

Familiar face in county leads Liquor Control Commission

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Things have been quiet at the state Liquor Control Commission since 1997 when Chairman Phil Arthurhult paid back \$4,000 in improper travel and telephone reimbursements and resigned.

Chairing LCC is Jacquelyn A. Stewart, a familiar face in western Wayne and Oakland County politics and government. Stewart presides at hearings in Lansing and, since May of 1998, in an office building on Drake Road, south of Grand River Avenue, in Farmington.

"I had heard stories of \$80 million missing," Stewart said in a recent interview. "But in the audit, we came out real good."

Gov. John Engler had assigned Arthurhult to privatize the warehousing of liquor, though the state still runs the business. A Treasury Department audit, requested by the agency, concluded: "We generally found that internal control procedures were proper and effective."

The audit said LCC should try to keep its inventory to a minimum and recommended some better paperwork. In general, Kathy Wilbur, director of the LCC's parent, the Department of Consumer and Industry Services, called the audit good and praised Stewart's work.

LCC was formed in 1933, at the end of Prohibition as a bipartisan, five-member agency. It oversees liquor distribution, licenses dealers, collects taxes on spirits, beer and wine, and enforces liquor laws.

Stewart had lunch at her desk as she was interviewed about her working career and asked for a civics lesson on LCC operations.

Q. Is your job full time?

A. Yes. There are five commissioners. Two are hearings commissioners — they hear all the liquor violations cases all over the state (sales to minors, sales to drunks, food stamp fraud).

Then there are three administrative commissioners (including herself) who do the day-to-day operations. We sit on the appeal board to hear any licensee objecting to a penalty handed down by a hearing commissioner.

"We do appeals on Tuesday in Lansing, and we probably handle five to seven cases. Then we do appeals in Farmington, and today we had seven."

Q. Is the job easier now that Gov. Engler wants the state out of the wholesale liquor business?

A. "Let me clarify that. The state is not out of the wholesale business. What we're out of is warehousing and distribution. That has been turned over to the private sector."

"We place the order with the industry. The industry sends the

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Jacquelyn Stewart
—Liquor Control Commission
chairwoman

product to the ADA (three authorized distribution agents — General Wine & Liquor Co. in Highland Park, NWS Michigan, Inc., in Brownstown, and Trans-Con Co. in Bloomfield Hills).

"We've gone from 400 to 164 employees. We have a finance department (20), licensing division (45) and our enforcement division (70)."

Q. How many licenses are there?

A. We have 14,000 on-premise licenses (restaurants, hotels, bars) and off-premise, which are SDD and SDA (specially designated distributor and merchant), which are your party stores; we have 3,500."

Q. LCC commissioners was the first political job in 1946 of G. Mennen Williams (later governor and Supreme Court justice) and the last political job of former Senate majority floor leader Phil Arthurhult. Is LCC a good jumping off spot for politics?

A. "Years ago, when we had 100 state stores, they were all over the state. I imagine if you were a good chair and your employees liked you, they could help you. I've heard stories that Williams did use the position as a catalyst to become governor."

"I don't plan on running for governor."

Q. How do you get this kind of a job?

A. "I had a law enforcement background. I've done a lot of work in the political arena. I worked for (then Oakland Prosecutor) Brooks Patterson for 16 years. And I worked with Congressman Jack McDonald. I worked long and hard in the field for the Republican Party."

(Stewart attended Henry Ford Community College in 1963, studying political science. After a run for the Legislature in 1970, Stewart worked for 19th District U.S. Rep. McDonald, "a friend of the family," in 1972, coordinated Patterson's campaigns for prosecutor in 1972 and 1982, and handled a number of party posts, including the Republican National Committee and housing director for the Michigan delegation at New Orleans in 1988.)

"When Brooks called me (after the 1972 election) and wanted me to come to work for him, I said,

"Brooks, I'm not an attorney. I'm not a secretary. I have no clue what I could do there."

"Well, he said he wanted to hire me as an investigator because he had a lot of projects he wanted to research, like welfare fraud and bad check policies."

He said, 'Hey, in six months if it doesn't work you can leave, and if I don't think you're working I'll tell you, and you can leave.' Sixteen years later, I was still working for him."

