



STATE OF NORTH CAROLINA
Office of the State Auditor

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April 20, 2005

Secretary Bryan E. Beatty
Department of Crime Control and Public Safety
4701 Mail Service Center
Raleigh, North Carolina 27699-4701

Re: Performance Audit of the Alcohol Law Enforcement Division

Dear Secretary Beatty:

In late February, we undertook an audit of the Alcohol Law Enforcement Division (ALE) within the Department of Crime Control and Public Safety at the discretion of the State Auditor. The topic was selected due to the importance of the function to the state and the fact that the Office of the State Auditor had not performed an audit of this function within the last 10 years. The specific objectives of the audit were: (1) to determine whether ALE is performing its major missions or performing unrelated functions, and (2) to identify and assess the process for inspecting establishments. The scope of the audit encompassed all operations and activities within the Division of Alcohol Law Enforcement.

After completion of the planning and survey stages of the audit, we determined that continuation of the audit was not warranted since risks were assessed as low and the survey stage did not reveal significant problems or concerns. Therefore, the audit was terminated. However, *Government Auditing Standards*¹ require that we report the details of the audit work performed, noting areas which merit further attention by division and Department management or the General Assembly. This letter contains our overall conclusions, a brief summary of the information reviewed relative to division operations and the issues identified for your further consideration.

¹ *Government Auditing Standards*, 2003 Revision, Comptroller General of the United States, United States General Accounting Office.

Based on the work completed during the survey of the Division of Alcohol Law Enforcement, we determined that the division was performing its major functions despite limited resources. However, the division is performing some functions required by the General Assembly that are not directly related to alcohol law enforcement. We also determined that the inspections process for permitted establishments is well defined and operates effectively, but that limited resources have affected it. While we noted no significant problems or concerns, we did note a few items that may require further action by division or Department management or the General Assembly.

Staffing levels have affected the frequency of inspections. ALE field agent staffing has fluctuated over the past 15 years, from a high of 87 in fiscal year 1998 to the current level of 77. Following the death of an ALE agent in the line of duty in 1994, the General Assembly funded 11 new agent positions. However, due to the State's budget crisis during the past four years, seven field agent positions were eliminated. Other changes occurred due to reassignments within the division, the loss of time-limited and temporary positions, and the funding of one additional position by the General Assembly. During this same period, the division received additional functions that created new responsibilities for field agents.

To better balance the workload, division management altered its policy for how often each establishment must receive a formal inspection. As of November 2004, establishments must be inspected once every two years instead of annually. The decrease in inspection frequency increases the likelihood that establishments are not complying with alcohol laws. However, establishments that generate numerous complaints to ALE are visited and/or inspected on a more frequent basis by the field agents as necessary.

ALE agents may not have adequate resources to ensure their safety while performing their jobs. Agents generally work alone, often being the only ALE agent working in a given county. The agents are not assigned state-issued cell phones or other equipment that enable communications with other law enforcement agencies. As a result, when they leave their automobiles, which are equipped with radios, and enter an establishment, their communication is limited or non-existent. This lack of communication combined with their solo work increases the safety risk for agents if an inspection turns violent. Further, existing Kevlar vests are bulky and may be outdated, which could decrease effectiveness, jeopardize safety, and hinder maneuverability. Finally, surveillance equipment for undercover operations may not be readily available for many agents.

Salary inequities may exist between ALE agents and other law enforcement officers.

ALE agents have jurisdiction throughout the state to enforce any criminal statute. In fact, ALE agents are the only law enforcement officers without limits on which laws they enforce or the territories in which they work. However, pay grades and salary ranges for ALE agents fall below that of their counterparts in some state

and federal law enforcement agencies. This may also be the case for the salaries of some local law enforcement officers (sheriff's deputies and police officers).

For example, the salary for an ALE Agent I ranges from a hiring rate of \$27,882 to a maximum rate of \$44,571 while the salary for an Agent II ranges from a hiring rate of \$30,156 to a maximum rate of \$48,779. A market analysis survey conducted by OSP revealed that local law enforcement officers' minimum average salary was \$34,322, their maximum average salary was \$54,375, and their average salary was \$44,349. Thus, the division may be experiencing turnover as agents receive training through ALE and then leave the agency for better salaries with other agencies.

Expanded responsibilities and functions within the division may not be directly related to its core mission. The major focus of the Boxing Authority is to issue licenses to boxing participants, federal identification cards to boxers, and keep records on boxing professionals. Since no funds were provided for these positions, salaries for the Authority staff come from ALE salary reserves, thus reducing funds available for the division's core mission. Neither of the positions is a sworn law enforcement agent, thus requiring time from an agent to investigate any concerns relative to this function.

The NC Center for Missing Persons serves as the state's clearinghouse for missing adults and children, assists law enforcement in these cases, and manages the AMBER Alert System. While funds were provided for two of the three positions, the third position, which is vacant, must be funded from division funds.

Lastly, no goals, objectives, or other performance measures were documented for either of these functions.

We wish to thank you and the Director and staff of the Division of Alcohol Law Enforcement for your courtesy and cooperation during this audit. We hope this information proves useful to you and the division as you continue to perform these important functions. If you have any questions or would like to discuss this information in more detail, please let me know.

Sincerely,



Leslie W. Merritt, Jr., CPA, CFP
State Auditor

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