

Questions raised over appointment of former Budweiser distributor to Nebraska liquor board

Written by
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LINCOLN — Advocates for shutting down beer sales in the border town of Whiteclay, Nebraska, and a group that discourages binge drinking are raising concerns about the appointment of a former Budweiser distributor to the State Liquor Control Commission.

Harry Hoch, who ran a Budweiser distributing business in Grand Island for three decades, was recently appointed to the three-member liquor board by Gov. Pete Ricketts.

The governor, in a statement, said he trusts Hoch to be “impartial” in enforcing state liquor laws.

But the appointment requires confirmation by the State Legislature, and it is raising some eyebrows.

Hoch, who sold his distributing business in 2015 and moved to Omaha, was also a donor to Ricketts, giving \$16,453 from 2014 through 2018. Anheuser-Busch, which produces Budweiser, gave Ricketts \$22,500 during the same period.

Frank LaMere, a Native American activist from South Sioux City, Nebraska, and Alan Jacobsen, a Lincoln businessman, both said it was wrongheaded to appoint someone who profited from alcohol sales for years to regulate others who do the same.

Both expressed doubt that Hoch would have voted to close down the Whiteclay beer stores, as the Liquor Control Commission did unanimously in 2017.

“This is like hiring a fox to watch the chicken coop,” Jacobsen said. “It is terrible public policy.”

La Mere asked, “Am I the only one who thinks that this is a conflict of interest and flies in the face of logic?”

Chris Wagner of Omaha-based Project Extra Mile said his organization’s opposition is more broadly based and focused on statistics like Nebraska’s high rates of adult binge drinking — the fourth-highest in the nation — and alcohol-impaired driving.

“We need public health and safety at the table, not a person who spent their life in the industry,” Wagner said.

Hoch would not be the first member of the Liquor Control Commission with a background in the industry. Bob Logsdon, who served from 1989 to 1995, was the former manager of an American Legion club in Lincoln. Current Commissioner Bruce Bailey of Lincoln also had a liquor license when he managed a sports arena in Kearney that opened in 2000.

Commissioners, who are paid \$12,000 a year, meet monthly to confirm or deny liquor licenses based on recommendations from cities and counties and a review of an applicant’s background. The board rules over all alcohol sales in the state, and, if a license holder violates rules or laws, it can issue fines or suspend or revoke a license.

Besides shutting down the Whiteclay stores, the commission has dealt with other controversial issues in recent years, including a dispute between beer distributors and craft brewers and determining how flavored malt beverages, like “hard” lemonade, should be taxed.

State law bans commissioners from having any financial interest “whatsoever” in the sale, manufacture or distribution of alcohol.

Hoch, in an email, said he sold his distributing business in December 2015 and dissolved his corporation. He said he will faithfully enforce state liquor laws.

“I will follow those guidelines and the Nebraska Liquor Control Act,” Hoch wrote. “The commission should be neutral and does not have the job of picking winners and losers.”

Two key senators on liquor issues expressed differing opinions.

State Sen. Tom Brewer of Gordon, who advocated for closing down the four beer stores in Whiteclay, said the appointment raises some concerns for him, but he doubted that Hoch or other future commissioners would approve a resumption of beer sales there because of the positive impacts of the closings.

Before the Whiteclay stores closed, they sold the equivalent of 3.5 million cans of beer a year, mostly to residents of the officially dry Pine Ridge Indian Reservation just across the border in South Dakota. Beer sales in Whiteclay were blamed for many of the alcohol-related woes on the reservation and for the band of street people who openly drank and urinated on the town’s streets — street people who are now gone.

The Legislature’s General Affairs Committee will hold a public hearing on March 4 on Hoch’s appointment, and the committee’s chairman, Sen. Tom Briese of Albion, said Hoch’s background and experience in the liquor industry would be an asset on the commission.

“He’s an excellent candidate to put forth,” he said.