

Master

STATE OF WEST VIRGINIA

REPORT

OF

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

FOR THE PERIOD

FEBRUARY 27, 1990 - JUNE 30, 1991



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON WEST VIRGINIA

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

FOR THE PERIOD

FEBRUARY 27, 1990 - JUNE 30, 1991

WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance



Legislative Post Audit Division
Building 5, Room 751A
Capitol Complex

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CHARLESTON, WEST VIRGINIA 25305

November 16, 1993

To the Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 60, Article 3A, Section 10, we have examined the divestiture of State-owned liquor stores and the issuance of retail liquor licenses by the West Virginia State Retail Liquor Licensing Board.

Our examination covers the period February 27, 1990 through June 30, 1991. The results of this examination are set forth on the following pages of this report.

Yours truly,

A handwritten signature in cursive script that reads "Thedford L. Shanklin".

Thedford L. Shanklin, CPA, Director
Legislative Post Audit Division

Auditors: Michael E. Sizemore, CPA, Supervisor
Jean Ann Waldron

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

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WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

EXIT CONFERENCE

We held an exit conference on November 22, 1993 with Mr. James J. Alex, Acting Alcohol Beverage Control Commissioner, and all items noted were reviewed and discussed. In this report, the above official's responses are included in italics in the "Summary of Significant Items" and after the "Items Noted" section for each bid round.

On December 2, 1993, the Governor appointed a new commissioner to take office effective January 3, 1994 and the Acting Commissioner has provided preliminary responses for inclusion in this report as stated in his response to us:

"The following is a response to the audit made by your Division concerning the State's sale of retail liquor licenses in the fall of 1990 and winter of 1991. Before getting into the substance of our response, I want to thank you and your staff for a very professional and in-depth audit of these activities. We appreciate the spirit of cooperation and understanding you showed going over these substantial matters. I must also note that given the fact that the Governor has appointed a new ABCA commissioner, it will be necessary for any final comments to be made by him. Therefore, this is a preliminary response to the audit."

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

SUMMARY OF SIGNIFICANT ITEMS

Our examination was structured toward reviewing the divestiture process in terms of the statutory requirements of Chapter 60, Article 3A of the West Virginia Code, the rules and regulations adopted by the Board in conformity with Chapter 29A of the West Virginia Code, the bid acceptance criteria established by the Board, and the procedures and guidelines presented to interested bidders. The following items noted appear to be areas of concern or instances of noncompliance with the provisions of the preceding criteria:

First Bid Round

1. We believe the Board incorrectly applied the 5% West Virginia resident preference authorized by Chapter 60, Article 3A, Section 10a of the West Virginia Code in developing the Board's acceptance criteria. The Board determined bid adequacy based on actual bid amounts without inclusion of the resident preference. Based upon our analysis, the inclusion of the preference would have resulted in the awarding of the Class A license in Zone 72 to a resident bidder which the Board rejected for an inadequate bid. (See pages 19-20.)

As pointed out in the audit and as discussed with Mr. Sizemore and Ms. Waldron, the Board provided an alternate interpretation of the residential preference. They used the in-state preference when a legitimate in-state bidder was within 5% of the next highest bidder. Stated differently, if it appeared that a resident could win the bid if the 5% in-state preference was applied, then it was applied. It was not considered until the Board reached that decision point. In reading W. Va. Code 60-3A-10a, it appears as if this is a reasonable interpretation of the statute, although we may seek further legal consultation on this point.

2. The Board's first bid acceptance criteria adopted on August 31, 1990 states in part,

"1. ...To accept the highest bids for those market zones (41 zones) where, on average, the bids exceeded 38.7% of the total amount of the 1989-90 sales...."

We noted that two retail liquor licenses were awarded in market zones, namely Zones 27 and 29, where the respective bids did not appear to meet the acceptance criteria established by the Board for determining adequacy of the bid amount. Based upon the Board's acceptance criteria, it appears these retail licenses should not have been awarded but rebid in the second round. (See pages 20-21.)

At this time it is not clear to us why the license was awarded in Zone 27 given the threshold percentage of 37.8%. Further examination of this matter will be necessary.

As to Zone 29, it seems reasonable to conclude that, with the license bid being significantly close to the threshold, the Board chose to accept that bid and thus generally appears to have been reasonable. That is, of course, conjecture on our part.

3. The Board's second bid acceptance criteria adopted on August 31, 1990 states in part,

"2. ...To accept the highest bids for all market zones where the total amounts of 1989-90 sales were \$140,000 or less...."

We noted in our analysis of bids subject to the acceptance criteria noted above and the November 8, 1990 Board minutes that the apparent winner's bid for the Class B license in Zone 6 was rejected by the Board due to a prior criminal conviction of the bidder. At this meeting, the Board voted to rebid the license in the next bid round. However, it appears the next highest bidder should have been awarded this license based upon the acceptance criteria and Board motion approved at the August 31, 1990 meeting. The additional revenue generated from the decision to rebid the license totalled \$11,009.00. (See pages 21-22.)

The audit states that the Board should have awarded the Class B license of Zone 6 to Rite Aid after the initial highest bidder was disqualified for a previous criminal infraction. The audit notes that the Board originally determined to accept the next highest bidder whenever the highest bidder was disqualified because of a prior criminal offense. However, specifically related to this license, The Board unanimously decided to rebid and not award the license to the next highest bidder.

It is reasonable to conclude that implicit in their decision to award the license to the next highest bidder if the highest bidder was disqualified is the idea that the second highest bid must be financially acceptable. That would prevent the absurd result of awarding a license to the next highest bidder, to use an exaggerated example, who bid only one dollar. More importantly, when examining this particular situation, the Board made the unanimous decision to reject the bid and rebid the license based on

the unsatisfactory level of the second high bid. Thus, their specific action controlled over their general action, which appears to be a reasonable course of conduct.

4. We noted one instance where a bidder was given an extension of time to raise the monies needed to pay the bid price for the Class A retail license in Zone 84. The bidder's notification letter from the Commissioner was dated September 10, 1990 and, in accordance with the Board's emergency rules, called for payment within twenty days. Subsequently, the Board voted on November 8, 1990 to allow the bidder until November 30, 1990 to make payment. We believe that Chapter 60, Article 3A, Section 10(f) of the West Virginia Code and the Board's emergency rules required the forfeiture of the bidder's bond and the awarding of the license to the next highest bidder or the rebidding of the license. We estimate the State lost interest revenue of approximately \$2,338.00 due to the late payment of the bid price and we believe the Commissioner should attempt to collect the lost interest revenue. (See pages 22-24.)

It has been discovered through the audit that Commissioner Camper did not collect the full license amount for Zone 84 within a time deadline set by an emergency rule. We will need to study this issue further and decide whether or not we need to proceed with legal action regarding interest that accrued on the unpaid balance. The amount of interest is approximately \$2,300.

5. The successful bid form and application for the Class A license in Zone 74 could not be located. Therefore, we were unable to determine compliance with the provisions of Chapter 60, Article 3A, Section 10(c) of the West Virginia Code. (See page 24.)

Pursuant to our earlier discussions, I asked our staff to find Mr. Robert Hatfield's bid form and application for the Class A license in Zone 74. We have not been able to find these materials but will continue to search for them.

6. We observed that a bidder submitted a bid bond that was \$0.25 less than the amount called for in Chapter 60, Article 3A, Section 11 of the West Virginia Code. It appears that the preceding statute requires a bid to be rejected due to an inadequate bid bond; however, the Board accepted this bid and the bidder was awarded the Class A retail license in Zone 1. (See page 25.)

It appears that a somewhat unusual thing occurred with respect to bond amounts for those who decided to "get the edge" by bidding one dollar more than their determined set price. As a consequence of that action, these bidders often forgot to increase

their bond amount by twenty-five cents to comply with the bond statute. As your audit shows, several bidders had bonds that were twenty-five cents short. It was the decision of the Board that this difference was de minimis and should not affect the overall awarding decision, particularly given the financial harm it would bring to the State if it did so. This appears to have been a reasonable decision by the Board given different legislative purposes of W. Va. Code 60-3A-1, et seq.

7. We noted a limited number of locator numbers did not attach to corresponding bids and we were unable to verify that these locator numbers were actually items received through the mail which were not bids. It is not possible for us to determine compliance, based upon the evidential matter available to us, with the provisions of Chapter 60, Article 3A, Section 10(b) of the West Virginia Code regarding not allowing bids to be altered or withdrawn after the appointed hour of the bid opening. (See pages 25-26.)

I have spoke with Mack Parsons, who previously was a member of the State Auditor's staff and, as such, participated in the bid opening process (Mr. Parsons currently works for the State Tax Department in the Chief Inspector Division). Mr. Parsons did not keep any notes concerning the locator numbers assigned to the bids that were opened. Therefore, it appears as if we have no way of tracking down those items of regular mail that were given locator numbers but were not a part of the bid process. If possible, we will continue to make efforts to secure this information for your office.

8. Our discussions with several members of the Alcohol Beverage Control Commissioner's staff and the Board's professional consultants did not reveal a specific list of procedures utilized during the bidding process to verify residency claims. Whenever the highest bid for a retail license did not exceed the next highest bid by more than five percent of the lower bid, we believe verification of residency claims became vital in determining the winning bid. We noted three instances where the granting of the residency preference was the determining factor in the awarding of the retail license. We believe the lack of specific procedures to verify residency claims would be in noncompliance with Chapter 60, Article 3A, Section 10a of the West Virginia Code. (See pages 26-27.)

The audit notes that the Board did not provide an adequate process for verifying whether or not a bidder was at that time a resident of the State of West Virginia. Although we may not agree that we were in non-compliance with W. Va. Code

60-3A-10, we do agree that the process could have been performed in a more established and predictable manner. Generally speaking, when a resident preference claim was made, various efforts were made to ascertain whether or not the bidder was a resident of the State. This investigation would be made until the Board was satisfied either way.

9. To comply with the provisions of Chapter 60, Article 3A, Section 8(d) of the West Virginia Code which addresses the eligibility requirements of applicants to hold a retail license, the Board performed criminal background investigations of the successful bidders. In our test of criminal background investigations, we could not locate the criminal background verification for the Director of Giant Eagle, Inc. (See pages 27-28.)

Upon further review of our files regarding criminal background investigation of Giant Eagle, we have been unable to locate our investigation done on this individual. We will take steps now if appropriate to ensure that the current director does conform to our statutory requirements.

10. Based upon our review of the November 8, 1990 Board minutes, it appears the Board erroneously rejected an adequate \$17,254.00 bid for the Class B retail license in Zone 26. It appears upon subsequent review of the situation, the Board unanimously approved the acceptance of the bid and authorized the Commissioner to issue a license. Our analysis also indicates that this was an acceptable bid in accordance with Criteria No. 2 established by the Board. (See page 28.)

No response received regarding the awarding of the Class B retail license in Zone 26.

Second Bid Round

11. We noted the successful bidder for the Class B retail license in Zone 77 and the Class A retail license in Zone 78 was issued the retail licenses before collection of the entire bid price which is in noncompliance with Chapter 60, Article 3A, Section 10(e) of the West Virginia Code. It appears the successful bidder remitted an amount which was \$100.00 less than the total bid price due. After the licenses were awarded, the bidder paid the remaining balance of \$100.00 on or about April 8, 1992. (See pages 31-32.)

The audit revealed that, for Zone 77-the Class B license, an error was made in the payment of the full license amount. Namely, underpayment of \$100 was made. It

was not until April 1992 that this amount was paid. At this time we do not contemplate further action on this matter.

12. Our discussions with several members of the Alcohol Beverage Control Commissioner's staff and the Board's professional consultants did not reveal a specific list of procedures utilized during the bidding process to verify residency claims. Whenever the highest bid for a retail license did not exceed the next highest bid by more than five percent of the lower bid, we believe verification of residency claims became vital in determining the winning bid. We noted five instances where the granting of the residency preference was the determining factor in the awarding of the retail license. We believe the lack of specific procedures to verify residency claims would be in noncompliance with Chapter 60, Article 3A, Section 10a of the West Virginia Code. (See pages 32-33.)

The audit notes that the Board did not provide an adequate process for verifying whether or not a bidder was at that time a resident of the State of West Virginia. Although we may not agree that we were in non-compliance with W. Va. Code 60-3A-10, we do agree that the process could have been performed in a more established and predictable manner. Generally speaking, when a resident preference claim was made, various efforts were made to ascertain whether or not the bidder was a resident of the State. This investigation would be made until the Board was satisfied either way.

13. We observed that a bidder submitted a bid bond that was \$0.25 less than the amount called for in Chapter 60, Article 3A, Section 11 of the West Virginia Code. It appears that the preceding statute requires a bid to be rejected due to an inadequate bid bond; however, the Board accepted this bid and the bidder was awarded the Class B retail license in Zone 92. (See page 33.)

It appears that a somewhat unusual thing occurred with respect to bond amounts for those who decided to "get the edge" by bidding one dollar more than their determined set price. As a consequence of that action, these bidders often forgot to increase their bond amount by twenty-five cents to comply with the bond statute. As your audit shows, several bidders had bonds that were twenty-five cents short. It was the decision of the Board that this difference was de minimis and should not affect the overall awarding decision, particularly given the financial harm it would bring to the

State if it did so. This appears to have been a reasonable decision by the Board given different legislative purposes of W. Va. Code 60-3A-1, et seq.

14. To comply with the provisions of Chapter 60, Article 3A, Section 8(d) of the West Virginia Code which addresses the eligibility requirements of applicants to hold a retail license, the Board performed criminal background investigations of the successful bidders. In our test of criminal background investigations, we noted that the successful bidder in Zone 59 pled guilty to DUI and the successful bidder in Zone 47 noted on his application that he was guilty of a private club violation. We were unable to determine if the preceding violations would disqualify a bid based upon the aforementioned Code section. (See page 34.)

It was revealed through the audit that for Zone 59 the licensee had plead guilty to DUI. His criminal background investigation showed that he had "no convictions," indicating that he had no felony convictions. Thus, he was presumably not a repeat DUI offender given he has had no felony convictions.

No response received regarding the private club violation of the successful bidder in Zone 47.

Third Bid Round

15. We noted that for the Class A license in Zone 58, the successful bidder did not remit the entire bid price of \$131,501.00. We located a deposit of \$131,500.00 leaving a balance of \$1.00 due the State of West Virginia. We believe the issuance of the retail license before the collection of the entire bid price was in noncompliance with Chapter 60, Article 3A, Section 10(e) of the West Virginia Code. We also believe the Commissioner should attempt to collect the remaining balance of \$1.00. (See page 36.)

It was discovered through the Audit that the Class A licensee in Zone 58 has failed to remit one dollar to the State of West Virginia, representing the outstanding balance of the license amount. We will contemplate action to collect this money.

16. We observed that a bidder submitted a bid bond that was \$0.25 less than the amount called for in Chapter 60, Article 3A, Section 11 of the West Virginia Code. It appears that the preceding statute requires a bid to be rejected due to an inadequate bid bond; however, the Board accepted this bid and the bidder was awarded the Class A retail license in Zone 58. (See page 37.)

It appears that a somewhat unusual thing occurred with respect to bond amounts for those who decided to "get the edge" by bidding one dollar more than their determined set price. As a consequence of that action, these bidders often forgot to increase their bond amount by twenty-five cents to comply with the bond statute. As your audit shows, several bidders had bonds that were twenty-five cents short. It was the decision of the Board that this difference was de minimis and should not affect the overall awarding decision, particularly given the financial harm it would bring to the State if it did so. This appears to have been a reasonable decision by the Board given different legislative purposes of W. Va. Code 60-3A-1, et seq.

17. To comply with the provisions of Chapter 60, Article 3A, Section 8(d) of the West Virginia Code which addresses the eligibility requirements of applicants to hold a retail license, the Board performed criminal background investigations of the successful bidders. In our test of criminal background investigations, we could not locate the criminal background verification for the successful bidder in Zone 58. (See pages 37-38.)

It was discovered through the audit that the criminal background investigation for the Class A licensee in Zone 58 is missing. We will try to locate this information. If we are unable to do so, then we may seek to do a second criminal background investigation.

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

INTRODUCTION

Background

On January 10, 1990, Governor Caperton announced in the State of the State Address that legislation would be introduced which would get the State out of the retail liquor business in an orderly fashion and generate approximately \$20 million in additional moneys on a one-time basis. Our review of the Governor's Executive Budget for fiscal year 1991 indicates that \$20 million was included in the official revenue estimate to be derived from the sale of liquor franchises.

On February 27, 1990, the Legislature passed Senate Bill No. 337 which created Chapter 60, Article 3A of the West Virginia Code, cited as the "State Retail Liquor Licensing Act". This Act provides that the sale of liquor at retail should no longer be by the State, but rather by retail licensees. The legislation created the "State Retail Liquor Licensing Board" and empowered such Board to carry out the provisions of this article and to establish market zones which are geographic areas designated for the purpose of issuing retail licenses.

Retail License Types

For each market zone established by the Board, the Act provides for the sale of retail licenses through a sealed competitive bid process. The types of retail liquor licenses authorized by Chapter 60, Article 3A, Section 7 of the West Virginia Code and defined in the Board's "Retail Liquor License Book" are as follows:

"Class A Retail License - The Class A retail license is defined as a retail license permitting the retail sale of liquor at more than one retail outlet within a particular market zone. Each Class A retail license will permit the holder to operate such number of retail outlets as the Board has authorized for that market zone....

Class B Retail License : The Class B retail license is defined as a retail license permitting the retail sale of liquor at one retail outlet ... In certain market zones, the Board may have established one or more designated areas in which a single B license is issued. A designated area is defined as a geographic area established solely for the issuance of a single B license. No other Class A or Class B licensees may sell liquor within these designated areas.

No license holder may own a Class A and a Class B license within the same zone, nor may any license holder own more than one Class B license within the same zone. However, a person may be a licensee in more than one zone."

Chapter 60, Article 3A, Section 12(d) of the West Virginia Code provides for the expiration of retail licenses as follows:

"(d) All retail licenses issued or renewed under the provisions of this article shall expire and be of no further force or effect as of the first day of July, in the year two thousand, prior to which time new retail licenses shall be issued by following the bidding and other procedures set forth herein for the initial issuance of retail licenses."

