 40-day suspension of the Class D general merchandise liquor store licence numbered 771330-1 for the

contravention of section 69(1)(a) of the Act, and a warning for the contravention of section 1.6.2 of the Handbook.

[101] The fine is to be paid on or before March 3, 2023 or the suspension period served commencing with the normal opening of business on March 6, 2023 and continuing until the normal close of business on April 15, 2023.

Signed at St. Albert, this 1<sup>st</sup> day of February, 2023

A handwritten signature in blue ink, appearing to read "Len Rhodes". The signature is cursive and somewhat stylized, with the first name "Len" being more prominent than the last name "Rhodes".

Len Rhodes, Presiding Member, Hearing Panel