

COUNCIL ACTION FORM

SUBJECT: LIQUOR LICENSE RENEWAL – OUTLAWS, 2522 CHAMBERLAIN ST.

BACKGROUND:

Outlaws, located at 2522 Chamberlain Street, has applied for renewal of its Class C Liquor License with Outdoor Service and Sunday Sales privilege. These state licenses and permits must receive approval by the local authority (City Council) before they can be issued by the state.

The Police Department conducts compliance checks on establishments that hold liquor licenses in the City of Ames. The compliance checks are completed by taking an underage person to liquor licenses establishments who then attempts to purchase alcohol. A business passes the check if the employee asks for identification and correctly refuses the purchase. An establishment fails the compliance check if the employee sells to the underage person.

The Police Department conducted one such compliance check at Outlaws on March 25, 2021. An employee of Outlaws sold alcohol to an underage person during the check and was cited.

The Police Department conducted a follow-up compliance check on October 20, 2022, when an employee again sold alcohol to a minor. This is the second violation within two years and Iowa Code 123.50(3)(b) prescribes a 30-day suspension and \$1,500 fine. This suspension and fine will be imposed on the establishment by ABD regardless of whether the City Council chooses to approve or deny the requested renewal.

In addition to the failed compliance checks, in the previous 12 months, Ames officers have cited 15 underage individuals for being on-premises (detailed in the attachment). Of those 15, officers were able to verify six used faked IDs to get into the bar. Two other individuals stated they were let in because they knew staff members of the bar. It is worth noting that officers are unable to determine how the remaining underage individuals entered the bar.

In addition to the two compliance check failures in less than two years and the on-premise citations, the Police Department has received a complaint from an ex-employee stating it is the practice of the establishment to let certain minors in. The Police Department received meeting minutes from a staff meeting that stated, “No minors let in unless I am asked” (attached). This instruction came from a manager of the business. The Police Department spoke with that manager, who admitted the notes were accurate. However, the manager’s explanation was that if a minor tried to get in,

staff would tell him, and he would tell the minor they could not enter. The Police Department does not believe this explanation is consistent with what the written instruction says (the written statement implies that minors can be allowed in if the manager's permission is obtained). Additionally, staff is mystified as to why the establishment would have a policy that only a manager—rather than the person checking IDs at the door or any other employee—would be empowered to turn away a minor attempting to enter the establishment.

Staff met with the license holder and his attorney on November 9, at the request of the license holder. At that meeting, the license holder said when they found out about the manager's correspondence in December 2021 or January 2022, the manager was reassigned to a different liquor establishment owned by the same license holder. This suggests to City staff that the establishment's ownership had knowledge of minors being allowed in; however, the license holder also said this manager was only filling in short-term. The license holder said they have hired a new manager since that time and this problem has been corrected. However, it is clear minors were found on premise after the change in management, albeit some were in the possession of a fake ID.

In addition to the staff meeting minutes described above, the Police Department acquired text messages from a former Outlaws employee that suggest minors could be granted entry with the use of a “**code word**” at the door. At the November 9 meeting between the license holder and City staff, the license holder theorized that these code words could be some sort of VIP status. However, there is no mention of VIP in any of the text messages City staff obtained (See attached text messages with key passages denoted in blue)

If the City Council denies the requested license renewal, the denial can be appealed, first to the ABD, then to an Administrative Law Judge, then the Director of ABD, and then District Court. Filing an appeal with ABD places a stay on the denial, and the establishment is allowed to continue to operate until the appeal process is complete. **If the appeal(s) are not successful, alcohol may not be sold on the premises for one year, or until a new licensee applies for and is granted a new liquor license.**

ALTERNATIVES:

1. Deny the application for a 12-month liquor license renewal.

If this alternative is approved, the establishment still will be subject to a fine by the state of Iowa.

2. Approve the application for a 12-month liquor license renewal.

If this alternative is approved, the establishment will be subject to the 30-day suspension and fine by the state of Iowa at some point during the renewal period.