Functions, Organizational Structure and Membership of the Board

The West Virginia State Retail Liquor Licensing Board is responsible for the creation of market zones within the State of West Virginia for the issuance of Class A and Class B retail liquor licenses and, if deemed necessary or desirable by the Board, to create one or more designated areas within such market zones for the issuance of Class B retail licenses. In carrying out its duties, the Board was authorized to engage accounting, legal and other needed professional consultants to assist the Board in complying with the provisions of Chapter 60, Article 3A of the West Virginia Code. The accounting firm of Ernst & Young was engaged to assist in the divestiture process.

In addition to the above duties, the Board is empowered to adopt, amend, or repeal such procedural, interpretive and legislative rules, consistent with the policy and objectives of Chapter 60, Article 3A of the West Virginia Code, as may be necessary or desirable for the public interest in carrying out the provisions of the governing code. Any such rules shall be adopted, amended and repealed in accordance with the provisions of Chapter 29A of the West Virginia Code.

Chapter 60, Article 3A, Section 5 of the West Virginia Code states in part,

"(a) There is hereby created the state retail liquor licensing board which shall be composed of five members, three of whom shall be appointed by the governor by and with the advice and consent of the Senate, one of whom shall be the secretary of tax and revenue, and one of whom shall be the commissioner. The secretary of tax and revenue and the commissioner shall serve as the chairman and secretary, respectively, of the board. No more than two of the three members appointed by the governor shall be of the same political party. No member of the board may hold a retail license or have any financial interest, directly or indirectly, in any retail licensee.

(b) The provisions of this subsection apply to the three members appointed by the governor. They shall be appointed for overlapping terms of three years each and until their respective successors have been appointed and have qualified, except for the original appointments. For the purpose of the original appointments, one member shall be appointed for a term of three years and until his or her successor has been appointed and has qualified, one member shall be appointed for a term of two years and until his or her successor has been appointed and has qualified, and one member shall be appointed for a term of one year and until his or her successor has been appointed and has qualified...."

The aforementioned Code section also provides that board members are entitled to compensation of \$100.00 per day for each day actually engaged in the performance of their duties and for reimbursement of actual and necessary expenses incurred in the performance of these duties. Also, the staff, office facilities and costs of operation of the Board are provided by the Commissioner.

During the period under examination, the Board was composed of the following members:

<u>Board Members</u>	<u>Term Expires</u>
Mr. Charles O. Lorensen, Chairman Secretary of Tax and Revenue January 16, 1989 - August 16, 1990	Ex Officio
Mr. L. Frederick Williams, Jr., Chairman Secretary of Tax and Revenue December 1, 1990 - December 16, 1991	Ex Officio
Mr. E. E. Bryan, Secretary Alcohol Beverage Control Commissioner January 16, 1989 - April 15, 1990	Ex Officio
Mr. Harry G. Camper, Secretary Alcohol Beverage Control Commissioner April 16, 1990 - November 1, 1993	Ex Officio
Mr. Edwin J. Bowman, Citizen Member Weirton, West Virginia	April 15, 1992
Ms. Phyllis H. Arnold, Citizen Member Charleston, West Virginia	April 15, 1993
Mr. Jeffrey A. Porter, Citizen Member Huntington, West Virginia	April 15, 1994

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

FIRST BID ROUND

The State Retail Liquor Licensing Board's initial meeting was conducted on May 2 and 3, 1990. Board members were introduced and duties of the Board were outlined. As noted in the Board minutes, the Board's primary functions were to define market zones, determine the number and types of licenses in those market zones, and determine if bids were sufficient to warrant divestiture. A timetable was established for carrying out the sealed competitive bid process which was to begin on August 28, 1990.

On June 1, 1990, the Board met and approved a plan which divided the State into 98 market zones and authorized the issuance of 124 retail licenses. The retail licenses were classified as A and B, which means two or more locations and one location, respectively. Further, the Board authorized the issuance of comprehensive bid documents which included the following:

RETAIL LIQUOR LICENSE BOOK -- The "Retail Liquor License Book" (Book I) included the following sections: Executive Summary Background, License Description, Key Opportunities, Operating Environment, Industry Overview, State Border Competition, Market Zone Overview, Procedures for Follow-Up and Exhibit A (Senate Bill No. 337), Exhibit B (Regulations, Series 1), Exhibit C (Regulations, Series 5), Exhibit D (Pre-Bid Qualifying Application Form), Exhibit E (Bid Form), and Exhibit F (Requirement for Federal Wholesaler's Basic Permit).

MARKET ZONE DATA BOOK -- The "Market Zone Data Book" (Book II) included the following sections: Executive Summary, Market Zone Data, ABCC Store Data and Sources of Data. The "Market Zone Data Book" was prepared to assist interested bidders in analyzing relevant demographic, economic, financial and other factors regarding market zone(s) of interest. The information contained in this part of the comprehensive bid document was assembled from the Alcohol Beverage Control Commissioner's records and other publicly available sources.

The bidding procedures, as outlined in the "Retail Liquor License Book", indicated that bids must be received and available for opening no later than 1:00 p.m. on August 28, 1990 at the Alcohol Beverage Control Commissioner's Office. Instructions were provided for the proper completion of the bid forms and bonding requirements. The awarding process, as noted in the "Retail Liquor License Book", states in part:

"(2) Each retail license will be awarded to the highest responsible bidder. In market zones where two or more Class B retail licenses are authorized (other than for a designated area or areas), such licenses will be awarded to those bidders submitting the highest bids. Also, in the event a bidder submits a bid for both a Class A and Class B license in the same zone, the ABCC will award only one of the

licenses based on the bidder's preference, if indicated. If no preference is disclosed, the ABCC will award either the A or B license to such bidders, but in no case both.

(3) In determining the highest bidder for purposes of awarding retail licenses, the Board shall afford a five percent preference for West Virginia resident bidders, which shall be computed by adding five percent of the bid amount to the bid amount submitted by each resident bidder

(4) All bids for any or all retail licenses may be rejected by the Board if the Board determines, in its sole discretion, that the highest bid(s) is inadequate, in which event the ABCC may request new bids under the same bidding procedures for that retail license...."

The preceding bid documents were mailed to potential bidders beginning on June 25, 1990. Subsequent to the initial mailings, a listing of typographical corrections to the "Market Zone Data Book" and a response sheet to frequently-asked questions were also sent to potential bidders.

On August 13, 1990, ABCC personnel began receiving bids at the ABCC administrative office. When bids were received, the sealed bid envelopes were date and time stamped, assigned a locator number, and recorded on a log sheet. The sealed bids were placed in a safe until the official bid opening. Based upon inquiry with agency personnel, it appears a few bids were opened inadvertently and these bids were returned to the respective bidders for resubmission. Consequently, the agency ceased opening mail to avoid future accidental openings of sealed bids which resulted in some locator numbers being assigned to correspondence other than bids.

On August 28, 1990, the Board met in General Session at 1:00 p.m. and approved the following procedures for the sealed competitive bid process:

"Phase I

- * At the conclusion of the General Session, the sealed bids will be brought into the meeting room.
- * The sealed envelopes will be opened. A representative of the State Auditor will verify that each bid is, in fact, sealed before it is opened. As the contents of each envelope are extracted, the staff, with the help of representatives of the Secretary of Administration, the State Treasurer, and the Attorney General, will verify the existence of a valid bid form, an adequate bid bond, and all other components that constitute a bid for retail liquor license.
- * Bids will be matched with pre-bid applications.
- * Bid information will be keyed into the computer under the supervision of the State Auditor's office.

Phase II

- * The Board will decide which bids to accept and which to reject based on their apparent validity.
- * Finally, the Board will evaluate bid amounts and decide which licenses to award and to whom."

Upon approval of the preceding procedures, 117 sealed documents were presented to the Board by ABCC's Director of Enforcement. The Board moved to accept the bids presented as those that were received by the deadline specified in the bid process guidelines. The Board recessed in Executive Session to discuss the crash of a Federal Express aircraft that carried bids destined for the ABCC. The Board minutes do not indicate the actions taken by the Board; however, inquiry with ABCC personnel indicate that the bids were rejected for being late. The Board returned to General Session and moved that the staff begin the bid opening process and the Board would recess until the completion thereof. At approximately 2:15 p.m., the staff began opening the sealed bids utilizing the procedures outlined in Phase I above with the public in attendance.

The Board reconvened in General Session and recognized Mr. Donald McIver of Ernst & Young who stated that the processing of bids took longer than anticipated but the pre-processing phase was completed. He noted that two bids were found to be defective; one bid did not indicate which market zone was being bid and one bid was not accompanied by a bid bond. The Board rejected these bids. The Board then moved that all bids, except the two bids which were defective, be accepted provisionally with the understanding that the Board reserved the right to examine the bids at a later time for acceptance or rejection.

As noted in the Board minutes, "Mr. Camper stated that many of the issues remaining before the Board may result in discussions that could adversely affect the financial welfare of the State if they are discussed in a public forum. Based on Mr. Camper's comment, Ms. Arnold moved that the Board adjourn once more to executive session. Mr. Porter seconded the motion. Upon unanimous affirmation by the Board, the meeting moved into executive session at 7:05 p.m."

In the Executive Session, the Board discussed whether to open bids that arrived after the deadline. The Board minutes state, "There was discussion of whether to open bids that arrived after the 1:00 p.m. August 28 deadline for bid submission. The Board declined to offer an opinion, noting that the actual opening of bids is a staff function." The Board recessed at 7:35 p.m. on August 28, 1990.

We noted in our review of the bids considered by the Board that the awarding of retail licenses to the highest bids received would generate only \$11,986,870 in revenues. As noted previously, the revenue estimate from the sale of retail licenses, as noted in the Governor's State of the State Address, totaled \$20,000,000. We believe the meeting between Messrs. Camper, McIver and the Governor referred

to below was held because the \$20,000,000 revenues estimate would not be realized if the highest bids were accepted.

The Board reconvened in Executive Session on August 30, 1990. Mr. John Melton, Assistant Secretary of Tax and Revenue and Mr. Donald McIver, a representative of Ernst & Young, were present with the consent of the Board. The minutes of the Executive Session are as follows:

- "1. Messrs. Camper and McIver had met with the Governor earlier and briefed the Board members about the results in light of the Governor's feelings. The Board is advised to establish a threshold to accept or reject the bids by zone. Rebid process would open about January 7-10, 1991.
2. Ms. Arnold expressed concern about setting the threshold at 22%.
3. Considerable discussion centered on using total bid by zone as a percent of gross sales versus cutting individual license bids within a zone while accepting others.
4. Ms. Arnold and Mr. Porter advanced the theory that by setting the cutoff at 25% (total bid to sales) the aggregate bid will net the State 41.8% of the sales for those zones. Further refinement revealed that using 38% (\$20 million/\$53 million) means the threshold line can be cut to 21%. Awarding these licenses would yield about \$7.9 million. This plus discounted sales of inventory will yield about \$10 million." The Board recessed until August 31, 1990.

On August 31, 1990, the Board met in General Session at 4:00 p.m. with the Board members, staff, press and the general public in attendance. The Board formally rejected 11 bids for late filings, absence of pre-bid applications and incomplete bid forms. As noted in the Board minutes, the Board then explained the guidelines for the development of the acceptance criteria used for awarding licenses as follows:

"Mr. Porter explained how the Board chose the guidelines for the staff's development of criteria upon which acceptance of bids should be based. Ms. Arnold added that, because the State is obliged to cease operations in a given market zone upon the opening of the first private retail outlet in that zone, the Board deemed that the State's interest would be served best by considering the total sales figure and total bid amount for each zone as opposed to individual licenses.

Mr. Camper stated for the record that names of bidders were not considered during the executive session discussions and will not be a factor in the Board's ultimate decisions."

Following the preceding explanation of the acceptance criteria guidelines, the following motions were made regarding the recommended bid acceptance criteria as noted in the Board minutes:

1. Made by Mr. Bowman, seconded by Mr. Porter.
To accept the highest bids for those market zones (41 zones) where, on average, the bids exceeded 38.7% of the total amount of 1989-90 sales.
Motion carried unanimously.

2. Made by Mr. Porter, seconded by Ms. Arnold.
To accept the highest bids for all market zones where the total amounts of 1989-90 sales were \$140,000 or less [See Attachment B for a list of those zones.]
Motion carried unanimously.

Mr. McIver stated that cluster bids were evaluated and that the total of the highest individual bids exceeded the highest cluster bid; therefore, the Board would not consider the cluster bids."

Based upon the approved bid acceptance criteria, the Board conditionally accepted the apparent winning bids for 62 licenses in 51 market zones. The Board conditionally rejected all other bids as follows: "Ms. Arnold moved that all bids other than those just accepted by the Board as apparent winning bids be rejected conditionally as being inadequate; Mr. Porter seconded the motion. Mr. Camper pointed out that, should one or more of the apparent high bids later fail to meet statutory requirements, the next high bid will then be deemed the apparent winning bid, and so forth. The motion carried unanimously."

Following the acceptance and rejection of bids, the Board approved a motion to rebid all licenses not tentatively awarded and to engage the accounting firm of Ernst & Young to assist in the rebid process. The August 31, 1990 meeting adjourned at 5:45 p.m..

Analysis of Bid Acceptance Criteria

Chapter 60, Article 3A, Section 10(b) of the West Virginia Code states in part,

"...Each retail license shall be awarded to the highest bidder ... All bids for a retail license may be rejected by the board if the board determines that the highest bid is inadequate, in which event the commissioner shall begin anew the bidding process for that retail license."

Our review of the Board minutes and discussions with the Alcohol Beverage Control Commissioner's staff and Mr. Donald McIver of Ernst & Young indicate one of the primary concerns of the Board in the development of the bid acceptance criteria was the effort to realize \$20,000,000 in revenues from the sale of retail liquor licenses. However, when the bids were opened on August 28, 1990, it appears the Board learned that in the event the highest bid for each license was accepted, the revenues generated by license sales would total approximately \$11,986,870.

Since the acceptance of all high bids received for licenses appeared inadequate, the August 30, 1990 Executive Session minutes indicate that the Board was advised to establish a threshold to accept or reject bids by zone, and Board discussions centered on using total bid by zone as a percent of the gross sales. It appears the Board's discussions were intended to develop sufficient refinement in a cutoff point or threshold level to ensure that bids would only be accepted in zones where the high bids would lead to the realization of \$20,000,000 in license sales consistent with the Governor's revenue estimate.

On August 31, 1990, the following bid acceptance criteria was approved by the Board:

- "1. ...To accept the highest bids for those market zones (41 zones) where, on average, the bids exceeded 38.7% of the total amount of the 1989-90 sales ...
2. ...To accept the highest bids for all market zones where the total amounts of 1989-90 sales were \$140,000 or less...."

We were unable to obtain the actual analyses used by the Board in applying the preceding criteria to determine an acceptable bid. Through our discussions with the Board's professional consultants, we understand the following procedures were used to evaluate the bids subject to Criteria No. 1:

1. The highest bids were determined for each license per market zone excluding the 5% resident preference authorized in Chapter 60, Article 3A, Section 10a of the West Virginia Code.
2. The total of all high bids received for licenses per market zone was determined.
3. Utilizing the fiscal year 1989 sales per market zone, a total bid-to-sales percentage per market zone was computed.
4. The market zone bid-to-sales percentages were sorted in descending order and a moving average was calculated beginning with the highest bid-to-sales percentage.
5. Bids were accepted as adequate for market zones where the bid-to-sales percentage averaged over 38.7% and licenses were awarded in these zones to the highest bidder after inclusion of the 5% resident preference.

In accordance with Criteria No. 2 noted above for market zones where fiscal year 1989 sales were \$140,000 or less, licenses were awarded to the highest bidder after the inclusion of the 5% resident preference.

Based upon our understanding of the application of the criteria noted above, we prepared and included as Appendix A on Page 42 in this report a schedule of the highest bids received in those market zones subject to Criteria No. 1 and Appendix

B on Page 46, a schedule of the highest bids received in those market zones subject to Criteria No. 2.

The first round of bidding resulted in the receipt of \$7,484,098.02 for licenses in market zones, with two exceptions, where the highest bid-to-sales percentage averages exceeded 38.7%; and, in market zones where fiscal year 1989 sales were \$140,000 or less, \$545,540.00 in collections resulted. The total revenues generated by license sales in the first round of bidding were \$8,029,638.02.

ITEMS NOTED

Our examination was structured toward reviewing the first round of bids in terms of the statutory requirements of Chapter 60, Article 3A of the West Virginia Code, the rules and regulations adopted by the Board in conformity with Chapter 29A of the West Virginia Code, the bid acceptance criteria established by the Board, and the procedures and guidelines presented to bidders in the "Retail Liquor License Book". The results of our examination are as follows:

Application of 5% Resident Preference

Chapter 60, Article 3A, Section 10a of the West Virginia Code states in part,

"In determining the highest bidder for purposes of section ten [60-3A-10] of this article, the board shall afford a five percent preference for West Virginia resident bidders, which preference shall be computed by adding five percent of the bid price to the bid price submitted by each resident bidder...."

In evaluating the adequacy of bids received in relation to Criteria No. 1, it appears the Board calculated the bid-to-sales percentages using the highest bid in actual dollars. We believe the exclusion of the 5% resident preference in determining the highest bid when calculating the bid-to-sales percentages was in noncompliance with the aforementioned Code section.

In accordance with Chapter 60, Article 3A, Section 10a of the West Virginia Code, we prepared and included as Appendix C in this report a schedule of the highest bids, including the 5% resident preference, received for licenses in market zones subject to Criteria No. 1. We noted that Pam Peddicord's \$50,000.00 bid for the Class A license in Zone 72 (See Highlighted Item in Appendix C, Page 47) would have resulted in a bid amount of \$52,500.00 with the addition of the 5% West Virginia resident preference. The bid-to-sales percentage would have been 21.75% based on fiscal year 1989 sales of \$241,370.00. Upon averaging the bid-to-sales percentages, it appears this bid would have resulted in a percentage average of 39.61%. Since the Board voted to award licenses in those market zones where the bid-to-sales percentage average exceeded 38.7%, it appears Pam Peddicord would have been awarded the Class A license in Zone 72.

The Class A license in Zone 72 was awarded in the second bid round for a bid price of \$66,201.00. The revenue generated for the State was \$16,201.00 greater than the

amount which the State would have received if the Code provisions been applied in the manner we believe was called for in the statute.

