

**OFFICE OF THE  
WASHINGTON STATE LIQUOR CONTROL BOARD  
Board Meeting Minutes – April 1, 2009**

Board Chairman Lorraine Lee called the regular meeting of the Washington State Liquor Control Board to order at 10:00 am, on Wednesday, April 1, 2009 in the Boardroom at the LCB Headquarters Building, 3000 Pacific Ave, Olympia. Board Members Roger Hoen and Ruthann Kurose were present. This meeting was audio recorded.

The Board Members welcomed all attendees and facilitated introductions among participants.

**Revise WACs Governing Record Retention Requirements of Mandatory Alcohol Server Training (MAST) Trainers and Providers – Kim Sauer, MAST Coordinator, Licensing and Regulatory Division**

Kim Sauer provided the Board Members with an issue paper describing the recommended revision of WAC 314-17 to provide records handling and retention guidelines for sensitive records such as Social Security numbers governing MAST providers and trainers. The Liquor Control Board faces potential liability in case of misuse of MAST permit holders' sensitive information obtained by the private MAST trainers and providers. Martha Lantz, Assistant Attorney General, concurs with this recommendation.

The recommendation is to adopt amended rules establishing new record handling and retention rules for MAST providers and trainers effective immediately. Revisions include:

1. Revise the current permit form to redact carbon copies in the area where sensitive information is recorded.
2. Revise WAC 314-17-085 (3) and WAC 314-17-105 to require:
  1. All permit information be kept with MAST providers
  2. Require all providers to redact Social Security numbers from all current records
  3. Add Board authority to revoke or terminate provider certification when the provider is in violation of this rule.
3. Require and approve record-handling policy prior to program certification.

Lorraine Lee clarified to all attendees that a Board final decision on revising the WACs governing record retention requirements of MAST trainers and providers would not be made today. If direction is given to proceed, the rule making process will begin and the process will allow adequate time for stakeholder feedback.

For further information on this recommendation see the attached issue paper titled *Interim Policy to allow implementation period for MAST Online Program*.

**Proposal of Interim Policy to Allow Implementation Period for MAST Online Program – Kim Sauer, MAST Coordinator, Licensing and Regulatory**

Kim Sauer provided the Board Members with an issue paper recommending the implementation of a MAST online program. The Washington Restaurant Association (WRA), in conjunction with the National Restaurant Association (NRA) has solicited the Board asking for a rule change to WAC 314-17-060 removing the facilitation program requirement. As today's learning and training styles evolve, accommodating diverse learning styles can provide convenience and economic advantages.

If implemented the Licensing and Regulatory division recommends the Board adopt an interim policy and begin the rule making process. Lorraine Lee clarified to all attendees that a Board final decision on revising the WACs governing MAST training would not be made today. If direction is given to proceed, the rule making process will begin and the process will allow adequate time for stakeholder feedback.

For further information on this recommendation see the attached issue paper titled *Interim Policy to allow implementation period for MAST Online Program*.

### **Comments and Responses from attendees, LCB staff, and Board Members**

Lorraine Lee acknowledged that our existing rules do not include language related to on-line training. The current rules require a facilitator.

Rudy Williams, Deputy Director, Oregon Liquor Control Commission, provided information on Oregon's online and CR Rom training program. In 2008 Oregon's first program was approved. Currently 5,851 students have been trained online. Oregon is in the beginning stages of developing a manager/supervisor module; they believe the new program will assist in reducing liquor violations.

The Oregon program includes the following elements:

- The Texas model was used as an example
- Content is Oregon specific
- Designed to be interactive and user friendly
- Added security element to protect personal data
- Troubleshooting hotline is available
- The course takes approximately 3 hours to complete
- The program is not multilingual

Rudy was asked how his agency addresses cheating. Oregon believes the likelihood of cheating is rare; the program is based on the importance to learn to serve and sell liquor products responsibly.

Rudy was asked how Oregon worked with server training providers to implement to program? Rudy admits that initially there were many concerns among service providers. The state has discovered that although the online program is available, not all organizations have adopted this method. Many employers prefer the classroom setting. The advantages of the online program is demographics, the ability to reach remote areas of the state and with online training availability is immediate. Employers no longer need to wait for a class to be available.