3. Deny the application for a 12-month renewal, but entertain a future application for a 8-month renewal should it be applied for and come before Council.

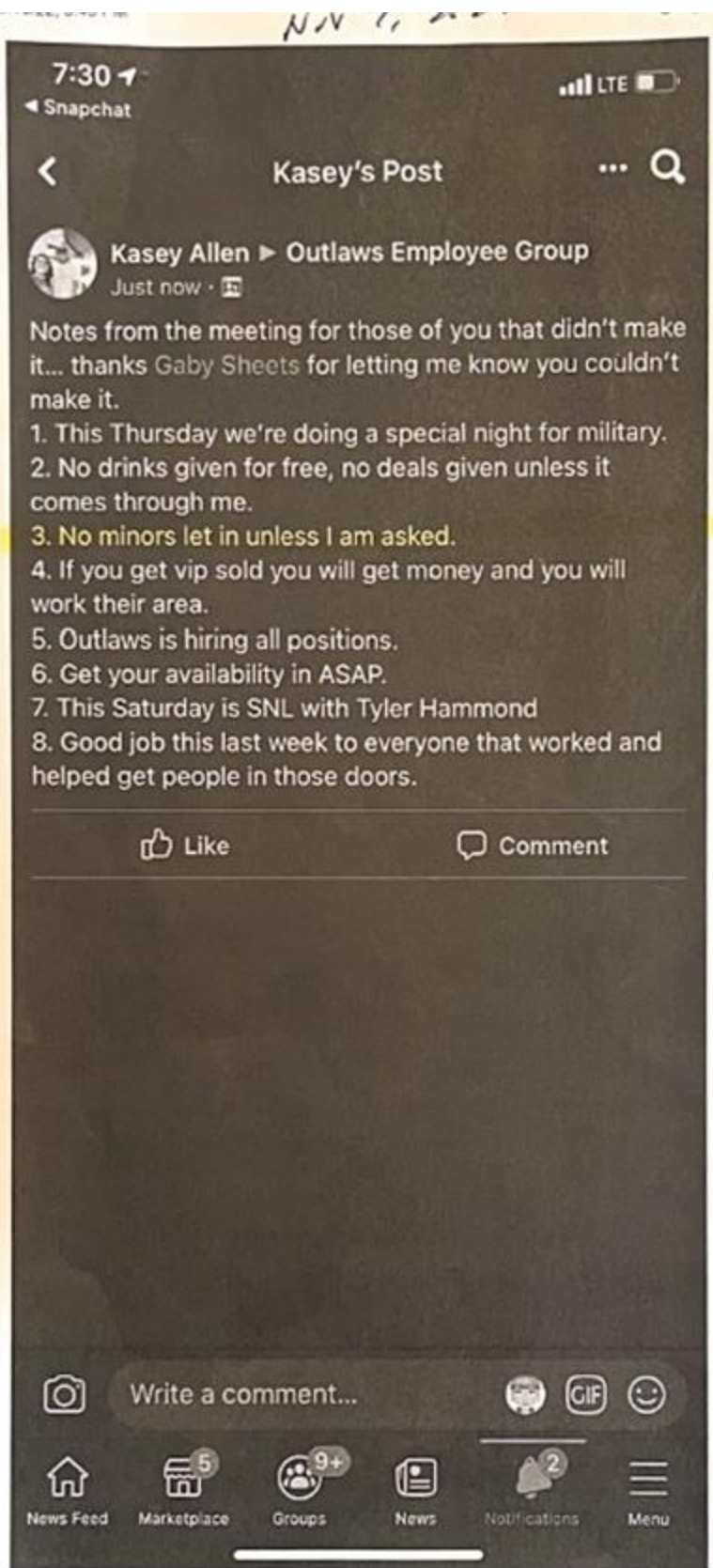
If this alternative is approved, the establishment will be subject to the 30-day suspension and fine by the state of Iowa at some point during the renewal period.