As noted previously, revenues generated from bids subject to Criteria No. 1 in the first round totaled \$7,484,098.02. Based upon our analysis, it appears that compliance with the 38.7% cutoff point and the preceding Code section would have resulted in the acceptance of Pam Peddicord's \$50,000.00 bid and the rejection of the \$50,000.00 and \$27,100.00 bids from Giant Eagle, Inc., a non-resident, and Eva Sherman, respectively. Therefore, the revenue decrease in the first round would have totaled \$27,100.00.

As pointed out in the audit and as discussed with Mr. Sizemore and Ms. Waldron, the Board provided an alternate interpretation of the residential preference. They used the in-state preference when a legitimate in-state bidder was within 5% of the next highest bidder. Stated differently, if it appeared that a resident could win the bid if the 5% in-state preference was applied, then it was applied. It was not considered until the Board reached that decision point. In reading W. Va. Code 60-3A-10a, it appears as if this is a reasonable interpretation of the statute, although we may seek further legal consultation on this point.

Licenses Awarded in Zones 27 and 29

The Board's bid acceptance criteria adopted on August 31, 1990 stated in part,

"1. ...To accept the highest bids for those market zones (41 zones) where, on average, the bids exceeded 38.7% of the total amount of the 1989-90 sales...."

We noted two Class A licenses were awarded in market zones where the bid-to-sales percentage average was below 38.7%, namely Zones 27 and 29 (See Highlighted Items in Appendix A, Page 42). As shown in Appendix A, the high bidder in Zone 27 bid \$27,100.00 which resulted in a bid-to-sales percentage of 11.23% based on fiscal year 1989 sales of \$241,227.00. Upon averaging the bid-to-sales percentages, this bid resulted in a percentage average of 27.40% which was well below the established cutoff point of 38.7%. In addition, the high bidder in Zone 29 bid \$50,000.00 which resulted in a bid-to-sales percentage of 21.04% based on fiscal year 1989 sales of \$237,669.90. Upon averaging the bid-to-sales percentages, this bid resulted in a percentage average of 38.56% which was below the established minimum of 38.7%.

We have been unable to learn the reason the Board accepted these bids. However, it appears the high bids for Class A licenses in these two market zones did not meet the Board's cutoff point of 38.7% as noted in Criteria No. 1. Therefore, we believe licenses should not have been awarded in these market zones.

At this time it is not clear to us why the license was awarded in Zone 27 given the threshold percentage of 37.8%. Further examination of this matter will be necessary.

As to Zone 29, it seems reasonable to conclude that, with the license bid being significantly close to the threshold, the Board chose to accept that bid and thus generally appears to have been reasonable. That is, of course, conjecture on our part.

Awarding of Class B License - Zone 6

Subsequent to the conditional acceptance of the apparent winning bids on August 31, 1990, the Board became aware of an apparent winner's prior criminal conviction and rejected the \$26,500.00 bid for the Class B license in Zone 6. Chapter 60, Article 3A, Section 8 of the West Virginia Code states in part,

"...(d) The commissioner shall disqualify each bid submitted by an applicant under section ten [60-3A-10] of this article, and no applicant shall be issued or eligible to hold a retail license under this article, if: (1) The applicant has been convicted in this state of any felony or other crime involving moral turpitude or convicted of any felony in this or any other state court or any federal court for a violation of any state or federal liquor law;..."

At the November 8, 1990 Board meeting, the Board voted unanimously to reject the high bid for the Class B license in Zone 6. The Board minutes state in part,

"...Ms. Arnold moved to reject the bid of Andrew J. Martin based on Mr. Martin's felony conviction and to rebid the Zone 6 Class B license during the second-round bid process in January. Mr. Porter seconded the motion. Ms. Arnold asked the record to show that the motion before the Board was made with the understanding that the issue has been thoroughly investigated by the ABC staff and has the support of the Attorney General's opinion. The motion carried unanimously...."

The action of the Board to rebid the license does not appear to be consistent with the motion adopted by the Board at its August 31, 1990 meeting which states in part,

"...Mr. Camper pointed out that, should one or more of the apparent high bids later fail to meet statutory requirements, the next high bid will then be deemed the apparent winning bid, and so forth. The motion carried unanimously...."

In accordance with the Board's motion on August 31, 1990, it appears the next highest bid of \$21,001.00 made by Rite Aid for the Class B license in Zone 6 would have been deemed the apparent winning bid. However, the Board rebid and

awarded this license for \$32,010.00 in the second round. The revenue generated for the State was \$11,009.00 greater than the amount which the State would have received had the Board followed the motion they originally approved.

The audit states that the Board should have awarded the Class B license of Zone 6 to Rite Aid after the initial highest bidder was disqualified for a previous criminal infraction. The audit notes that the Board originally determined to accept the next highest bidder whenever the highest bidder was disqualified because of a prior criminal offense. However, specifically related to this license, The Board unanimously decided to rebid and not award the license to the next highest bidder.

It is reasonable to conclude that implicit in their decision to award the license to the next highest bidder if the highest bidder was disqualified is the idea that the second highest bid must be financially acceptable. That would prevent the absurd result of awarding a license to the next highest bidder, to use an exaggerated example, who bid only one dollar. More importantly, when examining this particular situation, the Board made the unanimous decision to reject the bid and rebid the license based on the unsatisfactory level of the second high bid. Thus, their specific action controlled over their general action, which appears to be a reasonable course of conduct.

Payment of Bid Price

Chapter 60, Article 3A, Section 10(f) of the West Virginia Code states,

"(f) If the successful bidder fails to pay to the commissioner the bid price and the annual retail license fee, at the time specified by the commissioner, the bond provided for in section eleven of this article shall be forfeited and such bidder shall not be issued the retail license. The commissioner shall then issue the retail license to the next highest bidder for such retail license or reject all bids and start anew the bidding procedure for such retail license."

The Alcohol Beverage Control Commissioner promulgated emergency rules to effectuate the conduct of the bidding process. Title 175, Series 5, Section 10.9 of the Emergency Rules filed August 24, 1990 states in part,

"10.9 Notification of successful bid and deadline for bid payment shall be by certified mail, return receipt requested. If the successful bidder fails to pay to the Commissioner the bid price within twenty (20) days of the Commissioner's notification to do so, the bid bond provided for in the West Virginia Code 60-3A-11 and Section 175-5-11 of these regulations shall be forfeited and such bidder shall

not be issued the retail license: ... The Commissioner shall then issue the retail license to the next highest responsible bidder for such retail license or reject all bids and start anew the bidding procedures for such retail license."

According to our examination, an extension of time was granted for the payment of the bid price related to the Class A license in Zone 84 (Taylor County). The successful bidder received a notification letter dated September 10, 1990 from the Commissioner which stated in part,

"...Please remit your bid amount of \$306,000 payable by money order, certified check, cashier's check, or wire transfer, to the order of the Alcohol Beverage Control Commissioner. The regulation requires your payment within twenty days of the receipt of this letter. Failure to pay within twenty days will result in the forfeiture of your bond amount and the denial of a license...."

However, the bid price had not been paid by the November 8, 1990 Board meeting. The minutes of the November 8, 1990 Board meeting state in part,

"...4. The next issue before the Board was the Class A license in Taylor County, Zone 84, that was tentatively awarded to Mr. Richard Davies for his bid of \$306,000. Subsequent to learning of the award, Mr. Davies called the Commissioner stating that because of some financial difficulties he felt his bid was too high and he asked if he could withdraw his bid. The Commissioner explained to Mr. Davies that he lacked the authority to permit bid withdrawal but that the agency would make every effort to cooperate by granting Mr. Davies additional time to pay the bid amount. At that time, November 20 was the agreed-upon date for payment. Yesterday, Mr. Davies again called the Commissioner to say that efforts to raise the necessary funds had fallen short and he asked for another extension of time in which to pay. The Commissioner told Mr. Davies that, in his opinion, a further extension should be voted on by the Board.

Mr. Camper told the Board that the law specifies no time limit for payment by successful bidders other than a 'reasonable time.' He also pointed out that, considering the large amount of money involved, to demand immediate payment of the bid amount or forfeiture of the bid bond would be a harsh action to impose upon the bidder. As a prelude to the Board's decision, ABC staff worked out a tentative extension agreement with Mr. Davies whereby he would be given until the end of the work day on November 30 to pay the full amount due for the Class A license, at which time his 25% bid bond would be forfeited if payment was not received by ABC (the bid bond is in the form of an irrevocable letter of credit). Ms. Arnold stated that, because ABC will continue to operate a retail liquor store in this zone in the interim, it does not appear as if the State will suffer any damage by granting the extension.

Mr. Camper pointed out that the concern is not loss of revenue but the risk of setting precedent.

Mr. Porter moved that Mr. Davies be granted an extension to and including November 30 to pay the bid amount due for the Class A Zone 84 retail license, and if payment is not made within the prescribed time the ABCC is authorized to redeem the 25% bid bond. Ms. Arnold seconded the motion. Motion carried unanimously...."

It appears the extension of time to pay the bid price was not allowable under the existing emergency rules. Based on the acceptance criteria established by the Board, the bid for this license should have been rejected, the bid bond redeemed, and the retail license should have been rebid in the second bid round held on January 4, 1991. The bid price of \$306,000.00 was deposited in the State Treasury on December 3, 1990. We estimate the State lost interest revenue of approximately \$2,338.00 due to the late payment of the bid price. We believe the Commissioner should attempt to collect the lost interest revenue.

It has been discovered through the audit that Commissioner Camper did not collect the full license amount for Zone 84 within a time deadline set by an emergency rule. We will need to study this issue further and decide whether or not we need to proceed with legal action regarding interest that accrued on the unpaid balance. The amount of interest is approximately \$2,300.

Retention of Winner's Bid Form

Chapter 60, Article 3A, Section 10(c) of the West Virginia Code states in part,

"...After the award of the retail license, the commissioner shall indicate upon the successful bid that it was the successful bid. Thereafter, a copy of the bid and the bidder's application shall be maintained as a public record, shall be open to public inspection in the commissioner's office and shall not be destroyed without the written consent of the legislative auditor...."

Our examination of the winning bid forms showed the successful bid form and application for the Class A license in Zone 74 submitted by Robert Hatfield was not available. Without access to the bid form, we were unable to determine compliance with the provisions of Chapter 60, Article 3A, Section 10(c) of the West Virginia Code. We requested assistance from ABCC personnel but they were likewise unable to locate this particular bid form.

Pursuant to our earlier discussions, I asked our staff to find Mr. Robert Hatfield's bid form and application for the Class A license in Zone 74. We have not been able to find these materials but will continue to search for them.

Bond Amount

Chapter 60, Article 3A, Section 11 of the West Virginia Code states in part,

"Each applicant submitting a bid under section ten [60-3A-10] of this article shall furnish to the commissioner a bond at the time of bidding, which bond shall guarantee the payment of twenty-five percent of the price bid for the retail license...."

Our examination showed the Class A retail license in Zone 1 was awarded to a bidder whose bond was less than 25% of the bid price. The successful bid was \$40,001.00 and the required bond was \$10,000.25. However, the bidder's bond was for \$10,000.00 and, therefore, short of the statutorial required bond by \$0.25. Our discussions with the Board's professional consultants indicated the Board decided to accept the bid because the potential loss of revenue, in the event the bid was rejected, was not justified due to the immaterial shortage in the bid bond. We believe the provisions of Chapter 60, Article 3A, Section 11 of the West Virginia Code required the bid to be rejected due to an inadequate bid bond.

The revenue effect of rejecting this bid due to an inadequate bid bond is unknown. It appears that utilizing the next highest bid of \$27,001.00 from Rite Aid would have resulted in a percentage average below the 38.7% cutoff point and the bid would have been deemed inadequate. Therefore, the license would have been rebid in the second round.

It appears that a somewhat unusual thing occurred with respect to bond amounts for those who decided to "get the edge" by bidding one dollar more than their determined set price. As a consequence of that action, these bidders often forgot to increase their bond amount by twenty-five cents to comply with the bond statute. As your audit shows, several bidders had bonds that were twenty-five cents short. It was the decision of the Board that this difference was deminimis and should not affect the overall awarding decision, particularly given the financial harm it would bring to the State if it did so. This appears to have been a reasonable decision by the Board given different legislative purposes of W. Va. Code 60-3A-1, et seq.

Locator Numbers

Chapter 60, Article 3A, Section 10(b) of the West Virginia Code states in part,

"...(b) Each bid shall indicate the market zone for which the retail license is sought, whether the bid is for a Class A retail license or Class B retail license, and, if the board has created one or more designated areas for such market zone, whether the bid is for the Class B retail license to be issued for any such designated area. No

bid shall be altered or withdrawn after the appointed hour for the opening of the bids. Each retail license shall be awarded to the highest bidder...."

In order to control and account for submitted bids, the ABCC assigned locator numbers to incoming mail which was thought to contain bids. The items were recorded on a log sheet showing the assigned locator numbers and the time and date of the recording of each bid. As part of our examination, we attempted to account for all assigned locator numbers to ensure that we had access to all bids received in the bidding process.

However, we noted that a limited number of locator numbers did not attach to corresponding bids and we were unable to verify that these locator numbers were assigned to items received through the mail which were not bids. The log sheets did not adequately identify the items in question nor had the accuracy of the log sheets been attested to by any of the various independent observers present at the bid opening. Therefore, it is not possible to determine, based on the evidential matter available to us, that no bids were altered or withdrawn after the appointed hour for the bid opening which would appear to be in noncompliance with Chapter 60, Article 3A, Section 10(b) of the West Virginia Code.

I have spoke with Mack Parsons, who previously was a member of the State Auditor's staff and, as such, participated in the bid opening process (Mr. Parsons currently works for the State Tax Department in the Chief Inspector Division). Mr. Parsons did not keep any notes concerning the locator numbers assigned to the bids that were opened. Therefore, it appears as if we have no way of tracking down those items of regular mail that were given locator numbers but were not a part of the bid process. If possible, we will continue to make efforts to secure this information for your office.

Investigation of Resident Preference Claims

Chapter 60, Article 3A, Section 10a of the West Virginia Code states,

"In determining the highest bidder for purposes of section ten [60-3A-10] of this article, the board shall afford a five percent preference for West Virginia resident bidders, which preference shall be computed by adding five percent of the bid price to the bid price submitted by each resident bidder. For purposes of this section a bidder shall be deemed to be a West Virginia resident if the bidder (1) has resided in this state for at least four years immediately prior to the date on which the bid is opened; or, if the bidder is a corporation, has had its headquarters or principal place of business in this state for at least four years immediately prior to such date and (2) meets the requirements set forth in section forty-four [5A-3-44], article

three, chapter five-a of this code relating to a residency of vendors, except for the requirement of having paid business and occupation taxes."

Our discussions with ABCC personnel and the Board's professional consultants did not reveal a specific list of procedures utilized during the bidding process to verify residency claims for apparent winning bids. Whenever the highest bid for a retail license did not exceed the next highest bid by more than five percent of the lower bid, we believe verification of residency claims became vital in determining the winning bid. We noted three instances where the granting of the residency preference was the determining factor in the awarding of the retail license. We believe lack of specific procedures to verify residency claims would be in noncompliance with Chapter 60, Article 3A, Section 10a of the West Virginia Code.

The audit notes that the Board did not provide an adequate process for verifying whether or not a bidder was at that time a resident of the State of West Virginia. Although we may not agree that we were in non-compliance with W. Va. Code 60-3A-10, we do agree that the process could have been performed in a more established and predictable manner. Generally speaking, when a resident preference claim was made, various efforts were made to ascertain whether or not the bidder was a resident of the State. This investigation would be made until the Board was satisfied either way.

Criminal Background Investigations

Chapter 60, Article 3A, Section 8(d) of the West Virginia Code states in part,

"The commissioner shall disqualify each bid submitted by an applicant under section ten [60-3A-10] of this article, and no applicant shall be issued or eligible to hold a retail license under this article, if: (1) The applicant has been convicted in this state of any felony or other crime involving moral turpitude or convicted of any felony in this or any other state court or any federal court for a violation of any state or federal liquor law;..."

To comply with the preceding Code section, the Board performed criminal background investigations of the successful bidders. The bidders were required to complete a "Record Request Check" form which was submitted to the Criminal Identification Bureau of the West Virginia State Police. Subsequent to the submission of the form, the Bureau provided the Board with verification of the bidders' conviction record, if any. In our test of criminal background investigations, we could not locate the criminal background verification for the Director of Giant Eagle, Inc.

Upon further review of our files regarding criminal background investigation of Giant Eagle, we have been unable to locate our investigation done on this individual. We will take steps now if appropriate to ensure that the current director does conform to our statutory requirements.

Subsequent Award of Retail License Due to Error

Based upon our review of the November 8, 1990 Board minutes, it appears the Board erroneously rejected an adequate \$17,254.00 bid from Mr. Howard Lewis for the Class B license in Zone 26 during the August bid process. The November 8, 1990 Board minutes state in part,

"...During the bid review process in August, two significant things happened in connection with Mr. Lewis's bid: (a) a transposition of numbers caused the gross amount of the bid to be printed incorrectly on the comparison list, and (2) the appearance of Mr. Lewis's wife's signature on the letter of credit caused his bid to be disqualified. (Mrs. Lewis's name did not appear on either the bid document or the pre-bid application.) Following a subsequent review of the situation, ABC staff is of the opinion that the bid meets the selection criteria previously established by the Board, that dual signatures on the letter of credit is not sufficient reason to disqualify the bid, and that it appears as if the bid is valid in all legal respects. The staff recommended that the Board reconsider Mr. Lewis's bid."

The Board unanimously approved the acceptance of Mr. Lewis' bid and authorized the Commissioner to issue a license. As noted previously, we were unable to obtain any analyses used by the Board to determine the successful bidders. Therefore, we were unable to review the "comparison list" for the transposition error. However, based upon our testing (See Appendix B, Page 46), it appears that Mr. Lewis submitted an acceptable bid in accordance with Criteria No. 2 approved by the Board.

No response received regarding the awarding of the Class B license in Zone 26.

the first round Board minutes, we noted no mention of the preceding ruling concerning bids inside the building was sufficient evidence that a good-faith attempt was made to submit a bid on time and was grounds for acceptance. The Board obtained affidavits from three ABCC employees attesting that Bid No. 102 was in the building before 3:00 p.m.