The Board Members thanked Rudy for traveling up from Oregon and providing valuable information about Oregon's program.

Dr. Jack Dresser, Oregon Research Institute, spoke to the Board Members and stakeholders on his findings while helping develop server training programs. Dr. Dresser informed the group that his research indicates that one time training has no noticeable effect on checking ID and the benefit of online training is the curriculum is always available. After a participant takes an online test in Oregon, they are able to access the program for refreshers if needed. Another key feature is the program can be updated as trends and laws change in the state. Lorraine Lee asked Dr. Dresser for a copy of his study. The Board thanked Dr. Dresser for providing valuable information and for traveling up from Oregon to attend the meeting.

Brian Flinger, Accounts Manager with Health Communication Inc. and Training for Intervention Procedures (TIPS), provided feedback to the Board on the TIPS online program. TIPS has been providing online training for three years. TIPS does not have concerns related to the record retention requirements for our MAST program. TIPS is in favor of implementing an online MAST training program in Washington. TIPS does have concerns around the security standards the Oregon program used, the standards were too strong and created several barriers. Brian requests the Board consider content over security and ensure all program requirements be shared with providers during early stages. Additionally, the TIPS program does allow trainers to join TIPS and utilize their online product.

Norm Couthran, Couthran Consulting, addressed the Board. Norm expressed concerns for small provider organizations that are unable to develop online programs. Norm would like information on how small providers could purchase a model online program. Additional concerns were expressed regarding the state collecting fees for online MAST training.

Ruthann Kurose asked the Licensing and Regulatory Division staff to explore potential opportunities to bring the small providers groups together to provide their input and guidance on developing an online MAST program

Lorraine Lee provided clarification that the state does not collect fees for MAST training. Permit books are issued by the state and trainers are required to purchase permit books. An online MAST program would not affect current fee collection procedures.

David Minasyan and Erik Denkinger with the National Licensing Association (NLA) provided feedback to the Board. NLA is a provider in Washington. They request the LCB layout all the requirements for online MAST training development prior to implementation. The NLA was unable to participant in Oregon's program due to security features and not knowing required elements up front. An example of a security barrier – for credit card usage, Oregon's program has a special feature that requires test data be run through the OLC's systems. NLA does not feel this feature is necessary. NLA will not be selling their online module because the curriculum is NLA specific and other providers would not be able to modify the curriculum. NLA is in favor of the recommendations to revise MAST record retention rules.

Lyle Hildahl, Director of the Education Foundation with the Washington Restaurant Association (WRA) addressed the Board. Lyle has extensive experience in online training from his work with the community colleges. The WRA believes it's important to provide options for today's learners. Online training is accessible to the young, old, and those in remote areas. The WRA proposes the use of an online program for both server training permit renewals and first time training. The WRA also supports online training specialized for mangers and supervisors.

Patty Ferguson with Ferguson Consulting provided feedback to the Board. Ferguson Consulting has concerns related to online training and cheating. Patty shared her views related to persons cheating on server training classes. She believes the Board would be naive if they thought cheating would not occur in an online training program. Patty placed emphasis on the intoxicating product and the importance of servers coming together every five years to be trained by a facilitator. Roger Hoen asked Patty what processes are in place to ensure cheating does not occur in the classroom setting. Ferguson Consulting practices ID checking and facilitator ask specific questions of attendees.

The Board Members thanked all attendees for the valuable feedback and encouraged participants to contact Kim Sauer if they need to provide additional feedback. Lorraine Lee informed attendees that the Board must ensure our rules and current practices meet the needs of today's environment and the LCB's number one priority is public safety.

**Responsible Alcohol Server Training (RAST) Video and Publication Recognition Event – Alan Rathbun, Director of Licensing and Regulation and Kim Sauer, MAST Coordinator**

Participants involved with the RAST development were recognized.

