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MUNICIPAL ORDINANCE - ILLINOIS

Wisam 1, Inc. v. Illinois Liquor Control Com'n

Supreme Court of Illinois - May 22, 2014 - N.E.3d - 2014 IL 116173

City issued a notice of hearing to liquor licensee, charging a violation of a liquor ordinance prohibiting an agent or employee of a licensee from engaging in conduct in or about the licensed premises that was prohibited by federal law. After a hearing, a local commissioner revoked licensee's liquor license. Licensee appealed. The Illinois Liquor Control Commission affirmed. Licensee filed a complaint for administrative review. After a hearing, the Circuit Court affirmed the commission's decision. Licensee appealed. The Appellate Court affirmed. Licensee filed a petition for leave to appeal, which the Supreme Court allowed.

The Supreme Court of Illinois held that:

- Due process did not entitle licensee to relitigate a federal conviction of licensee's agent for conspiring to structure financial transactions from licensee's bank account to evade federal reporting requirements;
- Licensee had a meaningful opportunity to test, explain, and refute city's evidence prior to local commissioner's determination that licensee violated the liquor ordinance; and
- Any error in local commissioner's admission of allegedly inadmissible hearsay was not prejudicial error.

Due process did not entitle liquor licensee, in a license-revocation proceeding on a charge that licensee violated a liquor ordinance prohibiting a licensee's agent from engaging in conduct in or about the licensed premises that was prohibited by federal law, to relitigate a federal conviction of licensee's agent for conspiring to structure financial transactions from licensee's bank account to evade federal reporting requirements. Under the strict-accountability provisions of the Liquor Control Act of 1934, licensee stood in agent's shoes.