At this point, the Board approved a motion to accept the bids for initial tabulation. As noted in the minutes, the Board moved into Executive Session as follows: "Mr. Camper stated that the bid opening may reveal information that could affect the State's financial condition and moved that the Board adjourn to Executive Session at this point. He directed the audience to the bid-opening area and instructed them that they were welcome to observe the process from a reasonable distance. Ms. Arnold seconded the motion, which carried unanimously. At approximately 3:25 p.m., the Board moved into Executive Session until the morning of January 5."

The Board met in Executive Session at 3:40 p.m. on January 4, 1990 to discuss whether or not to present a check to the Governor that would represent the proceeds from retail license sales and the events for the remainder of the bid opening process were discussed. At 4:00 p.m., the Board recessed the Executive Session.

At 7:30 a.m. on January 5, 1991, the Board reconvened in Executive Session and discussions were conducted about the bids received. The minutes state as follows: "Mr. Williams called for a report from Mr. McIver. An issue that the Board will need to decide is the claim by Rite Aid for a residency preference. Mr. McIver stated that the staff based its tabulation results on the premise that this claim is valid. Mr. McIver gave each Board member a copy of the tabulation. Sufficient bids were received in each of sixty-four zones to permit the awarding of all licenses in those zones. No bids were received for two zones located in Mingo County.. Certain bid defects were discussed by the Board, followed by a discussion of bid acceptance criteria. At approximately 9:00 a.m., the Board recessed to allow the staff to complete additional statistical documents for the Board's use." The Board reconvened at 10:00 a.m. and the preceding documents were given to the Board by Mr. McIver and their meaning was explained. The Board agreed to return to General Session at 11:10 a.m.

We were unable to ascertain what procedures were used to determine the validity of the resident preference claim by Rite Aid. However, it appears the Board afforded Rite Aid the 5% preference. In addition, our testing indicates that 62 licenses in only 47 zones, not 64 zones as noted above, were available for bidding. Although the bid acceptance criteria was not detailed in the Board minutes, based upon inquiry with Mr. Donald McIver of Ernst & Young and ABCC personnel, it appears that the Board's acceptance criteria was to accept the highest bid, including the 5% resident preference, received for each license.

The Board met in General Session at 11:25 p.m. on January 5, 1990 and unanimously rejected four bids for improper bid bonds and the inability to determine bid amounts. The Board minutes note the activities that occurred since the last

General Session as follows: "Mr. McIver explained the activities of the staff since the general session on January 4. At approximately 3:30 that afternoon, and continuing until past midnight, the bids were opened and reviewed for accuracy, completeness, the presence and accuracy of bid bonds, and related tasks. Bids then were entered in a computer file, which analyzed the bids from a number of perspectives. The bids then were reviewed again individually to ensure that the apparent high bidders remained so throughout the analysis."

The Board was presented with a listing of high bidders which was accepted as apparent winners as follows: "The process culminated in a listing, which was presented to the Board. Mr. Bowman moved to accept the apparent high bidders list as representing those to whom licenses will be awarded, pending further investigation of those bidders; Ms. Arnold seconded. Motion carried unanimously. Ms. Arnold moved to conditionally reject all other bids not awarded at this time; Mr. Bowman seconded. Motion carried unanimously. The Chairman explained the conditional nature of both the apparent winners and apparent losers. Apparent winners will be investigated before being offered the license. If for any reason, including but not limited to past criminal violations, falsification of bid documents, or failure to pay the balance of bid amounts, an apparent winner is deemed ineligible to receive a retail liquor license, the license will be awarded to the next highest bidder in the market zone."

We were unable to obtain the analyses or listing used by the Board to determine the apparent winners. Based upon our understanding of the acceptance criteria, we prepared and included as Appendix D on Page 51 in this report a schedule of bids received for all rounds. In the second round, we noted no instances where the highest bids, including the 5% resident preference, were not awarded the licenses.

The second round of bidding resulted in the receipt of \$7,060,377.36 for 60 licenses in 39 zones. No bids were received for the two licenses in Zones 57 and 58. Therefore, a third round of bidding was needed for the Mingo County licenses.

ITEMS NOTED

Our examination was structured toward reviewing the second round of bids in terms of the statutory requirements of Chapter 60, Article 3A of the West Virginia Code, the rules and regulations adopted by the Board in conformity with Chapter 29A of the West Virginia Code, the bid acceptance criteria established by the Board, and the procedures and guidelines presented to bidders in the "Supplemental Data: Retail Liquor Licensing" and the "Retail Liquor License Book". The results of our examination follow:

Collection of Bid Price

Chapter 60, Article 3A, Section 10(e) of the West Virginia Code states in part,

"(e) Prior to the issuance of the retail license to the successful bidder, the bid price and the annual retail license fee, as specified in section twelve [60-3A-12] of this

The audit notes that the Board did not provide an adequate process for verifying whether or not a bidder was at that time a resident of the State of West Virginia. Although we may not agree that we were in non-compliance with W. Va. Code 60-3A-10, we do agree that the process could have been performed in a more established and predictable manner. Generally speaking, when a resident preference claim was made, various efforts were made to ascertain whether or not the bidder was a resident of the State. This investigation would be made until the Board was satisfied either way.

Bond Amount

Chapter 60, Article 3A, Section 11 of the West Virginia Code states in part,

"Each applicant submitting a bid under section ten [60-3A-10] of this article shall furnish to the commissioner a bond at the time of bidding, which bond shall guarantee the payment of twenty-five percent of the price bid for the retail license...."

Our examination showed the Class B retail license in Zone 92 was awarded to a bidder whose bond was less than 25% of the bid price. The successful bid was \$1,001.00 and the required bond was \$250.25. However, the bidder's bond was for \$250.00 and, therefore, short of the statutorial required bond by \$0.25. Our discussions with the Board's professional consultants indicated the Board decided to accept the bid because the potential loss of revenue, in the event the bid was rejected, was not justified due to the immaterial shortage in the bid bond. Our review showed the next highest bid was \$112.00 or \$889.00 less than the winning bid. We believe the provisions of Chapter 60, Article 3A, Section 11 of the West Virginia Code required the bid to be rejected due to an inadequate bid bond.

It appears that a somewhat unusual thing occurred with respect to bond amounts for those who decided to "get the edge" by bidding one dollar more than their determined set price. As a consequence of that action, these bidders often forgot to increase their bond amount by twenty-five cents to comply with the bond statute. As your audit shows, several bidders had bonds that were twenty-five cents short. It was the decision of the Board that this difference was deminimis and should not affect the overall awarding decision, particularly given the financial harm it would bring to the State if it did so. This appears to have been a reasonable decision by the Board given different legislative purposes of W. Va. Code 60-3A-1, et seq.

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

THIRD BID ROUND

Upon inquiry with ABCC personnel, no new information was presented to interested bidders for the remaining two licenses in Zones 57 and 58. We were unable to obtain instructions given to interested bidders in respect to the time and date of the official bid opening and the deadline for the receipt of bids. However, it appears from the May 14, 1991 Board minutes that the established deadline for the receipt of bids was 1:00 p.m. on May 14, 1991.

ABCC personnel stated that the procedures used in the first round for the receipt and recording of bids on the log sheets were used in the third round. We noted from the log sheets that the ABCC began receiving bids on May 13, 1991.

The May 14, 1991 General Session Board meeting convened at 1:19 p.m. at the ABCC administrative offices. The only Board member in attendance was Chairman Williams. Due to a lack of a quorum, the bid opening and awarding of the remaining two licenses was postponed until May 21, 1991 at 2:00 p.m.. It appears that four sealed envelopes were received by the established deadline and presented to the Board Chairman by Mr. Adkins, ABCC Director of Enforcement. Due to the postponement, the Chairman instructed Mr. Adkins to return the sealed envelopes to the safe and recessed the meeting.

The Board met at 2:00 p.m. on May 21, 1991; three of the five Board members were present and the Chairman ordered the bid opening to proceed. The Board minutes states, "Mr. Williams recognized Bill Adkins. Mr. Adkins brought forward the envelope containing the four sealed bids that had been secured at the May 14 Board meeting. Mr. Adkins also presented one pre-bid qualifying application which was stamped in at ABC headquarters at 1:48 p.m. on May 14, 1991, noting that it may or may not be supported by one of the four sealed bids. Mr. Adkins explained that since their initial presentation to the Board, the bids had been resting in a secure area of the State Treasurer's Office." Upon acceptance of the bids, the Board adjourned into Executive Session.

The minutes of the Executive Session state, "Participating in the bid opening process were several members of the ABC Commissioner's staff as well as individuals representing the Department of Administration, the State Auditor, and the State Treasurer. At the conclusion of the bid opening process, the results were presented to the Board for preliminary review." The Board minutes do not address the specific bid opening procedures to be followed; however, inquiry with ABCC personnel indicate the procedures used in first round were also followed in the third round. In addition, the minutes do not address the acceptance criteria established by the Board to determine an adequate bid. However, upon inquiry with the Board's professional consultants, it appears the the Board awarded the licenses to the highest bid, including the 5% resident preference, received for the two licenses in the remaining zones.

The Board reconvened in General Session at 2:45 p.m. on May 21, 1991 and conditionally awarded the two licenses in the remaining two zones. The meeting was adjourned at 2:50 p.m. We were unable to obtain the analyses used by the Board to determine the apparent winners. Based upon our understanding of the acceptance criteria, we prepared and included as Appendix D on Page 51 in this report, a schedule of bids received for all rounds. In the third round, we noted no instances where the highest bids, including the 5% resident preference, were not awarded the licenses. The third round of bidding resulted in the receipt of \$132,701.00 for the remaining two licenses in Zones 57 and 58.

ITEMS NOTED

Our examination was structured toward reviewing the third round of bids in terms of the statutory requirements of Chapter 60, Article 3A of the West Virginia Code, the rules and regulations adopted by the Board in conformity with Chapter 29A of the West Virginia Code, the bid acceptance criteria established by the Board, and the procedures and guidelines presented to bidders in the "Supplemental Data: Retail Liquor Licensing" and the "Retail Liquor License Book". The results of our examination follow:

Collection of Bid Price

Chapter 60, Article 3A, Section 10(e) of the West Virginia Code states in part,

"(e) Prior to the issuance of the retail license to the successful bidder, the bid price and the annual retail license fee, as specified in section twelve [60-3A-12] of this article, shall be paid to the commissioner by money order, certified check or cashier's check...."

Based on our examination of collections, the successful bidder for the Class A license in Zone 58 did not remit the entire bid price of \$131,501.00. We located a deposit of \$131,500.00 leaving a balance of \$1.00 still due the State of West Virginia. We believe the provisions of Chapter 60, Article 3A, Section 10(e) of the West Virginia Code required the collection of the entire bid price before the issuance of the retail license. Further, we believe the Commissioner should attempt to collect the remaining balance due of \$1.00.

It was discovered through the Audit that the Class A licensee in Zone 58 has failed to remit one dollar to the State of West Virginia, representing the outstanding balance of the license amount. We will contemplate action to collect this money.

Bond Amount

Chapter 60, Article 3A, Section 11 of the West Virginia Code states in part,

"Each applicant submitting a bid under section ten [60-3A-10] of this article shall furnish to the commissioner a bond at the time of bidding, which bond shall guarantee the payment of twenty-five percent of the price bid for the retail license...."

Our examination showed the Class A retail license in Zone 58 was awarded to a bidder whose bond was less than 25% of the bid price. The successful bid was \$131,501.00 and the required bond was \$32,875.25. However, the bidder's bond was for \$32,875.00 and, therefore, short of the statutorial required bond by \$0.25. Our discussions with the Board's professional consultants indicated that Board decided to accept the bid because the potential loss of revenue, in the event the bid was rejected, was not justified due to the immaterial shortage in the bid bond. Our review showed the next highest bid was \$52,400.00 or \$79,101.00 less than the winning bid. We believe the provisions of Chapter 60, Article 3A, Section 11 of the West Virginia Code required the bid to be rejected due to an inadequate bid bond.

It appears that a somewhat unusual thing occurred with respect to bond amounts for those who decided to "get the edge" by bidding one dollar more than their determined set price. As a consequence of that action, these bidders often forgot to increase their bond amount by twenty-five cents to comply with the bond statute. As your audit shows, several bidders had bonds that were twenty-five cents short. It was the decision of the Board that this difference was de minimis and should not affect the overall awarding decision, particularly given the financial harm it would bring to the State if it did so. This appears to have been a reasonable decision by the Board given different legislative purposes of W. Va. Code 60-3A-1, et seq.

Criminal Background Investigations

Chapter 60, Article 3A, Section 8(d) of the West Virginia Code states in part,

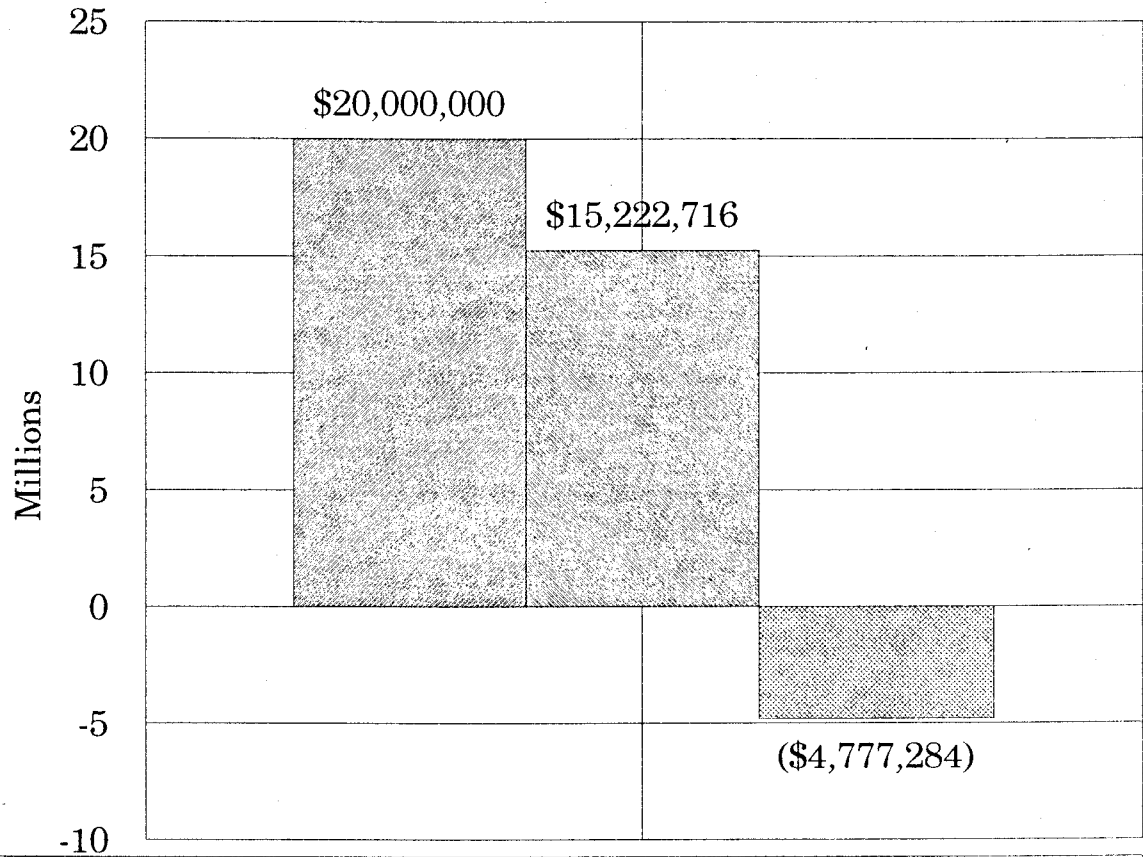
"The commissioner shall disqualify each bid submitted by an applicant under section ten [60-3A-10] of this article, and no applicant shall be issued or eligible to hold a retail license under this article, if: (1) The applicant has been convicted in this state of any felony or other crime involving moral turpitude or convicted of any felony in this or any other state court or any federal court for a violation of any state or federal liquor law;..."

To comply with the preceding Code section, the Board performed criminal background investigations of the successful bidders. The bidders were required to

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

ESTIMATED vs. ACTUAL REVENUES FROM RETAIL LICENSE SALES

As noted earlier, the sale of retail licenses was estimated to generate \$20,000,000 in one-time revenues. The graph below depicts the results of the revenues received from the sale of retail licenses.



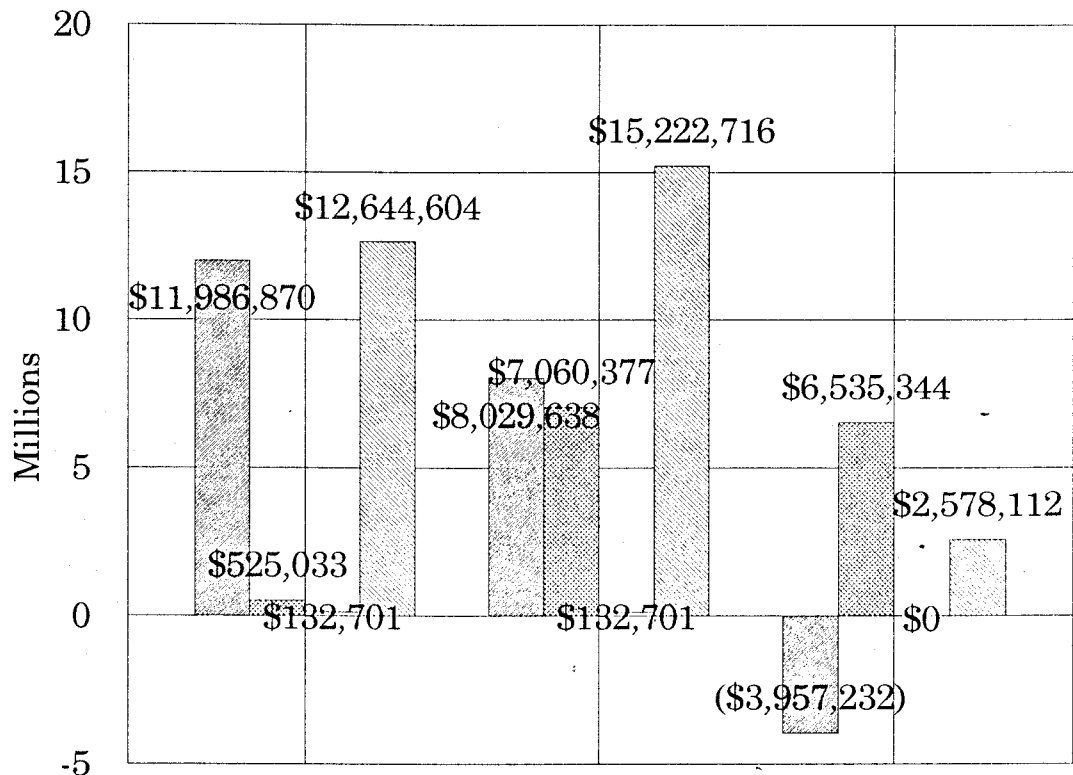
	Revenues
■ Estimate	\$20,000,000
■ Actual	\$15,222,716
■ (Under)	(\$4,777,284)

As noted above, the total actual revenues were \$4,777,284 less than the estimated \$20,000,000. We noted that the remaining inventories held in State-owned liquor stores were discounted 20% from the retail price and sold to retail licensees. Revenues generated from the discounted liquor sales totaled \$4,428,099. The addition of the inventory sales with the \$15,222,716 derived from license sales resulted in total cash receipts generated through the divestiture process of \$19,650,815.