Committee members:

Shelly Baldwin, Impaired Driving Program Manager, Washington State Traffic Safety Commission,  
Judy Eakin or Karen Minahan, Director, Mothers against Drunk Driving  
Lyle Hildahl, Director, Education Foundation, Washington Restaurant Association  
Chung Lieu, Executive Director, Korean-American Grocers Association  
TK Bentler, Neighborhood Association of Stores  
Rudy Williams, Deputy Director, Oregon Liquor Control Commission  
Alan Rathbun, Director, Licensing and Regulation, Washington State Liquor Control Board  
Rex Prout, Enforcement and Education  
Kim Sauer, Mandatory Alcohol Server Training Coordinator, Washington State Liquor Control Board  
Judge Eiler, King County District Court  
Ted Buck, Stafford Frey Cooper  
Peter Mullenix, Stafford Frey Cooper  
Captain Lisa Reinke, Tacoma Enforcement Office  
Lorraine Lee, Chairman of the Board  
Les Profit, Senior Producer, Dept. of Information  
Shawndra Michell, Dept. of Information  
Derek Himeda, Dept of Information

Translation expertise:

Lawrence Pang, AlcoSmart Training and Consulting  
Almendra Sandoval, Cheryl's LAST CALL

Internal support:

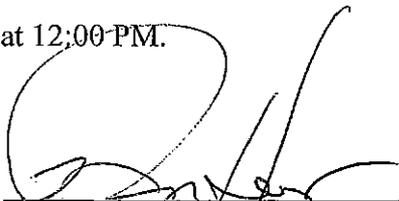
Ann Radford, Communication  
Brad Rinke, Communication  
Katie Iles, Support Services  
Stacii McKeon, Forms and Records.

Alan Rathbun gave a special thanks to Kim Sauer for her work on the project.

The Board Meeting was adjourned at 12:00 PM.



Lorraine Lee  
Board Chairman



Roger Hoehn  
Board Member



Ruthann Kurose  
Board Member

WASHINGTON STATE LIQUOR CONTROL BOARD

**Issue Paper**

**Revise WACS Governing Record Retention Requirements of MAST Trainers**

Date: April 1, 2009

Presented by: Kim Sauer, M.A.S.T. Coordinator, Licensing and Regulations

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**DESCRIPTION OF ISSUE:** Revise WAC 314-17 to provide records handling and retention guidelines for sensitive records such as Social Security numbers governing Mandatory Alcohol Server Training (MAST) providers and trainers.

**BACKGROUND:**

The agency is facing potential liability in case of misuse of MAST permit holders' sensitive information obtained by the private MAST trainers and providers. We consulted Martha Lantz from Attorney General's Office on this issue and she concurs with our findings and recommendations.

In 1995, the Legislature passed a law requiring MAST for all individuals serving or supervising the liquor services in on-premises licensed establishments. RCW 66.20.320 (2) also requires that the Board provide the program through liquor licensee associations, independent contractors, private persons, private or public schools certified by the Board.

RCW 26.23.150 requires that we obtain Social Security numbers for alcohol server permit holders' in order to assist in child support enforcement as required by federal law. RCW 66.20.320 (2) authorizes MAST provider and trainer in obtaining Social Security numbers from the permit holders. During the period of 2006 to 2008, we received over 1,500 requests from Division of Child Support to suspend MAST permits.

Since the inception of the program, more than 4,000 private and independent trainers have been certified by the Board and had access to private personal information of the permit holders such as participant's name, address, date-of birth, gender, Social Security number (SSN), weight and height. Moreover, per WAC 314-17, trainers and providers are required to keep this information at their place of business for five years from the date of class.

There have been a few reported incidents with loss of records due to theft, moving, and flood. The current MAST rules do not provide specific instruction for addressing an incident with loss of records. In addition, the consensus perspective from MAST trainers is that in case of theft, trainers are not liable because WSLCB has not provided any specific instruction in records handling for them.

With the general trend of identify thefts on the rise, the public has become more concerned with the fact they are providing sensitive, personal information

to private trainers without having the confidence provided that their information will be kept secure. There are several reported incidents where class participants simply refused to provide their Social Security numbers to their trainer; however, in order to obtain their permit, they are required to provide their Social Security number.