(In 1978 she graduated from Oakland Community College's law enforcement academy, and in 1980 she married Huntington Woods Police Chief Jim Stewart, later a U.S. marshal. He's now retired. They live in Farmington Hills.)

(The LCC must be bipartisan. Stewart was appointed in 1989 by Democratic Gov. James Blanchard and reappointed by Republican Gov. John Engler for four-year terms.)

Q. As chair of the Liquor Control Commission, you're under the Department of Consumer and Industry Affairs. This is a regulatory and business job, right?

A. "Correct. We're a business and operate as a business. We netted, last fiscal year, \$86.5 million, after all expenses. We took in \$689 million. That's just spirits, not beer and wine. We're like a Fortune 500 company."

Q. Any changes you'd like to see in the next Engler four-year term?

A. "We're looking to change 53 rules to streamline our licensing process to make it more user-friendly. Many are archaic and conflict with cities." We want to streamline that so when people do apply for a liquor license, it's not going to take eight to nine months.

"We are doing decoy operations. Last year we did 3,100. The commission alone did that. Statewide, about a third of the people where we made stops did sell alcohol to a minor. And a little over 50 percent asked for identification and still sold to them."

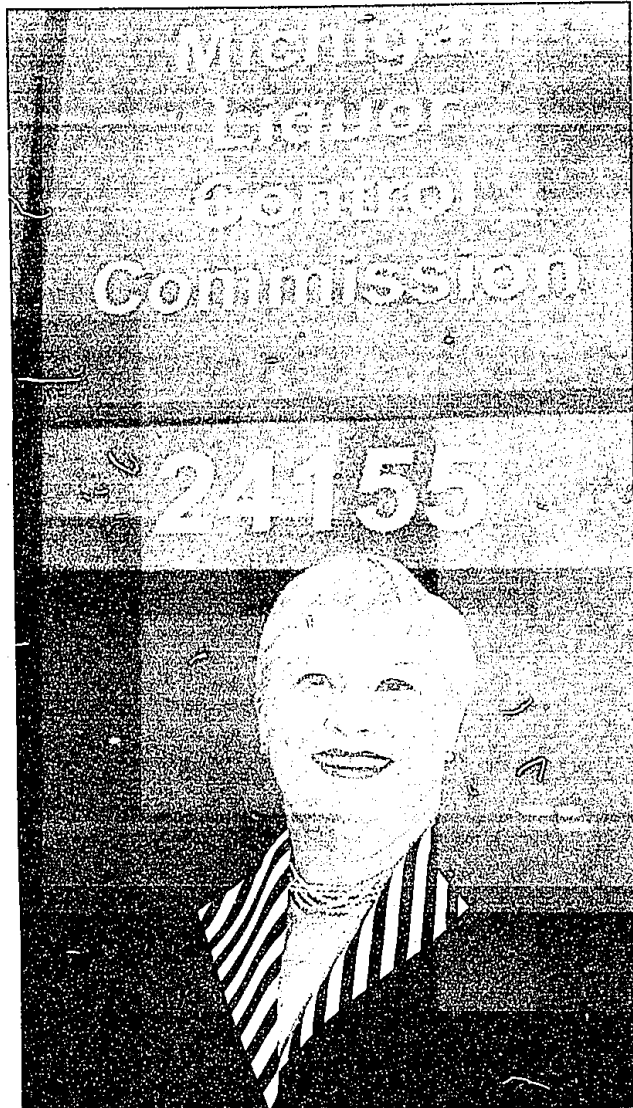
"We want to impress not only licensees but their employees that they have to be more diligent."

Q. You must have been reading the cases of young people killing themselves or getting raped under the influence. We seem to be getting more campus binge cases.

A. "Absolutely. I think it's going to take education. The commission can only enforce its liquor laws on licensees. We can suspend, we can fine, we can revoke their license."

"When you get into the college campuses, the commission has no authority there. That's for the local prosecutor and law enforcement people. But the highway safety people and community

Please see LCC, A8



Familiar: Jacquelyn A. Stewart is a familiar face in western Wayne and Oakland County politics and government. She is the chair of the Liquor Control Commission.

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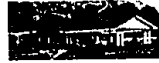
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