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD

NOT REBIDDING vs. REBIDDING RETAIL LICENSES

The following graph depicts the results of rebidding the retail licenses rejected due to inadequate bids in the first round:



	No Rebid	Rebid	(Decrease)Increase
Round 1	\$11,986,870	\$8,029,638	(\$3,957,232)
Round 2	\$525,033	\$7,060,377	\$6,535,344
Round 3	\$132,701	\$132,701	\$0
Total	\$12,644,604	\$15,222,716	\$2,578,112

The results of our analysis of the effect on revenues created by the Board's decision to rebid those licenses that received inadequate bids in the first round indicate the total bid amounts increased \$2,578,112 or 65.15%.

APPENDICES

**WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD
 ROUND 1 - SCHEDULE OF BIDS SUBJECT TO CRITERIA NO. 1
 38.7% THRESHOLD OF BID-TO-SALES PERCENTAGE AVERAGES
 APPENDIX A**

Mkt. Zone	License Types Authorized	High Bidders per Zone	License Types Awarded	WV Resident	Total High Bid Amounts per Zone (Excludes 5% WV Preference)	Fiscal Year 1989 Zone Sales	% Bid to Sales	% Average
Averages Greater Than 38.7%								
84	A	Davies, Richard	A	Yes	\$306,000.00	\$337,535.00	90.66%	90.66%
62	A	Giant Eagle, Inc.	A	No	\$263,000.00	\$344,087.00	76.43%	83.55%
86	A	Canaan Valley Stores, Inc.	A	Yes	\$101,400.00	\$150,339.00	67.45%	78.18%
64	A	7-11	A	No	\$100,100.00	\$157,044.00	63.74%	74.57%
22	A	7-11	A	No	\$150,100.00	\$266,435.00	56.34%	70.92%
30	A	Giant Eagle, Inc.	A	No	\$263,000.00	\$504,610.00	52.12%	67.79%
35	B	7-11	B	No	\$100,100.00	\$197,655.00	50.64%	65.34%
3	A&B	7-11/Penn&Penn	A/B	No/Yes	\$751,261.00	\$1,529,905.00	49.11%	63.31%
34	A&B	7-11/Fridley, Cindy & Keith	A/B	No/Yes	\$445,102.00	\$965,498.00	46.10%	61.40%
11	A	Phar Mor, Inc.	A	No	\$263,000.00	\$620,161.00	42.41%	59.50%
10	A&2B	Big Bear/ Rite Aid/ Null, R.	A/B/B	Yes/Yes/No	\$1,501,311.00	\$3,565,406.00	42.11%	57.92%
60	A	Moser, Joseph	A	Yes	\$127,536.00	\$329,747.00	38.68%	56.31%
94	A&2B	Big Bear/Phar Mor/Mini Giants	A/B/B	Yes/No/Yes	\$1,020,010.00	\$2,859,317.00	35.67%	54.73%
20	A	McClung, II, Charles	A	Yes	\$227,500.00	\$669,378.00	33.99%	53.25%
43	A	Giant Eagle, Inc.	A	No	\$225,000.00	\$702,347.00	32.04%	51.83%
79	A	Carrico, H. Clifton	A	Yes	\$252,252.00	\$791,530.00	31.87%	50.58%
41	A&B	Ferrell, Michael/Rite Aid	A/B	Yes	\$242,821.00	\$800,527.00	30.33%	49.39%
18	A	7-11	A	No	\$60,100.00	\$215,144.00	27.93%	48.20%
75	A	Big Bear Stores	A	Yes	\$150,010.00	\$538,912.00	27.84%	47.13%
38	A&2B	Pack, L./Billo, R./Rite Aid	A/B/B	Yes	\$208,202.02	\$785,741.00	26.50%	46.10%
1	A	Prusa, John	A	Yes	\$40,001.00	\$155,264.00	25.76%	45.13%
82	A	Starcher, Kenneth	A	Yes	\$60,000.00	\$238,323.00	25.18%	44.22%
91	A	Witschey's Mkt., Inc.	A	Yes	\$121,000.00	\$484,592.00	24.97%	43.38%

APPENDIX A
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Mkt. Zone	License Types Authorized	High Bidders per Zone	License Types Awarded	WV Resident	Total High Bid Amounts per Zone (Excludes 5% WV Preference)	Fiscal Year 1989 Zone Sales	% Bid to Sales	% Average
Averages Greater Than 38.7% - Continued								
39	A	Giant Eagle, Inc.		No	\$106,000.00	\$426,834.00	24.83%	42.61% *
42	B	Rite Aid	B	Yes	\$36,363.00	\$149,678.00	24.29%	41.88%
5	A	Rite Aid	A	Yes	\$79,791.00	\$347,199.00	22.98%	41.15%
32	A	Rite Aid	A	Yes	\$60,552.00	\$270,716.00	22.37%	40.46%
21	A	Rite Aid	A	Yes	\$53,412.00	\$242,331.00	22.04%	39.80%
33	A	Rite Aid	A	Yes	\$43,048.00	\$201,133.00	21.40%	39.16%
83	A	Beavers, Richard	A	No	\$54,000.00	\$252,319.00	21.40%	---
Averages Less Than 38.7%								
29	A	Giant Eagle, Inc.	A	No	\$50,000.00	\$237,669.00	21.04%	38.56% **
72	A	Peddicoord, Pam		Yes	\$50,000.00	\$241,370.00	20.72%	37.98%
80	B	McCauley, Troy		Yes	\$30,502.26	\$151,524.00	20.13%	37.43%
36	A&3B	Rite Aid/Big Bear/Big John/Pack, L.		Yes	\$1,092,011.00	\$5,442,425.00	20.06%	36.90%
69	A	Rite Aid		Yes	\$32,291.00	\$170,041.00	18.99%	36.37%
8	A	Rite Aid		Yes	\$90,001.00	\$477,279.00	18.86%	35.87%
63	2B	Coughlan, Charles/Lewis, Gordon		Yes	\$26,600.00	\$142,811.00	18.63%	35.39%
88	A	Holiday, Robert		Yes	\$95,250.00	\$528,777.00	18.01%	34.92%
19	A	Rite Aid		Yes	\$125,001.00	\$694,816.00	17.99%	34.48%
47	A	Rite Aid		Yes	\$65,001.00	\$363,539.00	17.88%	34.05%
16	A	Rite Aid		Yes	\$125,001.00	\$725,216.00	17.24%	33.63%
66	A	Rite Aid		Yes	\$65,001.00	\$377,872.00	17.20%	33.23%
70	A	Dilley, Jr., Vency F.		Yes	\$50,000.00	\$298,529.00	16.75%	32.84%
51	A	Mason, Phillip		Yes	\$40,000.00	\$244,325.00	16.37%	32.46%
49	2B	Rite Aid/Lambert, Pamela		Yes	\$35,001.00	\$221,687.00	15.79%	32.08%
50	A	Rite Aid		Yes	\$55,001.00	\$349,697.00	15.73%	31.71%

APPENDIX A
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Mkt. Zone	License Types Authorized	High Bidders per Zone	License Types Awarded	WV Resident	Total High Bid Amounts per Zone (Excludes 5% WV Preference)	Fiscal Year 1989 Zone Sales	% Bid to Sales	% Average
Averages Less Than 38.7% - Continued								
61	A	Old Mill - Steve Lorenze		Yes	\$300,000.00	\$1,929,962.00	15.54%	31.36%
15	A	Rite Aid		Yes	\$90,001.00	\$579,839.00	15.52%	31.03%
45	A	Rite Aid		Yes	\$48,892.00	\$322,148.00	15.18%	30.70%
28	A&B	Rite Aid/Romano, John		Yes/No	\$217,501.00	\$1,516,641.00	14.34%	30.36%
46	A&B	Kroger Company/Giant Eagle		Yes/No	\$156,000.00	\$1,091,971.00	14.29%	30.04%
78	A	Fink, Leonard		Yes	\$51,999.00	\$368,726.00	14.10%	29.73%
37	A&2B	Rite Aid/PJS, Inc.		Yes	\$439,000.00	\$3,158,926.00	13.90%	29.42%
89	A	Big Bear Stores		Yes	\$50,010.00	\$375,319.00	13.32%	29.12%
87	A	Peters, Harry		Yes	\$20,100.00	\$154,686.00	12.99%	28.82%
76	A&2B	Rite Aid/J&M Crossroads/Wood, J.		Yes/No/Yes	\$217,009.00	\$1,705,103.00	12.73%	28.53%
17	A	Starcher, Kenneth		Yes	\$20,000.00	\$162,555.00	12.30%	28.24%
85	2B	Rite Aid/Canaan Valley		Yes	\$21,127.00	\$173,412.00	12.18%	27.96%
90	A	Sams, John Kenneth		Yes	\$30,000.00	\$251,276.00	11.94%	27.68%
27	A	Sherman, Eva	A	Yes	\$27,100.00	\$241,227.00	11.23%	27.40% **
25	A	D'Andrea, Frank		No	\$100,000.00	\$981,813.00	10.19%	27.12%
52	A	Katz, David		Yes	\$60,000.00	\$1,317,411.00	4.55%	26.75%
67	A&2B	Three State Dist./Rite Aid		Yes	\$100,001.00	\$2,307,023.00	4.33%	26.38%
53	A	FID Corp., F. Nedorezov		No	\$30,400.00	\$958,818.00	3.17%	26.02%
77	A&B	Gonzalez, Anthony		Yes	\$2,000.00	\$291,247.00	0.69%	25.62%
44	A	North Pole Ice-J. Viglianco		Yes	\$5,005.00	\$826,738.00	0.61%	25.23%
24	A	Riggi, Ivito		Yes	\$525.00	\$153,085.00	0.34%	24.86%
7	A	No Bids Received			\$0.00	\$226,777.00	N/A	N/A
9	B	No Bids Received			\$0.00	\$412,496.00	N/A	N/A
23	A	No Bids Received			\$0.00	\$368,037.00	N/A	N/A

APPENDIX A
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Mkt. Zone	License Types Authorized	High Bidders per Zone	License Types Awarded	WV Resident	Total High Bid Amounts per Zone (Excludes 5% WV Preference)	Fiscal Year 1989 Zone Sales	% Bid to Sales	% Average
Averages Less Than 38.7% - Continued								
57	B	No Bids Received			\$0.00	\$234,289.00	N/A	N/A
58	A	No Bids Received			\$0.00	\$472,236.00	N/A	N/A
59	B	No Bids Received			\$0.00	\$203,190.00	N/A	N/A
68	A	No Bids Received			\$0.00	\$155,658.00	N/A	N/A

* Carol Floyd, a resident bidder, submitted a \$101,026 bid for the Class A license in Zone 39. The inclusion of the 5% WV resident preference resulted in a total bid price of \$106,077.30 which exceeded the \$106,000 bid from Giant Eagle, a non-resident. Accordingly, the Board awarded the Class A license to the resident bidder.

** The percentage averages for Zones 27 and 29 fell below the 38.7% threshold level. However, the Board awarded licenses in these zones.

**WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD
 ROUND 1 - SCHEDULE OF BIDS SUBJECT TO CRITERIA NO. 2
 1989 ZONE SALES OF \$140,000 OR LESS
 APPENDIX B**

Market Zone	License Types Authorized	High Bidders per Zone	License Type Awarded	WV Resident	Total High Bid Amounts per Zone (Includes 5% WV Preference)	Fiscal Year 1989 Zone Sales
98	B	Rite Aid	B	Yes	\$34,616.40	\$136,062.00
81	A	Rite Aid	A	Yes	\$27,563.55	\$134,358.00
73	2B	Peddicord, Pam/Gallina, Peter	B/B	Yes/Yes	\$15,883.35	\$126,118.00
56	B	Rite Aid	B	Yes	\$31,776.15	\$125,308.00
48	B	Roush, Diana	B	Yes	\$6,825.00	\$121,928.00
97	B	Rite Aid	B	Yes	\$27,325.20	\$120,382.00
2	A	No Bids Received			\$0.00	\$119,878.00
96	B	Rite Aid	B	Yes	\$24,942.75	\$118,325.00
65	B	Rite Aid	B	Yes	\$29,920.80	\$118,284.00
40	A	Rite Aid	A	Yes	\$19,071.15	\$116,647.00
31	B	No Bids Received			\$0.00	\$115,151.00
54	A	7-11	A	No	\$75,100.00	\$114,529.00
6	B	Martin, Andrew - Rejected	B-Rejected	No	\$26,500.00	\$101,208.00 *
95	B	Henrie, John	B	Yes	\$11,436.60	\$98,984.00
26	B	Lewis, Jr., Howard	B	Yes	\$18,116.70	\$88,774.00
13	A	Rite Aid	A	Yes	\$12,645.15	\$87,452.00
71	B	T. Lanier-W. Burns	B	Yes	\$5,880.00	\$79,181.00
14	A	No Bids Received			\$0.00	\$77,785.00
55	A	Wolfe, Judith	A	Yes	\$4,200.00	\$71,453.00
93	A	Sams, John	A	Yes	\$525.00	\$69,242.00
92	B	No Bids Received			\$0.00	\$47,121.00
74	A	Hatfield, Robert	A	Yes	\$53,550.00	\$0.00
12	A	Reip, Norma	A	Yes	\$1,054.20	\$0.00
4	2B	7-11/Larne, Lewis & Lickey	B/B	No/Yes	\$163,625.00	\$0.00

* Subsequent to the August 30, 1990 conditional acceptance of the apparent winning bid, the Board became aware of the bidder's criminal conviction. Accordingly, the Board rejected the \$26,500 bid for the Class B license in Zone 6 on November 8, 1990.

**WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD
ROUND 1 - SCHEDULE OF CRITERIA NO. 1 IN COMPLIANCE
WITH CHAPTER 60, ARTICLE 3A, SECTION 10a OF THE WEST VIRGINIA CODE
APPENDIX C**

Mkt. Zone	License Types Authorized	High Bidders per Zone	License Types Awarded	WV Resident	Total High Bid Amounts per Zone (Includes 5% WV Preference)	Fiscal Year 1989 Zone Sales	% Bid to Sales	% Average
<u>Averages Greater Than 38.7%</u>								
84	A	Davies, Richard	A	Yes	\$321,300.00	\$337,535.00	95.19%	95.19%
62	A	Giant Eagle, Inc.	A	No	\$263,000.00	\$344,087.00	76.43%	85.81%
86	A	Canaan Valley Stores, Inc.	A	Yes	\$106,470.00	\$150,339.00	70.82%	80.81%
64	A	7-11	A	No	\$100,100.00	\$157,044.00	63.74%	76.55%
22	A	7-11	A	No	\$150,100.00	\$266,435.00	56.34%	72.50%
30	A	Giant Eagle, Inc.	A	No	\$263,000.00	\$504,610.00	52.12%	69.11%
35	B	7-11	B	No	\$100,100.00	\$197,655.00	50.64%	66.47%
3	A&B	7-11/Penn&Penn-R. Pennington	A/B	No/Yes	\$756,316.55	\$1,529,905.00	49.44%	64.34%
34	A&B	7-11/Cindy&Keith Fridley	A/B	No/Yes	\$446,102.10	\$965,498.00	46.20%	62.32%
10	A&2B	Big Bear Stores/Rite Aid/Null, R.	A/B/B	Yes/Yes/No	\$1,575,811.55	\$3,565,406.00	44.20%	60.51%
11	A	Phar Mor, Inc.	A	No	\$263,000.00	\$620,161.00	42.41%	58.87%
60	A	Moser, Joseph	A	Yes	\$133,912.80	\$329,747.00	40.61%	57.35%
94	A&2B	Big Bear/Phar Mor/Mini Giants	A/B/B	Yes/No/Yes	\$1,063,510.50	\$2,859,317.00	37.19%	55.79%
20	A	McClung, II, Charles	A	Yes	\$238,875.00	\$669,378.00	35.69%	54.36%
79	A	Carrico, H. Clifton	A	Yes	\$264,864.60	\$791,530.00	33.46%	52.97%
43	A	Giant Eagle, Inc.	A	No	\$225,000.00	\$702,347.00	32.04%	51.66%
41	A&B	Ferrell, Michael/Rite Aid	A/B	Yes	\$254,962.05	\$800,527.00	31.85%	50.49%
75	A	Big Bear Stores	A	Yes	\$157,510.50	\$538,912.00	29.23%	49.31%
18	A	7-11	A	No	\$60,100.00	\$215,144.00	27.93%	48.19%
38	A&2B	Pack, Lawrence/Billo, R./Rite Aid	A/B/B	Yes	\$218,612.12	\$785,741.00	27.82%	47.17%
1	A	Prusa, John	A	Yes	\$42,001.05	\$155,264.00	27.05%	46.21%
82	A	Starcher, Kenneth	A	Yes	\$63,000.00	\$238,323.00	26.43%	45.31%
91	A	Witscheys Mkt., Inc.	A	Yes	\$127,050.00	\$484,592.00	26.22%	44.48%