#### **ALTERNATIVES CONSIDERED**

1. **SSN not collected** – We have contacted Division of Child Support (DCS) at the DSHS regarding the requirement of collecting SSN. We sought the option of replacing the SSN with driver's license or other identifying characters. At this time, DCS offers no other alternative other than collecting SSN in order to enforce federal and states' child support laws.
2. **Permit issued by WSLCB** – In order to have the permit issued through the agency rather than having the private providers and trainers, it would require legislation and amendment of the RCW 66.20.320 (2). It would also require additional FTE at the agency in order to accommodate the workloads associated with permit issues. This method would eliminate the access of sensitive information to trainers and providers, as they will not be collecting the information.
3. **Establish record handling and retention procedures for MAST providers and trainers** – *Establish record handling procedures for MAST providers and trainers to follow. The Board will need to define "industry standard" for handling of the sensitive records and require providers to meet this requirement. Violation of this rule must also be defined as an action necessitating revocation of the program certification.*

#### **RECOMMENDATIONS**

As a high priority item, adopt amended rules establishing a new record handling and retention rules for MAST providers and trainers effective immediately. We are expecting favorable responses from the MAST providers and trainers considering the potential liability they face. With new guidelines and procedures, it would provide the assurance to trainees that their information would be kept in a secure manner. The following steps are necessary for this plan:

1. Revise current permit form to redact carbon copies in the area where sensitive information is recorded. The permit form is designed with carbon copies and once permit is issued, carbon copies remain with trainers for five-year periods.
2. Revise WAC 314-17-085 (3) and WAC 314-17-105
  - ❖ Require all permit information to be kept with MAST providers.
  - ❖ Remove the record retention requirement from the trainers.

- ❖ Require all providers to redact Social Security numbers for current records.
  - ❖ Add Board authority to revoke or terminate provider certification when the provider is in violation of this rule.
3. Require and approve record-handling policy prior to program certification with the elements of “industry standard” being in place.

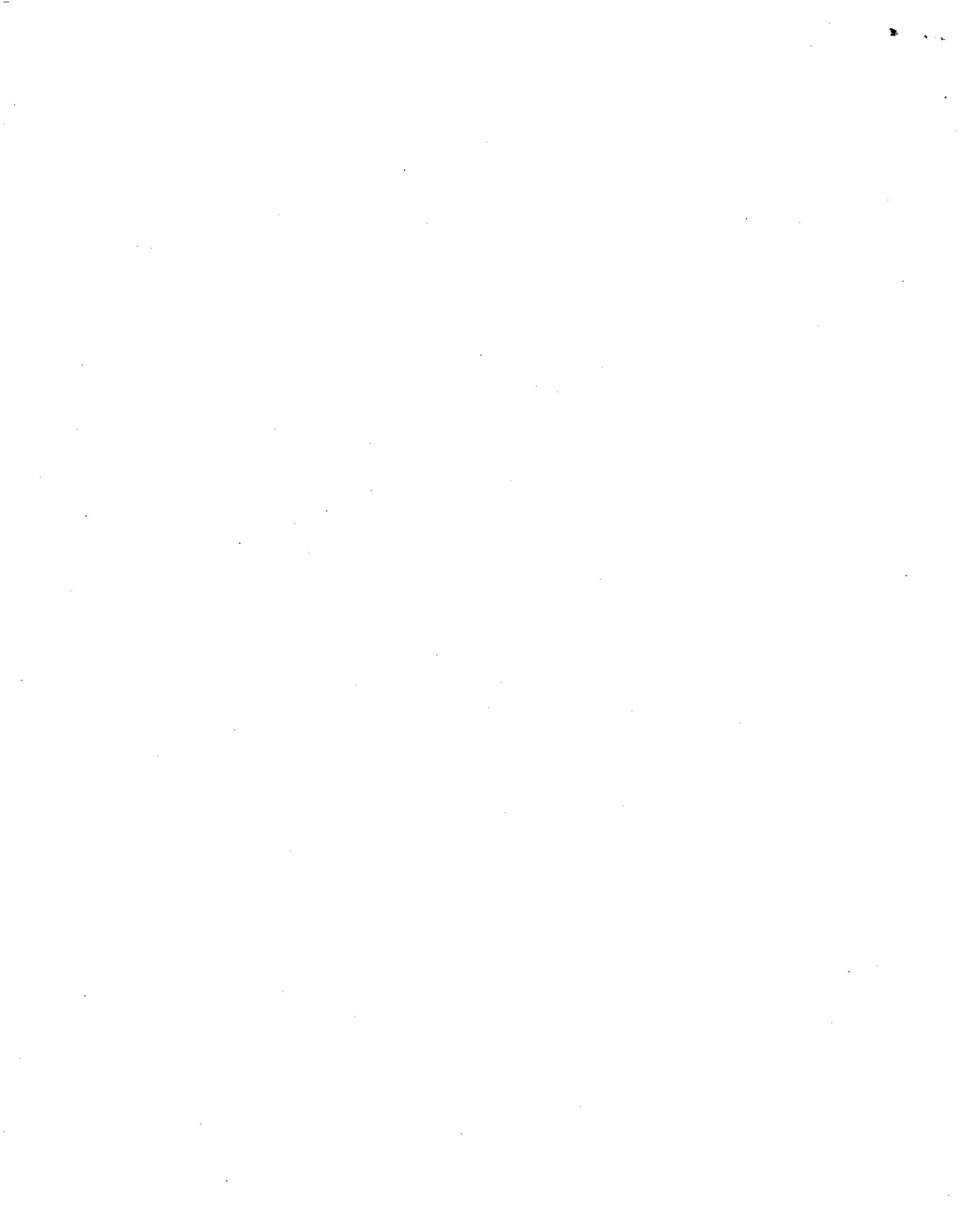
The elements of “Industry Standard” should include but are not limited to:

- A non-disclosure agreement between MAST providers and trainees that MAST providers will not provide any stored or transient sensitive information to a requesting party other than for the internal business functions of MAST or WSLCB. Each internal business function given access to sensitive/confidential information must be approved in writing by WSLCB. The MAST providers and trainers must not provide information to marketing, scholastic, demographic, or any other information-mining entities that could derive commercial or social benefits from such data.
- Access to confidential information must be documented and occur through strictly enforced business rules and operational procedures that comply with state and federal laws dealing with consumer information privacy laws and regulations.
- Maintain a log to properly track information and assure that data is only accessed by authorized individuals.
- Maintain a written data security policy.
- Perform at least an annual review of its written data security policy.
- Provide adequate training for trainers and employees.
- Store information in a secure environment (using features such as doors, locks, firewalls and/or electronic security).

**BUDGET IMPLICATIONS**

NONE

**ATTACHMENTS: NONE**



WASHINGTON STATE LIQUOR CONTROL BOARD

**Issue Paper**

Interim policy to allow implementation period for MAST Online Program

Date: April 1, 2009

Presented by: Kim Sauer, M.A.S.T. Coordinator

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**DESCRIPTION OF ISSUE:**

To meet industry-training needs and provide easy-access to server training, promoting the agency public safety mission, allowing a policy to authorize implementation of an online MAST certification program with implementation steps and a time-line to set criteria and standards.

**BACKGROUND:**

The Washington Restaurant Association, in conjunction with the National Restaurant Association, is requesting that the Board authorize online certification renewal courses for Mandatory Alcohol Server Training (MAST). If the Board approves, a rule change is necessary, as the current MAST rule (WAC 314-17-060) requires the MAST course presentation include facilitation by an authorized provider or trainer. The major steps to implement online MAST should include development of a Board interim policy to allow systemic implantation of the online program including development of criteria and standards along with a time-line to allow preparation time by the current providers.

As today's learning and training styles evolve, accommodating diverse learning styles and options through online programs is unavoidable. The general trend in academia is to offer more courses through online and Web-based programs. Online or Web-based MAST offers advantages over classroom style learning: It accommodates different learning styles, and provides convenience and economical advantages to trainees in rural areas where private MAST trainers are scarce.

