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WSWA APPLAUDS THE WORK OF ATTORNEY GENERAL DANA NESSEL AND THE MICHIGAN LIQUOR CONTROL COMMISSION IN DRAMATICALLY REDUCING ILLEGAL ALCOHOL SHIPMENTS INTO THE STATE

Michigan Beer & Wine Wholesalers Announces Illegal Shipments of Alcohol Halved January-March 2021

WASHINGTON, D.C., 02/04/2022 – Wine & Spirits Wholesalers of America (WSWA) applauds the Michigan Liquor Control Commission and Attorney General Dana Nessel for their great work in reducing the amount of illegal wine shipments into Michigan. Eighteen months after [AG Nessel acted against illegal shippers of alcohol under the Twenty-First Amendment Enforcement Act](#), new data draws from state shipping reports released by the Michigan Beer & Wine Wholesalers speaks to the importance of a strong regulatory and enforcement environment in the beverage alcohol marketplace.

“Let this be a deterrent for others trying to illegally ship alcohol into Michigan,” said Michigan Liquor Control Commission Chair Pat Gagliardi, who was pleased with the result. “Such unregulated shipments of alcohol often evade state taxes and licensing fees, hindering Michigan’s three-tier orderly market of alcohol distribution that is designed to protect Michigan residents.”

According an analysis conducted by the Michigan Beer & Wine Wholesalers, reports submitted to the state by carriers showed about 72,000 bottles of wine were illegally shipped into Michigan from out-of-state retailers from January-March of 2021 - [half of the 160,000 bottles](#) of wine that were illegally shipped into Michigan in the first quarter of 2020.

“While we have a long way to go, the commitment of the Michigan Liquor Control Commission and Attorney General Nessel to addressing this crisis head-on is producing real results,” said Spencer Nevins, president of the Michigan Beer & Wine Wholesalers Association. “By shining a spotlight on this illegal activity and ramping-up enforcement, we continue to experience a downward trend in illegal shipments of alcohol into Michigan. This is good news for Michigan consumers, businesses and taxpayers.”

Illegal wine shipments and shippers threaten state’s economies, especially during a recovery-focused period. Direct-to-consumer (DTC) shipping of alcohol can not only be harmful to communities by increasing the likelihood of underage access, but it continues to undercut local, licensed retailers who are vital to the economy and working hard to recover from the effects of the pandemic.

“In 2020, Attorney General Dana Nessel committed to taking action against bad actors operating at the expense of law-abiding businesses operating in the state,” said WSWA CEO and President Michelle

Korsmo. "We're now seeing just how powerful the Twenty-First Amendment Enforcement Act is as a tool keeping a level playing field, bolstering a strong regulatory environment, and protecting the health and safety of consumers."

WSWA, in partnership with state-based wine and spirit wholesaler associations, is [committed to educating lawmakers](#) on the impact illegal shipping of alcohol has on the health, safety and financial stability of communities. WSWA urges other states to take firm action against illegal shippers and will continue to provide updates and resources to protect the three-tier system that has cultivated the safest, most-diverse alcohol marketplace in the world.

"The Commission will continue its vigorous enforcement efforts in partnership with Attorney General Nessel's office to protect our Michigan businesses, our in-state licensed wholesalers, and retailers of alcohol, to ensure fair competition and to protect public health and safety," added **Gagliardi**. "We will fight to preserve Michigan's authority and regulatory requirements to prevent unregulated shipments of alcohol that evade state taxes and licensing fees causing Michiganders to lose out on millions of dollars in tax revenue that provide vital services," he concluded.

This data comes as a direct result of the carrier reporting requirement that ensures all [common carriers submit a record of alcohol shipments](#) to the Michigan Liquor Control Commission.

About Wine & Spirits Wholesalers of America

WSWA is the national trade association representing the distribution tier of the wine and spirits industry, dedicated to advancing the interests and independence of distributors and brokers of wine and spirits. Founded in 1943, WSWA has more than 380 member companies in 50 states and the District of Columbia, and its members distribute more than 80 percent of all wine and spirits sold at wholesale in the United States.

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