APPENDIX C

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Mkt. Zone	License Types Authorized	High Bidders per Zone	License Types Awarded	WV Resident	Total High Bid Amounts per Zone (Includes 5% WV Preference)	Fiscal Year 1989 Zone Sales	% Bid to Sales	% Average
<u>Averages Greater Than 38.7% - Continued</u>								
42	B	Rite Aid	B	Yes	\$38,181.15	\$149,678.00	25.51%	43.69%
39	A	Floyd, Carol	A	Yes	\$106,077.30	\$426,834.00	24.85%	42.94%
5	A	Rite Aid	A	Yes	\$83,780.55	\$347,199.00	24.13%	42.21%
32	A	Rite Aid	A	Yes	\$63,579.60	\$270,716.00	23.49%	41.52%
21	A	Rite Aid	A	Yes	\$56,082.60	\$242,331.00	23.14%	40.86%
33	A	Rite Aid	A	Yes	\$45,200.40	\$201,133.00	22.47%	40.23%
72	A	Peddicord, Pam		Yes	\$52,500.00	\$241,370.00	21.75%	39.61% *
83	A	Beavers, Richard	A	No	\$54,000.00	\$252,319.00	21.40%	39.03%
<u>Averages Less Than 38.7%</u>								
80	B	McCauley, Troy		Yes	\$32,027.37	\$151,524.00	21.14%	38.47%
36	A&3B	Rite Aid/Big Bear/Big John/Pack, L.		Yes	\$1,146,611.55	\$5,442,425.00	21.07%	37.94%
29	A	Giant Eagle, Inc.	A	No	\$50,000.00	\$237,669.00	21.04%	37.44% **
69	A	Rite Aid		Yes	\$33,905.55	\$170,041.00	19.94%	36.94%
8	A	Rite Aid		Yes	\$94,501.05	\$477,279.00	19.80%	36.47%
63	2B	Coughlan, Charles/Lewis, Gordon		Yes	\$27,930.00	\$142,811.00	19.56%	36.01%
88	A	Holiday, Robert		Yes	\$100,012.50	\$528,777.00	18.91%	35.56%
19	A	Rite Aid		Yes	\$131,251.05	\$694,816.00	18.89%	35.13%
47	A	Rite Aid		Yes	\$68,251.05	\$363,539.00	18.77%	34.72%
16	A	Rite Aid		Yes	\$131,251.05	\$725,216.00	18.10%	34.32%
66	A	Rite Aid		Yes	\$68,251.05	\$377,872.00	18.06%	33.93%
70	A	Dilley, Jr., Vency F.		Yes	\$52,500.00	\$298,529.00	17.59%	33.55%
51	A	Mason, Phillip		Yes	\$42,000.00	\$244,325.00	17.19%	33.18%
49	2B	Rite Aid/Lambert, Pamela		Yes	\$36,751.05	\$221,687.00	16.58%	32.81%
50	A	Rite Aid		Yes	\$57,751.05	\$349,697.00	16.51%	32.46%

APPENDIX C
Page 3

Mkt. Zone	License Types Authorized	High Bidders per Zone	License Types Awarded	WV Resident	Total High Bid Amounts per Zone (Includes 5% WV Preference)	Fiscal Year 1989 Zone Sales	% Bid to Sales	% Average
<u>Averages Less Than 38.7% - Continued</u>								
61	A	Old Mill - Steve Lorenze		Yes	\$315,000.00	\$1,929,962.00	16.32%	32.11%
15	A	Rite Aid		Yes	\$94,501.05	\$579,839.00	16.30%	31.78%
45	A	Rite Aid		Yes	\$51,336.60	\$322,148.00	15.94%	31.46%
28	A&B	Rite Aid/Romano, John		Yes/No	\$227,751.05	\$1,516,641.00	15.02%	31.13%
78	A	Fink, Leonard		Yes	\$54,598.95	\$368,726.00	14.81%	30.81%
37	A&2B	Rite Aid/PJS, Inc.		Yes	\$460,950.00	\$3,158,926.00	14.59%	30.50%
46	A&B	Kroger Company/Giant Eagle		Yes/No	\$158,500.00	\$1,091,971.00	14.52%	30.20%
89	A	Big Bear Stores		Yes	\$52,510.50	\$375,319.00	13.99%	29.90%
87	A	Peters, Harry		Yes	\$21,105.00	\$154,686.00	13.64%	29.60%
76	A&2B	Rite Aid/J&M Crossroads/Wood, J.		Yes/No/Yes	\$226,259.05	\$1,705,103.00	13.20%	29.31%
17	A	Starcher, Kenneth		Yes	\$21,000.00	\$162,555.00	12.92%	29.02%
85	2B	Rite Aid/Canaan Valley		Yes	\$22,183.35	\$173,412.00	12.79%	28.74%
90	A	Sams, John Kenneth		Yes	\$31,500.00	\$251,276.00	12.54%	28.47%
27	A	Sherman, Eva	A	Yes	\$28,455.00	\$241,227.00	11.80%	28.19% **
25	A	D'Andrea, Frank		No	\$100,000.00	\$981,813.00	10.19%	27.89%
52	A	Katz, David		Yes	\$63,000.00	\$1,317,411.00	4.78%	27.52%
67	A&2B	Three State Dist./Rite Aid		Yes	\$105,001.05	\$2,307,023.00	4.55%	27.16%
53	A	FID Corp., F. Nedorezov		No	\$30,400.00	\$958,818.00	3.17%	26.78%
77	A&B	Gonzalez, Anthony		Yes	\$2,100.00	\$291,247.00	0.72%	26.38%
44	A	North Pole Ice-J. Viglianco		Yes	\$5,255.25	\$826,738.00	0.64%	25.99%
24	A	Riggi, Ivito		Yes	\$551.25	\$153,085.00	0.36%	25.61%
7	A	No Bids Received			\$0.00	\$226,777.00	N/A	N/A
9	B	No Bids Received			\$0.00	\$412,496.00	N/A	N/A
23	A	No Bids Received			\$0.00	\$368,037.00	N/A	N/A

APPENDIX C
Page 4

Mkt. Zone	License Types Authorized	High Bidders per Zone	License Types Awarded	WV Resident	Total High Bid Amounts per Zone (Includes 5% WV Preference)	Fiscal Year 1989 Zone Sales	% Bid to Sales	% Average
<u>Averages Less Than 38.7% - Continued</u>								
57	B	No Bids Received			\$0.00	\$234,289.00	N/A	N/A
58	A	No Bids Received			\$0.00	\$472,236.00	N/A	N/A
59	B	No Bids Received			\$0.00	\$203,190.00	N/A	N/A
68	A	No Bids Received			\$0.00	\$155,658.00	N/A	N/A

* In compliance with Chapter 60, Article 3A, Section 10a of the West Virginia Code, the addition of the 5% WV resident preference to Pam Peddicord's \$50,000 bid for the Class A license in Zone 72 would have resulted in a total bid price of \$52,500. The 39.61% average, based upon the \$52,500 bid price, exceeded the 38.7% threshold level established by the Board. Based upon the Board's acceptance criteria, it appears this bidder would have been awarded the Class A license in Zone 72. However, the Board rebid this license in the second round.

** The percentage averages for Zones 27 and 29 fell below the 38.7% threshold level. However, the Board awarded licenses in these zones.

WEST VIRGINIA STATE RETAIL LIQUOR LICENSING BOARD
 SCHEDULE OF BIDS FOR ALL ROUNDS
 APPENDIX D

Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
1	All				Kisker, William	\$7,050,000.00		Yes	\$7,402,500.00			
1	1	Barbour	\$155,264.00	A	Prusa, John	\$40,001.00		Yes	\$42,001.05		A	\$40,001.00
1	1	Barbour			Rite Aid	\$27,001.00		Yes	\$28,351.05			
1	2	Barbour	\$119,878.00	A	No Bids Received							
1	3	Berkeley	\$1,529,905.00	A&B	7-11	\$650,150.00		No	\$650,150.00		A	\$650,150.00
1	3	Berkeley			Penn&Penn-R. Pennington	\$101,111.00		Yes	\$106,166.55			
1	3	Berkeley			Woodrow&Saville-KWIK Chek	\$25,500.00		Yes	\$26,775.00			
1	3	Berkeley			Johnson, Leroy	\$20,000.00		No	\$20,000.00			
1	3	Berkeley			7-11	\$225,150.00		No	\$225,150.00			
1	3	Berkeley			Penn&Penn-R. Pennington	\$101,111.00		Yes	\$106,166.55		B	\$101,111.00
1	3	Berkeley			Rite Aid	\$75,001.00		Yes	\$78,751.05			
1	3	Berkeley			Woodrow&Saville-KWIK Chek	\$25,500.00		Yes	\$26,775.00			
1	3	Berkeley			Johnson, Leroy	\$10,000.00		No	\$10,000.00			
1	4	Berkeley	N/A	2B	7-11	\$100,100.00		No	\$100,100.00		B	\$100,100.00
1	4	Berkeley			Michael,Lewis,Lickey&Michael	\$60,500.00		Yes	\$63,525.00		B	\$60,500.00
1	5	Boone	\$347,199.00	A	Rite Aid	\$79,791.00		Yes	\$83,780.55		A	\$79,791.00
1	6	Boone	\$101,208.00	B	Martin, Andrew - Rejected - Criminal Record	\$26,500.00		No	\$26,500.00		B-Rejected	
1	6	Boone			Rite Aid	\$21,001.00		Yes	\$22,051.05			
1	6	Boone			Pack, Lawrence	\$10,100.00		Yes	\$10,605.00			
1	7	Braxton	\$226,777.00	A	No Bids Received							
1	8	Brooke	\$477,279.00	A	Rite Aid	\$90,001.00		Yes	\$94,501.05			
1	9	Brooke	\$412,496.00	B	No Bids Received							

APPENDIX D Page 2

Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
1	10	Cabell	\$3,565,406.00	A&2B	Big Bear Stores	\$1,400,010.00		Yes	\$1,470,010.50		A	\$1,400,010.00
1	10	Cabell			Haddad&Cook	\$126,000.00		Yes	\$132,300.00			
1	10	Cabell			Big Bear Stores		\$100,010.00	Yes		\$105,010.50		
1	10	Cabell			Rite Aid		\$90,001.00	Yes		\$94,501.05	B	\$90,001.00
1	10	Cabell			Null, Robert L.		\$11,300.00	No		\$11,300.00	B	\$11,300.00
1	11	Cabell	\$620,161.00	A	Phar Mor, Inc.	\$263,000.00		No	\$263,000.00		A	\$263,000.00
1	11	Cabell			Foodstop/J.D. Booten, Jr.	\$80,000.00		Yes	\$84,000.00			
1	12	Calhoun	N/A	A	Reip, Norma	\$1,004.00		Yes	\$1,054.20		A	\$1,004.00
1	13	Clay	\$87,452.00	A	Rite Aid	\$12,043.00		Yes	\$12,645.15		A	\$12,043.00
1	14	Doddrige	\$77,785.00	A	No Bids Received							
1	15	Fayette	\$579,839.00	A	Rite Aid	\$90,001.00		Yes	\$94,501.05			
1	15	Fayette			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00			
1	16	Fayette	\$725,216.00	A	Rite Aid	\$125,001.00		Yes	\$131,251.05			
1	16	Fayette			Bonifacio, Floyd	\$10,000.00		Yes	\$10,500.00			
1	16	Fayette			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00			
1	17	Gilmer	\$162,555.00	A	Starcher, Kenneth	\$20,000.00		Yes	\$21,000.00			
1	17	Gilmer			Pascasio, Portifiro	\$11,300.00		Yes	\$11,865.00			
1	18	Grant	\$215,144.00	A	7-11	\$60,100.00		No	\$60,100.00		A	\$60,100.00
1	19	Greenbrier	\$694,816.00	A	Rite Aid	\$125,001.00		Yes	\$131,251.05			
1	19	Greenbrier			Lewis, Jr., Gordon	\$91,100.00		Yes	\$95,655.00			
1	19	Greenbrier			Coughlan, Charles	\$75,600.00		Yes	\$79,380.00			
1	19	Greenbrier			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00			
1	20	Greenbrier	\$669,378.00	A	McClung, II, Charles	\$227,500.00		Yes	\$238,875.00		A	\$227,500.00
1	20	Greenbrier			Rite Aid	\$130,001.00		Yes	\$136,501.05			
1	20	Greenbrier			City of Lewisburg	\$10,000.00		Yes	\$10,500.00			
1	20	Greenbrier			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00			

APPENDIX D - Page 3

Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
1	21	Greenbrier	\$242,331.00	A	Rite Aid	\$53,412.00		Yes	\$56,082.60		A	\$53,412.00
1	21	Greenbrier			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00			
1	22	Hampshire	\$266,435.00	A	7-11	\$150,100.00		No	\$150,100.00		A	\$150,100.00
1	22	Hampshire			Smith, Jr., Richard W.	\$40,000.00		No	\$40,000.00			
1	23	Hancock	\$368,037.00	A	No Bids Received							
1	24	Hancock	\$153,085.00	A	Rigg, Ivito	\$525.00		Yes	\$551.25			
1	25	Hancock	\$981,813.00	A	D'Andrea, Frank	\$100,000.00		No	\$100,000.00			
1	25	Hancock			Hawrot, Frederick	\$10,000.00		Yes	\$10,500.00			
1	26	Hardy	\$88,774.00	B	Lewis, Jr., Howard	\$17,254.00		Yes	\$18,116.70		B	\$17,254.00
1	27	Hardy	\$241,227.00	A	Sherman, Eva	\$27,100.00		Yes	\$28,455.00		A	\$27,100.00
1	28	Harrison	\$1,516,641.00	A&B	Rite Aid	\$205,001.00		Yes	\$215,251.05			
1	28	Harrison			Rite Aid	\$75,001.00		Yes	\$78,751.05			
1	28	Harrison			Romano, John	\$12,500.00		No	\$12,500.00			
1	29	Harrison	\$237,669.00	A	Giant Eagle, Inc.	\$50,000.00		No	\$50,000.00		A	\$50,000.00
1	29	Harrison			Rite Aid	\$43,532.00		Yes	\$45,708.60			
1	29	Harrison			Armentrout, Beth Ann	\$100.00		Yes	\$105.00			
1	30	Harrison	\$504,610.00	A	Giant Eagle, Inc.	\$263,000.00		No	\$263,000.00		A	\$263,000.00
1	30	Harrison			Rite Aid	\$90,001.00		Yes	\$94,501.05			
1	30	Harrison			Armentrout, Beth Ann	\$100.00		Yes	\$105.00			
1	31	Harrison	\$115,151.00	B	No Bids Received							
1	32	Jackson	\$270,716.00	A	Rite Aid	\$60,552.00		Yes	\$63,579.60		A	\$60,552.00
1	33	Jackson	\$201,133.00	A	Rite Aid	\$43,048.00		Yes	\$45,200.40		A	\$43,048.00
1	33	Jackson			Holiday, Robert	\$4,800.00		Yes	\$5,040.00			
1	34	Jefferson	\$965,498.00	A&B	7-11	\$425,100.00		No	\$425,100.00		A	\$425,100.00

APPENDIX D - Page 4

Round	Market Zone	County	Fiscal Year 1989 Zone	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
1	34	Jefferson			7-11		\$50,100.00	No	\$50,100.00			
1	34	Jefferson			Cindy D. & Keith Fridley		\$20,002.00	Yes	\$21,002.10	B		\$20,002.00
1	35	Jefferson	\$197,655.00	B	7-11		\$100,100.00	No	\$100,100.00	B		\$100,100.00
1	35	Jefferson			Rite Aid		\$48,462.00	Yes	\$50,885.10			
1	36	Kanawha	\$5,442,425.00	A&3B	Rite Aid		\$600,001.00	Yes	\$630,001.05			
1	36	Kanawha			Haddad&Cook		\$210,000.00	Yes	\$220,500.00			
1	36	Kanawha			Pack, Lawrence		\$101,000.00	Yes	\$106,050.00			
1	36	Kanawha			Big Bear Stores		\$250,010.00	Yes	\$262,510.50			
1	36	Kanawha			Big John Inc.-Spyros Stanley		\$141,000.00	Yes	\$148,050.00			
1	36	Kanawha			Pack, Lawrence		\$101,000.00	Yes	\$106,050.00			
1	36	Kanawha			Joseph, Jr., Frederick J.		\$77,000.00	Yes	\$80,850.00			
1	36	Kanawha			Rite Aid		\$75,001.00	Yes	\$78,751.05			
1	36	Kanawha			Boustany, Jamal		\$60,000.00	Yes	\$63,000.00			
1	36	Kanawha			Stansfield, Scott		\$20,001.00	Yes	\$21,001.05			
1	37	Kanawha	\$3,158,926.00	A&2B	Rite Aid		\$375,000.00	Yes	\$393,750.00			
1	37	Kanawha			Haddad&Cook		\$110,000.00	Yes	\$115,500.00			
1	37	Kanawha			PJS, Inc.		\$64,000.00	Yes	\$67,200.00			
1	37	Kanawha			Rite Aid		\$60,001.00	Yes	\$63,001.05			
1	38	Kanawha	\$785,741.00	A&2B	Pack, Lawrence		\$75,100.00	Yes	\$78,855.00	A		\$75,100.00
1	38	Kanawha			Rite Aid		\$75,001.00	Yes	\$78,751.05			
1	38	Kanawha			Billor, Richard		\$100,101.02	Yes	\$105,106.07	B		\$100,101.02
1	38	Kanawha			Pack, Lawrence		\$75,100.00	Yes	\$78,855.00			
1	38	Kanawha			Rite Aid		\$33,001.00	Yes	\$34,651.05	B		\$33,001.00
1	38	Kanawha			Ore, William		\$30,500.00	Yes	\$32,025.00			
1	39	Lewis	\$426,834.00	A	Giant Eagle, Inc.		\$106,000.00	No	\$106,000.00	A		\$101,026.00
1	39	Lewis			Floyd, Carol		\$101,026.00	Yes	\$106,077.30			
1	39	Lewis			Holiday, Robert		\$71,450.00	Yes	\$75,022.50			
1	39	Lewis			Rite Aid		\$70,001.00	Yes	\$73,501.05			
1	39	Lewis			Grove, Carolyn		\$64,000.00	Yes	\$67,200.00			
1	40	Lincoln	\$116,647.00	A	Rite Aid		\$18,163.00	Yes	\$19,071.15	A		\$18,163.00