In the U.S. in 2008, 13 states have enacted mandatory alcohol server training laws. While more states are preparing to mandate alcohol server training programs, there is also a new trend in offering web-based programs. According to a recent study, which examined the effectiveness of the web-based MAST, funded by a Phase II Small Business Innovation Research (SBIR) grant, the Oregon Research Institute reported the following results. 122 staff and or owners/managers of 22 commercial alcohol-service establishments in the counties of Oregon were assigned to participate in interactive, multifaceted online programs that included modules on alcohol server training. The majority of participants reported that they liked the online program "much better" (32.3%) or "better" (26.9%) than the live training. About 90% rated most topic areas as "useful" or "very useful". The

study did not provide the direct result that alcohol server training is changing the behavior of the servers, it concluded that participants in the Web-based training showed significant improvements in their alcohol server training, knowledge and attitudes.

Considering advantages associated with the Web-based or online MAST program, we are asking the Board to approve interim policy with following expectations:

- By June 1, 2009, Licensing Division will develop and present an interim policy for Board approval; authorizing development of MAST online program criteria and standards and hold public stakeholder meeting no later than July 1, 2009 to inform the Board intent thus allowing opportunity for input and preparation time by the current providers.
- Certification criteria will include for both initial and renewal courses: While WRA only asked to allow the renewal course, it is rather impractical to allow only renewal course certification when considering the current resource and staff time allotted for the MAST program.
- Develop and present a workable plan for implementation steps of the online program including initiating a rule changing process.
- Communicate the Board intent to authorize online MAST to current providers and trainers including holding a stakeholder meeting as necessary. This would provide an opportunity for providers to comment and preparation time for providers interested in offering online courses.

**Communication Plan:**

Stakeholders will receive communication from the following sources:

- Email announcement of the proposed interim policy to MAST providers for comment. These comments will be considered by the Board at a public meeting.
- If the interim-policy is adopted by the Board, an announcement will be sent to all current MAST providers.
- All MAST providers will be notified of the proposed rulemaking steps and given the opportunity to participate.
- Our website would be updated to post the policy; notice of rule making and online program certification criteria.
- As needed, a stakeholder meeting may be scheduled.

**Stakeholder Issues:**

Currently, we have 30 certified providers. At this time, about four providers are capable of providing online training with a minimal effort to prepare for launching the program. We anticipate possible opposition to the online MAST by some providers due to perceived business loss and the belief that only face-to-face instruction is effective in teaching this subject. We are requesting an implementation of the online program after the proposed rules are adopted to lessen the possible impact to the other providers. The Licensing Division will inform the Board's intention to authorize the online program to all providers as soon as we have the interim policy approved, thus allowing preparation time for providers who are interested in providing online programs.

### **WAC modification**

Upon the Board approval of the Licensing's proposal of the MAST online programs implementation plan, work will commence to draft and adopt rules allowing online MAST. This process will at minimum be six months in duration depending on competing rule priorities and stakeholder feedback during the process. Specifically, WAC 314-17-060 must be modified to allow online MAST and revise course standards.

### **RECOMMENDATIONS**

Adopt an interim-policy to authorize a rule change to establish a MAST online program standards and criteria. This policy will be presented at a public meeting after the proposal is distributed for comments among providers. If adopted, providers may prepare online MAST programs while rules and program criteria are being developed.

### **BUDGET IMPLICATIONS**

None

### **ATTACHMENTS: 1-LETTER FROM WRA**





**AGENDA  
BOARD MEETING  
WA STATE LIQUOR CONTROL BOARD  
Wednesday, April 1, 2009  
Headquarter Building  
3000 Pacific Ave, Olympia WA 98504**

**10:00 a.m.**

- 1. Issue Paper to Revise WACs Governing Record Retention Requirements of MAST Trainers .....Kim Sauer**
- 2. Issue Paper to Allow Implementation Period for MAST Online Program.....Kim Sauer**
- 3. Responsible Alcohol Sales Training (RAST) Video and Booklet recognition .....Alan Rathbun and Board Members**
- 4. Old Business.....Board Members**
- 5. New Business.....Board Members**

**Recess/Adjourn**