APPENDIX D - Page 5

Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
1	41	Logan	\$800,527.00	A&B	Ferrell, Michael	\$200,100.00		Yes	\$210,105.00		A	\$200,100.00
1	41	Logan			Rite Aid	\$90,001.00		Yes	\$94,501.05			
1	41	Logan			Rite Aid		\$42,721.00	Yes		\$44,857.05	B	\$42,721.00
1	41	Logan			Ferrell, Joe		\$15,000.00	Yes		\$15,750.00		
1	42	Logan	\$149,678.00	B	Rite Aid		\$36,363.00	Yes		\$38,181.15	B	\$36,363.00
1	42	Logan			Lambert, Pamela		\$25,814.00	Yes		\$27,104.70		
1	42	Logan			Ferrell, Michael		\$15,050.00	Yes		\$15,802.50		
1	43	Marion	\$702,347.00	A	Giant Eagle, Inc.	\$225,000.00		No	\$225,000.00		A	\$225,000.00
1	44	Marion	\$826,738.00	A	North Pole Ice-J. Vigilanco	\$5,005.00		Yes	\$5,255.25			
1	45	Marion	\$322,148.00	A	Rite Aid	\$48,892.00		Yes	\$51,336.60			
1	45	Marion			Brennan, John	\$40,052.00		Yes	\$42,054.60			
1	46	Marshall	\$1,091,971.00	A&B	Kroger Company-M. Schultz	\$50,000.00		Yes	\$52,500.00			
1	46	Marshall			Giant Eagle, Inc.	\$106,000.00		No		\$106,000.00		
1	46	Marshall			Rite Aid	\$70,001.00		Yes		\$73,501.05		
1	46	Marshall			Kroger Company-M. Schultz	\$25,000.00		Yes		\$26,250.00		
1	46	Marshall			Whitehill, Nancy	\$15,000.00		Yes		\$15,750.00		
1	47	Mason	\$363,539.00	A	Rite Aid	\$65,001.00		Yes	\$68,251.05			
1	47	Mason			Williamson, Monty	\$26,500.00		Yes	\$27,825.00			
1	47	Mason			Long, Howard	\$22,100.00		Yes	\$23,205.00			
1	48	Mason	\$121,928.00	B	Roush, Diana	\$6,500.00		Yes		\$6,825.00	B	\$6,500.00
1	48	Mason			Long, Howard	\$5,000.00		Yes		\$5,250.00		
1	49	McDowell	\$221,687.00	2B	Rite Aid	\$22,187.00		Yes		\$23,296.35		
1	49	McDowell			Lambert, Pamela	\$12,814.00		Yes		\$13,454.70		
1	49	McDowell			Boyd, William	\$12,000.00		Yes		\$12,600.00		
1	49	McDowell			Bailey, Roland	\$6,000.00		Yes		\$6,300.00		
1	50	McDowell	\$349,697.00	A	Rite Aid	\$55,001.00		Yes	\$57,751.05			
1	50	McDowell			Deeb, Saad	\$55,000.00		Yes	\$57,750.00			

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Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)	
						A License	B License		A License	B License
1	51	McDowell	\$244,325.00	A	Mason, Phillip	\$40,000.00		Yes	\$42,000.00	
1	51	McDowell			Rite Aid	\$35,942.00		Yes	\$37,739.10	
1	52	Mercer	\$1,317,411.00	A	Katz, David	\$60,000.00		Yes	\$63,000.00	
1	52	Mercer			FID Corp., F. Nedorezov	\$40,620.00		No	\$40,620.00	
1	53	Mercer	\$958,818.00	A	FID Corp., F. Nedorezov	\$30,400.00		No	\$30,400.00	
1	54	Mineral	\$114,529.00	A	7-11	\$75,100.00		No	\$75,100.00	A
1	55	Mineral	\$71,463.00	A	Wolfe, Judith	\$4,000.00		Yes	\$4,200.00	A
1	56	Mingo	\$125,308.00	B	Rite Aid		\$30,263.00	Yes		\$31,776.15
1	56	Mingo			Lambert, Pamela		\$25,814.00	Yes		\$27,104.70
1	57	Mingo	\$234,289.00	B	No Bids Received					
1	58	Mingo	\$472,236.00	A	No Bids Received					
1	59	Mingo	\$203,190.00	B	No Bids Received					
1	60	Monongalia	\$329,747.00	A	Moser, Joseph	\$127,536.00		Yes	\$133,912.80	A
1	60	Monongalia			Old Mill/Steve Lorenze	\$50,000.00		Yes	\$52,500.00	
1	61	Monongalia	\$1,929,962.00	A	Old Mill/Steve Lorenze	\$300,000.00		Yes	\$315,000.00	
1	61	Monongalia			Giant Eagle, Inc.	\$225,000.00		No	\$225,000.00	
1	61	Monongalia			S&S Inc.	\$103,000.00		Yes	\$108,150.00	
1	62	Monongalia	\$344,087.00	A	Giant Eagle, Inc.	\$263,000.00		No	\$263,000.00	A
1	62	Monongalia			Rite Aid	\$65,001.00		Yes	\$68,251.05	
1	62	Monongalia			Old Mill/Steve Lorenze	\$50,000.00		Yes	\$52,500.00	
1	63	Monroe	\$142,811.00	2B	Coughlan, Charles		\$20,600.00	Yes		\$21,630.00
1	63	Monroe			Lewis, Jr., Gordon		\$6,000.00	Yes		\$6,300.00
1	63	Monroe			Parker, Dewey		\$2,535.00	Yes		\$2,661.75
1	64	Morgan	\$157,044.00	A	7-11	\$100,100.00		No	\$100,100.00	A

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Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
1	64	Morgan			Omps, Wayne	\$48,350.00		Yes	\$50,767.50			
1	64	Morgan			Rite Aid	\$31,957.00		Yes	\$33,554.85			
1	65	Nicholas	\$118,284.00	B	Rite Aid	\$28,496.00		Yes	\$29,920.80		B	\$28,496.00
1	65	Nicholas			Sams, John	\$5,000.00		Yes	\$5,250.00			
1	65	Nicholas			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00			
1	66	Nicholas	\$377,872.00	A	Rite Aid	\$65,001.00		Yes	\$68,251.05			
1	66	Nicholas			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00			
1	67	Ohio	\$2,307,023.00	A&B	Three State Dist.-E. Dietz	\$50,000.00		Yes	\$52,500.00			
1	67	Ohio			Rite Aid	\$50,001.00		Yes	\$52,501.05			
1	67	Ohio			Three State Dist.-E. Dietz	\$46,775.00		Yes	\$49,113.75			
1	68	Fendleton	\$155,658.00	A	No Bids Received							
1	69	Pleasants	\$170,041.00	A	Rite Aid	\$32,291.00		Yes	\$33,905.55			
1	70	Pocahontas	\$298,629.00	A	Diley, Jr., Vency F.	\$50,000.00		Yes	\$52,500.00			
1	70	Pocahontas			Gibson, Steven	\$35,000.00		Yes	\$36,750.00			
1	70	Pocahontas			Hunter, J. Steven	\$28,900.00		Yes	\$30,345.00			
1	71	Pocahontas	\$79,181.00	B	T. Lanier-W. Burns	\$5,600.00		Yes	\$5,880.00		B	\$5,600.00
1	71	Pocahontas			Hunter, J. Steven	\$1,500.00		Yes	\$1,575.00			
1	72	Preston	\$241,370.00	A	Peddicord, Pam	\$50,000.00		Yes	\$52,500.00			
1	72	Preston			Rite Aid	\$48,739.00		Yes	\$51,175.95			
1	72	Preston			Gallina, Peter	\$14,567.00		Yes	\$15,295.35			
1	73	Preston	\$126,118.00	2E	Peddicord, Pam	\$10,000.00		Yes	\$10,500.00		B	\$10,000.00
1	73	Preston			Gallina, Peter	\$5,127.00		Yes	\$5,383.95		B	\$5,127.00
1	73	Preston			Lewis, Charles	\$5,002.00		Yes	\$5,252.10			
1	73	Preston			Main, Lydia	\$500.00		Yes	\$525.00			
1	74	Putnam	N/A	A	Hatfield, Robert	\$51,000.00		Yes	\$53,550.00		A	\$51,000.00
1	75	Putnam	\$538,912.00	A	Big Bear Stores	\$150,010.00		Yes	\$157,510.50		A	\$150,010.00

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Round	Market Zone	County	Fiscal Year 1989 Zone	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		
						A License	B License		A License	B License	Awarded License
1	75	Putnam			PJS, Inc.	\$84,000.00		Yes	\$67,200.00		
1	76	Raleigh	\$1,705,103.00	A&B	Rite Aid	\$160,001.00		Yes	\$168,001.05		
1	76	Raleigh			Haddad&Cook	\$65,000.00		Yes	\$68,250.00		
1	76	Raleigh			J&M Crossroads Food, Inc.	\$52,508.00		No	\$52,508.00		
1	76	Raleigh			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00		
1	76	Raleigh			Rite Aid	\$50,001.00		Yes	\$52,501.05		
1	76	Raleigh			J&M Crossroads Food, Inc.	\$32,008.00		No	\$32,008.00		
1	76	Raleigh			Wood, Jr., Johnson	\$25,000.00		Yes	\$26,250.00		
1	76	Raleigh			Pat Clanton Fragile	\$21,000.00		Yes	\$22,050.00		
1	76	Raleigh			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00		
1	77	Raleigh	\$291,247.00	A&B	Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00		
1	77	Raleigh			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00		
1	78	Raleigh	\$368,726.00	A	Fink, Leonard	\$51,999.00		Yes	\$54,598.95		
1	78	Raleigh			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00		
1	79	Randolph	\$791,530.00	A	Carrico, H. Clifton	\$252,252.00		Yes	\$264,864.60		\$252,252.00
1	79	Randolph			Rite Aid	\$160,001.00		Yes	\$168,001.05		
1	79	Randolph			Girard, C. J.	\$151,000.00		Yes	\$158,550.00		
1	80	Randolph	\$151,524.00	B	McCauley, Troy	\$30,502.26		Yes	\$32,027.37		
1	80	Randolph			Hunter, J. Steven	\$5,000.00		Yes	\$5,250.00		
1	81	Ritchie	\$134,358.00	A	Rite Aid	\$26,251.00		Yes	\$27,563.55		\$26,251.00
1	81	Ritchie			Brown, Robert	\$6,800.00		Yes	\$7,140.00		
1	82	Roane	\$238,323.00	A	Starcher, Kenneth	\$60,000.00		Yes	\$63,000.00		\$60,000.00
1	82	Roane			Rite Aid	\$45,001.00		Yes	\$47,251.05		
1	82	Roane			Murdock, Bryon	\$45,000.00		Yes	\$47,250.00		
1	83	Summers	\$252,319.00	A	Beavers, Richard	\$54,000.00		No	\$54,000.00		\$54,000.00
1	83	Summers			Rite Aid	\$45,001.00		Yes	\$47,251.05		
1	83	Summers			Hellems, Jacke	\$31,778.00		Yes	\$33,366.90		
1	83	Summers			Gonzalez, Anthony	\$2,000.00		Yes	\$2,100.00		

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Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
1	84	Taylor	\$337,535.00	A	Davies, Richard	\$306,000.00		Yes	\$321,300.00		A	\$306,000.00
1	84	Taylor			Lucas, Norma	\$51,138.00		Yes	\$53,694.90			
1	84	Taylor			Morasco, Samuel	\$30,000.00		Yes	\$31,500.00			
1	85	Tucker	\$173,412.00	2B	Rite Aid		\$17,127.00	Yes		\$17,983.35		
1	85	Tucker			Canaan Valley Stores, Inc.		\$4,000.00	Yes		\$4,200.00		
1	86	Tucker	\$150,339.00	A	Canaan Valley Stores, Inc.	\$101,400.00		Yes	\$106,470.00		A	\$101,400.00
1	87	Tyler	\$154,686.00	A	Peters, Harry	\$20,100.00		Yes	\$21,105.00			
1	88	Upshur	\$528,777.00	A	Holiday, Robert	\$95,250.00		Yes	\$100,012.50			
1	88	Upshur			Rite Aid	\$90,001.00		Yes	\$94,501.05			
1	88	Upshur			Cook, David	\$40,000.00		Yes	\$42,000.00			
1	89	Wayne	\$375,319.00	A	Big Bear Stores	\$50,010.00		Yes	\$52,510.50			
1	89	Wayne			John & Carols, Inc.	\$5,000.00		Yes	\$5,250.00			
1	90	Webster	\$251,276.00	A	Sams, John Kenneth	\$30,000.00		Yes	\$31,500.00			
1	90	Webster			Rite Aid	\$27,830.00		Yes	\$29,221.50			
1	91	Wetzel	\$484,592.00	A	Witschey's Mkt., Inc.	\$121,000.00		Yes	\$127,050.00		A	\$121,000.00
1	91	Wetzel			Giant Eagle, Inc.	\$106,000.00		No	\$106,000.00			
1	91	Wetzel			Rite Aid	\$90,001.00		Yes	\$94,501.05			
1	91	Wetzel			Nelson Drug Store-E. Nelson	\$51,001.00		Yes	\$53,551.05			
1	92	Wetzel	\$47,121.00	B	No Bids Received							
1	93	Wirt	\$69,242.00	A	Sams, John	\$500.00		Yes	\$525.00		A	\$500.00
1	94	Wood	\$2,859,317.00	A&2B	Big Bear Stores	\$800,010.00		Yes	\$840,010.50		A	\$800,010.00
1	94	Wood			Phar Mor, Inc.	\$263,000.00		No	\$263,000.00			
1	94	Wood			Nelson Drug Store-E. Nelson	\$101,001.00		Yes	\$106,051.05			
1	94	Wood			Haddad&Cook	\$92,000.00		Yes	\$96,600.00			
1	94	Wood			Phar Mor, Inc.		\$150,000.00	No		\$150,000.00	B	\$150,000.00
1	94	Wood			Big Bear Stores		\$100,010.00	Yes		\$105,010.50		
1	94	Wood			Mini Giants, Inc.		\$70,000.00	Yes		\$73,500.00	B	\$70,000.00

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Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
1	94	Wood			Nelson Drug Store-E. Nelson	\$51,001.00	\$53,551.05	Yes	\$53,551.05			
1	94	Wood			ABC Liquors, Inc.-C. Kaltner	\$50,000.00	\$52,500.00	Yes	\$52,500.00			
1	95	Wood	\$98,984.00	B	Henrie, John	\$10,892.00	\$11,436.60	Yes	\$11,436.60	B		\$10,892.00
1	96	Wyoming	\$118,325.00	B	Rite Aid	\$23,755.00	\$24,942.75	Yes	\$24,942.75	B		\$23,755.00
1	96	Wyoming			Gonzalez, Anthony	\$2,000.00	\$2,100.00	Yes	\$2,100.00			
1	97	Wyoming	\$120,382.00	B	Rite Aid	\$26,024.00	\$27,325.20	Yes	\$27,325.20	B		\$26,024.00
1	97	Wyoming			Lambert, Pamela	\$12,814.00	\$13,454.70	Yes	\$13,454.70			
1	97	Wyoming			Gonzalez, Anthony	\$2,000.00	\$2,100.00	Yes	\$2,100.00			
1	98	Wyoming	\$136,062.00	B	Rite Aid	\$32,968.00	\$34,616.40	Yes	\$34,616.40	B		\$32,968.00
1	98	Wyoming			Clark, Sam	\$15,600.00	\$16,380.00	Yes	\$16,380.00			
1	98	Wyoming			Lambert, Pamela	\$12,814.00	\$13,454.70	Yes	\$13,454.70			
1	98	Wyoming			Gonzalez, Anthony	\$2,000.00	\$2,100.00	Yes	\$2,100.00			
						\$21,354,329.00	\$3,677,587.28		\$22,243,936.55	\$3,820,278.74		\$8,029,638.02
2	2	Barbour	\$119,878.00	A	J&F, Inc.-John Prusa	\$30,100.00	\$31,605.00	Yes	\$31,605.00	A		\$30,100.00
2	2	Barbour			Martins Hills, Inc.	\$15,000.00	\$15,000.00	No	\$15,000.00			
2	6	Boone	\$101,208.00	B	Slamy, L. E.	\$32,010.00	\$33,610.50	Yes	\$33,610.50	B		\$32,010.00
2	6	Boone			Investment Opportunities	\$30,000.00	\$30,000.00	No	\$30,000.00			
2	7	Braxton	\$226,777.00	A	Hall, Marshall	\$55,250.00	\$58,012.50	Yes	\$58,012.50	A		\$55,250.00
2	7	Braxton			Westfall, Sr., James	\$48,000.00	\$48,000.00	No	\$48,000.00			
2	7	Braxton			John Skidmore Truck Stop, Inc.	\$41,001.00	\$43,051.05	Yes	\$43,051.05			
2	7	Braxton			Cogar, Gary	\$26,100.04	\$27,405.04	Yes	\$27,405.04			
2	8	Brooke	\$477,279.00	A	Rite Aid	\$131,201.00	\$137,761.05	Yes	\$137,761.05	A		\$131,201.00
2	9	Brooke	\$412,496.00	B	D'Andrea, Frank	\$155,000.00	\$155,000.00	No	\$155,000.00	B		\$155,000.00
2	9	Brooke			Robert Duritza-Weirton Shop	\$94,250.00	\$94,250.00	No	\$94,250.00			
2	9	Brooke			K.K. Aggarwal-SDA Beverage	\$50,000.00	\$52,500.00	Yes	\$52,500.00			
2	9	Brooke			Holiday, R. L.	\$1,000.00	\$1,050.00	Yes	\$1,050.00			

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Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
2	14	Doddrige	\$77,785.00	A	Madia, John	\$2,000.00		Yes	\$2,100.00		A	\$2,000.00
2	14	Doddrige			Flanagan, M. W.	\$776.00		Yes	\$814.80			
2	14	Doddrige			Holiday, R. L.	\$250.00		Yes	\$262.50			
2	14	Doddrige			Helmick, Timothy	\$112.00		Yes	\$117.60			
2	15	Fayette	\$579,839.00	A	Rite Aid	\$145,201.00		Yes	\$152,461.05		A	\$145,201.00
2	15	Fayette			Louises, Jr., Paul	\$61,058.00		Yes	\$64,110.90			
2	15	Fayette			Bonifacio, Floyd	\$23,000.00		Yes	\$24,150.00			
2	16	Fayette	\$725,216.00	A	Susman, Alan	\$251,012.00		Yes	\$263,562.60		A	\$251,012.00
2	16	Fayette			Rite Aid	\$186,201.00		Yes	\$195,611.05			
2	16	Fayette			Louises, Jr., Paul	\$160,000.00		Yes	\$168,000.00			
2	16	Fayette			Ferguson, Fred	\$141,000.00		Yes	\$148,050.00			
2	16	Fayette			Edwards, George	\$117,000.00		Yes	\$122,850.00			
2	17	Gilmer	\$162,555.00	A	Grove, Carolyn	\$42,004.00		Yes	\$44,104.20		A	\$42,004.00
2	19	Greenbrier	\$694,816.00	A	Gordon Wyatt Lewis Jr.	\$180,300.00		Yes	\$189,315.00		A	\$180,300.00
2	19	Greenbrier			Coughlan, Charles	\$125,000.00		No	\$125,000.00			
2	23	Hancock	\$368,037.00	A	Samuel Kusic, Esq.	\$20,400.00		Yes	\$21,420.00		A	\$20,400.00
2	23	Hancock			Love, Jr., Samuel	\$14,001.00		Yes	\$14,701.05			
2	24	Hancock	\$153,085.00	A	Valenti, James	\$32,104.00		No	\$32,104.00		A	\$32,104.00
2	24	Hancock			Love, Jr., Samuel	\$8,001.00		Yes	\$8,401.05			
2	24	Hancock			Ivito & Pamela Riggi	\$5,100.00		Yes	\$5,355.00			
2	25	Hancock	\$981,813.00	A	Robert Duritz-Weirton Shop	\$272,752.00		No	\$272,752.00		A	\$272,752.00
2	25	Hancock			K.K. Aggarwal-SDA Beverage	\$176,000.00		Yes	\$184,800.00			
2	28	Harrison	\$1,516,641.00	A&B	Rite Aid	\$325,201.00		Yes	\$341,461.05		A	\$325,201.00
2	28	Harrison			Rite Aid	\$160,201.00		Yes	\$168,211.05			
2	28	Harrison			Romano, John	\$6,000.00		Yes	\$6,300.00		B	\$6,000.00
2	28	Harrison			Holiday, R. L.	\$550.00		Yes	\$577.50			
2	31	Harrison	\$115,151.00	B	Goldsmith, William	\$6,950.00		No	\$6,950.00		B	\$6,950.00

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Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
2	31	Harrison			Flanagan, M.W.	\$2,041.00		Yes	\$2,143.05			
2	31	Harrison			Madia, John	\$1,000.00		Yes	\$1,050.00			
2	31	Harrison			Helmick, Timothy	\$527.00		Yes	\$553.35			
2	36	Kanawha	\$5,442,425.00	A&3B	Rite Aid	\$851,201.00		Yes	\$893,761.05		A	\$851,201.00
2	36	Kanawha			Kanawha Disc. Spirits, Inc.	\$126,551.00		Yes	\$132,878.55			
2	36	Kanawha			Ward, Kenneth	\$14,280.00		No	\$14,280.00			
2	36	Kanawha			Haddad&Cook	\$155,000.00		Yes	\$162,750.00		B	\$155,000.00
2	36	Kanawha			Kanawha Disc. Spirits, Inc.	\$126,551.00		Yes	\$132,878.55		B	\$126,551.00
2	36	Kanawha			Rite Aid	\$126,201.00		Yes	\$132,511.05			
2	36	Kanawha			Big Bear Stores	\$75,000.00		Yes	\$78,750.00		B	\$75,000.00
2	36	Kanawha			Foodstop - Jack Booten	\$26,102.00		Yes	\$27,407.10			
2	36	Kanawha			Crowder, Susan	\$20,005.00		Yes	\$21,005.25			
2	36	Kanawha			Ward, Kenneth	\$14,280.00		No	\$14,280.00			
2	36	Kanawha			Holiday, R. L.	\$1,000.00		Yes	\$1,050.00			
2	37	Kanawha	\$3,158,926.00	A&2B	Rite Aid	\$526,201.00		Yes	\$552,511.05		A	\$526,201.00
2	37	Kanawha			Kanawha Disc. Spirits, Inc.	\$80,151.00		Yes	\$84,158.55			
2	37	Kanawha			Rite Aid	\$126,201.00		Yes	\$132,511.05			
2	37	Kanawha			P. Niedbalski-O: Craigo	\$109,141.00		Yes	\$114,598.05		B	\$109,141.00
2	37	Kanawha			Boustany, Jamal	\$101,000.00		No	\$101,000.00		B	\$101,000.00
2	37	Kanawha			Kanawha Disc. Spirits, Inc.	\$80,151.00		Yes	\$84,158.55			
2	37	Kanawha			Hatfield, Robert	\$31,000.00		Yes	\$32,550.00			
2	37	Kanawha			Foodstop - Jack Booten	\$26,102.00		Yes	\$27,407.10			
2	37	Kanawha			Crowder, Susan	\$20,005.00		Yes	\$21,005.25			
2	37	Kanawha			Holiday, R. L.	\$1,000.00		Yes	\$1,050.00			
2	44	Marion	\$826,738.00	A	Giant Eagle, Inc.	\$225,000.00		No	\$225,000.00		A	\$225,000.00
2	45	Marion	\$322,148.00	A	Rite Aid	\$56,201.00		Yes	\$59,011.05		A	\$56,201.00
2	45	Marion			Brennan, John	\$45,010.00		Yes	\$47,260.50			
2	46	Marshall	\$1,091,971.00	A&B	Samuel Kusic, Esq.	\$28,400.00		Yes	\$29,820.00		A	\$28,400.00
2	46	Marshall			Rite Aid	\$146,201.00		Yes	\$153,511.05		B	\$146,201.00
2	46	Marshall			Giant Eagle, Inc.	\$110,000.00		No	\$110,000.00			
2	46	Marshall			Samuel Kusic, Esq.	\$28,400.00		Yes	\$29,820.00			
2	46	Marshall			Transactions, Assoc., Inc.	\$2,000.00		Yes	\$2,100.00			

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Round	Market Zone	County	Fiscal Year 1989 Zone	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
2	46	Marshall			Holiday, R. L.		\$1,000.00	Yes	\$1,050.00			
2	47	Mason	\$363,539.00	A	Wooten, Lonnie	\$110,050.00		Yes	\$115,552.50	A	\$110,050.00	
2	47	Mason			Rite Aid	\$106,201.00		Yes	\$111,511.05			
2	47	Mason			Caudill, John H.	\$101,126.00		Yes	\$106,182.30			
2	47	Mason			P. Niedbalski-O. Craigo	\$86,141.00		Yes	\$90,448.05			
2	49	McDowell	\$221,687.00	2B	Robinette, Kenneth		\$40,000.00	Yes	\$42,000.00	B	\$40,000.00	
2	49	McDowell			Rite Aid	\$31,201.00		Yes	\$32,761.05	B	\$31,201.00	
2	49	McDowell			Boyd, William	\$12,000.00		Yes	\$12,600.00			
2	49	McDowell			Bailey, Roland	\$4,000.00		Yes	\$4,200.00			
2	50	McDowell	\$349,697.00	A	Horne, William	\$101,000.00		Yes	\$106,050.00	A	\$101,000.00	
2	50	McDowell			Deeb, Saad	\$101,000.00		No	\$101,000.00			
2	50	McDowell			Rite Aid	\$76,201.00		Yes	\$80,011.05			
2	51	McDowell	\$244,325.00	A	Rite Aid	\$51,201.00		Yes	\$53,761.05	A	\$51,201.00	
2	51	McDowell			Mason, Philip	\$48,000.00		Yes	\$50,400.00			
2	52	Mercer	\$1,317,411.00	A	Deeb, Saad	\$285,000.00		No	\$285,000.00	A	\$285,000.00	
2	52	Mercer			Katz, David	\$80,000.00		Yes	\$84,000.00			
2	53	Mercer	\$958,818.00	A	Richard & Betty Cutlip	\$405,982.00		Yes	\$426,281.10	A	\$405,982.00	
2	53	Mercer			Rite Aid	\$246,201.00		Yes	\$258,511.05			
2	53	Mercer			Deeb, Saad	\$215,000.00		No	\$215,000.00			
2	53	Mercer			Doughton, Arlon, Jr.	\$76,000.00		Yes	\$79,800.00			
2	57	Mingo	\$234,289.00	B	No Bids Received							
2	58	Mingo	\$472,236.00	A	No Bids Received							
2	59	Mingo	\$203,190.00	B	Jude, David	\$62,000.00		Yes	\$65,100.00	B	\$62,000.00	
2	59	Mingo			Meddings, Sherwood	\$15,000.00		Yes	\$15,750.00			
2	61	Monongalia	\$1,329,962.00	A	Giant Eagle, Inc.	\$350,000.00		No	\$350,000.00	A	\$350,000.00	
2	61	Monongalia			Lorentz, Jr., Steve	\$200,000.00		Yes	\$210,000.00			
2	61	Monongalia			S&S, Inc.	\$150,000.00		Yes	\$157,500.00			

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Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
2	63	Monroe	\$142,811.00	2B	Coughlan, Charles	\$55,000.00	\$55,000.00	No	\$55,000.00	\$55,000.00	B	\$55,000.00
2	63	Monroe			Tuckwiller, Bradley	\$31,978.58	\$31,978.58	Yes	\$33,577.51	\$31,978.58	B	\$31,978.58
2	63	Monroe			Kanawha Disc. Spirits, Inc.	\$10,151.00	\$10,658.55	Yes	\$6,300.00			
2	63	Monroe			Gordon Wyatt Lewis Jr.	\$3,785.00	\$3,974.25	Yes	\$3,753.75	\$2,228.10		
2	63	Monroe			Parker, Dewey Elwood	\$3,575.00		Yes				
2	63	Monroe			Copenhaver, Roy	\$2,122.00		Yes				
2	63	Monroe			Helmick, Timothy			Yes				
2	66	Nicholas	\$377,872.00	A	Shehata, Onsy Habib	\$100,001.00	\$100,001.00	No	\$100,001.00	\$100,001.00	A	\$96,201.00
2	66	Nicholas			Rite Aid	\$96,201.00	\$101,011.05	Yes	\$101,011.05			
2	66	Nicholas			Ferguson, Fred	\$61,000.00		Yes	\$64,050.00			
2	67	Ohio	\$2,307,023.00	A&2B	Three State Dist. Corp.	\$100,375.00	\$105,393.75	Yes	\$105,393.75	\$100,375.00	A	\$100,375.00
2	67	Ohio			Rite Aid	\$111,201.00		Yes	\$116,761.05	\$111,201.00	B	\$111,201.00
2	67	Ohio			Boury, Inc.	\$61,000.00		Yes	\$64,050.00	\$61,000.00	B	\$61,000.00
2	67	Ohio			Three State Dist. Corp.	\$60,175.00		Yes	\$63,183.75			
2	67	Ohio			Gregg Boury, Inc.	\$52,000.00		Yes	\$54,600.00			
2	67	Ohio			Wakim, Fred	\$20,000.00		Yes	\$21,000.00			
2	67	Ohio			Laposta, Edward	\$12,800.00		No	\$12,800.00			
2	67	Ohio			Transactions Assoc., Inc.	\$5,000.00		Yes	\$5,250.00			
2	67	Ohio			Holiday, R. L.	\$1,000.00		Yes	\$1,050.00			
2	68	Pendleton	\$155,658.00	A	Southland Corp.	\$25,100.00	\$25,100.00	No	\$25,100.00	\$25,100.00	A	\$25,100.00
2	68	Pendleton			Helmick, Timothy	\$20,187.00	\$21,196.35	Yes	\$21,196.35			
2	68	Pendleton			Kesner, Brent	\$14,101.04	\$14,806.09	Yes	\$14,806.09			
2	69	Pleasants	\$170,041.00	A	Rite Aid	\$56,201.00	\$59,011.05	Yes	\$59,011.05	\$56,201.00	A	\$56,201.00
2	69	Pleasants			Hendricks, Carl	\$7,500.00	\$7,875.00	Yes	\$7,875.00			
2	69	Pleasants			Holiday, R. L.	\$3,100.00	\$3,255.00	Yes	\$3,255.00			
2	70	Pocahontas	\$298,529.00	A	Richard & Betty Cutlip	\$128,500.00	\$134,925.00	Yes	\$134,925.00	\$128,500.00	A	\$128,500.00
2	70	Pocahontas			J. Steven Hunter	\$88,000.00	\$92,400.00	Yes	\$92,400.00			
2	70	Pocahontas			G. Douglas Dunbrack	\$50,100.00	\$52,605.00	Yes	\$52,605.00			
2	72	Preston	\$241,370.00	A	Rite Aid	\$66,201.00	\$69,511.05	Yes	\$69,511.05	\$66,201.00	A	\$66,201.00
2	72	Preston			Gallina, Peter	\$61,706.00	\$64,791.30	Yes	\$64,791.30			

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Round	Market Zone	County	Fiscal Year 1989 Zone Sales	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, If Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
2	76	Raleigh	\$1,705,103.00	A&B	Rite Aid	\$261,201.00		Yes	\$274,261.05		A	\$261,201.00
2	76	Raleigh			Lambert, M. Roy	\$150,001.00		Yes	\$157,501.05			
2	76	Raleigh			Susman, Ben	\$31,150.00		Yes	\$32,707.50			
2	76	Raleigh			Rite Aid	\$111,201.00		Yes		\$116,761.05		
2	76	Raleigh			J&M Crossroad Foods, Inc.	\$61,777.77		Yes		\$64,866.66	B	\$61,777.77
2	76	Raleigh			Susman, Ben	\$31,150.00		Yes		\$32,707.50	B	\$31,150.00
2	76	Raleigh			Wood, Jr., Johnson	\$31,111.00		Yes		\$32,666.55		
2	76	Raleigh			Pat C. Fragile	\$25,971.00		Yes		\$27,269.55		
2	76	Raleigh			Fama, George	\$25,232.00		Yes		\$26,493.60		
2	77	Raleigh	\$291,247.00	A&B	Louisos, Jr., Paul	\$26,056.00		Yes	\$27,358.80		A	\$26,056.00
2	77	Raleigh			Fama, George	\$5,232.00		Yes		\$5,493.60	B	\$5,232.00
2	77	Raleigh			Jarrell, Lloyd	\$2,000.00		Yes		\$2,100.00		
2	77	Raleigh			Louisos, Jr., Paul	\$1,100.00		Yes		\$1,155.00		
2	77	Raleigh			Investment Opportunities	\$1,055.00		No		\$1,055.00		
2	78	Raleigh	\$368,726.00	A	Fama, George	\$92,232.00		Yes	\$96,843.60		A	\$92,232.00
2	80	Randolph	\$151,524.00	B	Troy & Barbara McCauley	\$16,252.01		Yes		\$17,064.61	B	\$16,252.01
2	80	Randolph			Roy, Roger	\$11,700.00		Yes		\$12,285.00		
2	80	Randolph			Lanier, Thomas N.	\$3,200.00		Yes		\$3,360.00		
2	85	Tucker	\$173,412.00	2B	Rite Aid	\$31,201.00		Yes		\$32,761.05	B	\$31,201.00
2	85	Tucker			Canaan Valley Stores, Inc.	\$3,000.00		Yes		\$3,150.00	B	\$3,000.00
2	85	Tucker			Helmick, Timothy	\$1,127.00		Yes		\$1,183.35		
2	87	Tyler	\$154,686.00	A	Peters, Harry	\$25,000.00		Yes	\$26,250.00		A	\$25,000.00
2	87	Tyler			Holiday, R. L.	\$3,100.00		Yes	\$3,255.00			
2	88	Upshur	\$528,777.00	A	Rite Aid	\$131,201.00		Yes	\$137,761.05		A	\$131,201.00
2	88	Upshur			Girard, Charles	\$130,100.00		Yes	\$136,605.00			
2	88	Upshur			Allen Hammer Etal Ptnrship	\$67,511.24		Yes	\$70,886.80			
2	88	Upshur			Cook, David	\$61,304.00		Yes	\$64,369.20			
2	89	Wayne	\$375,319.00	A	Null, Robert	\$63,300.00		No	\$63,300.00		A	\$63,300.00
2	89	Wayne			D. McCoy & M. Smith	\$51,000.00		Yes	\$53,550.00			

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Round	Market Zone	County	Fiscal Year 1989 Zone	License Types Authorized	Bidder	Bid Amounts (Excludes 5% WV Preference)		WV Resident	Bid Amounts (Includes 5% WV Preference, if Applicable)		License Awarded	Bid Amount Accepted
						A License	B License		A License	B License		
2	89	Wayne			Young, Jan L.	\$50,000.00		Yes	\$52,500.00			
2	89	Wayne			Berry, Jeffrey	\$20,040.00		Yes	\$21,042.00			
2	89	Wayne			Meddings, Lawrence	\$15,000.00		No	\$15,000.00			
2	90	Webster	\$251,276.00	A	Rite Aid	\$56,201.00		Yes	\$59,011.05		A	\$56,201.00
2	90	Webster			Elder, Charles	\$5,100.00		Yes	\$5,355.00			
2	92	Wetzel	\$47,121.00	B	Donald & Cindy Sole	\$1,001.00		Yes	\$1,051.05		B	\$1,001.00
2	92	Wetzel			Helmick, Timothy	\$112.00		Yes	\$117.60			
						\$9,494,993.32	\$2,829,280.36		\$9,875,416.14	\$2,941,727.63		\$7,060,377.36
3	57	Mingo	\$234,289.00	B	Joe Ferrell	\$1,200.00		Yes	\$1,260.00		B	\$1,200.00
3	58	Mingo	\$472,236.00	A	John Howard	\$131,501.00		Yes	\$138,076.05		A	\$131,501.00
3	58	Mingo			Wallace Jewell	\$52,400.00		Yes	\$55,020.00			
3	58	Mingo			Joe Ferrell	\$40,010.00		Yes	\$42,010.50			
3	58	Mingo			Rite Aid	\$39,201.00		Yes	\$41,161.05			
						\$263,112.00	\$1,200.00		\$276,267.60	\$1,260.00		\$132,701.00
						\$31,112,434.32	\$6,508,067.64		\$32,395,620.29	\$6,763,266.37		\$15,222,716.38


TOTAL BIDS - ALL ROUNDS

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director, Legislative Post Audit Division, do hereby certify that the report appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 60, Article 3A, Section 10, and that the same is a true and correct copy of said report.

Given under my hand this 12th day of December,
1993.


Thedford L. Shanklin, CPA, Director
Legislative Post Audit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to the West Virginia State Retail Liquor Licensing Board; Governor; Attorney General; and State Auditor.