CITY MANAGER'S RECOMMENDED ACTION:

Compliance checks are conducted by the Ames Police Department and ABD to ensure liquor license holders are complying with their obligation to ensure underage individuals are not being sold alcohol. These compliance checks require the establishment to exercise a minimal level of due diligence in order to pass. In order to comply, the establishment must simply ask the customer for identification, confirm the age of the customer as being less than 21, and deny the sale.

The applicant, Outlaws, has failed two such compliance checks in less than two years. In addition, 15 citations have been written for underage persons on-premises. **Most troubling, it appears that employees colluded to allow underage patrons into the establishment.** Two failed compliance checks and fines, along with citations from the Ames Police Department have not resulted in a change in practices. The evidence supports employees allowing minors on premise underage. Police Department staff do not have confidence that the employees of this establishment are capable of, or interested in, complying with state and local requirements for holding an alcoholic beverage control license. Therefore, the Police Chief is recommending the denial of the applicant's request for a license renewal.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.



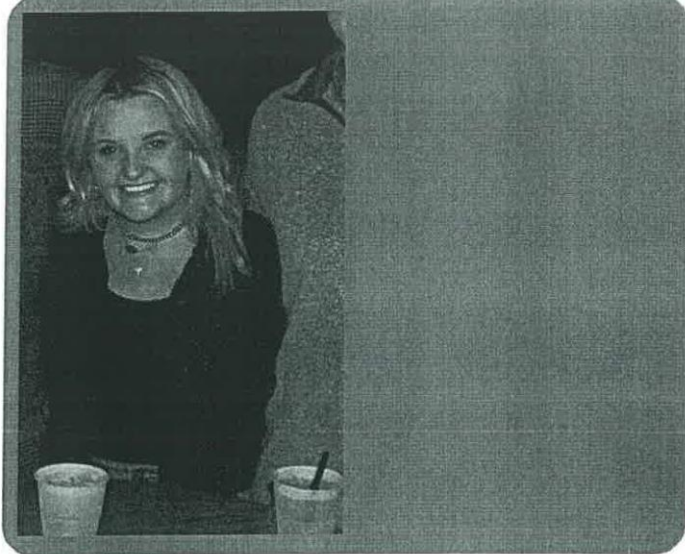
**Outlaws Minor On-Premise Violations
November 1, 2021 – November 1, 2022**

- **January 29th, 2022** – 1 male was cited for minor on premise. The male was in possession of a fake ID. **22000339**
 - **February 6th, 2022** - 1 female was cited for minor on premise. The female was in possession of a fake ID. **22000439**
 - **February 11th, 2022** – 2 females were cited for minor on premise. **22000503**
 - **July 17th, 2022** - 1 female was cited for minor on premise. **22002457**
 - **July 31st, 2022** – 1 male was cited for minor on premise. The male stated he was let in because he knew the owner. The male was also in possession of a fake ID. **22002650**
 - **July 31st, 2022** – 2 females were cited for minor on premise. 1 female was in possession of a fake ID and stated she was let because she knew the DJ. **22002651**
 - **August 14th, 2022** – 2 individuals, 1 male and 1 female, were cited for minor on premise. Both were in possession of fake ID's. **22002836**
 - **September 17th, 2022** – 5 individuals, 4 males and 1 female, were cited for minor on premise. **22003402**
-
- On Tuesday, November 1st, 2022, Lt. Ropp contacted the Outlaws manager and advised him of Outlaws upcoming liquor license renewal. He was asked about the meeting notes from November 2021, specifically about the bullet point “No minors let in unless I am asked.” The manager, whose name is at the top of the notes, stated he did in fact write the notes and explained that if a minor tried to get in, staff would tell him, and he would tell the minor they could not enter.

Messages exported from: Schwab's iPhone ([redacted])
With: Andy White ([redacted])
PDF created with Decipher TextMessage (deciphertools.com)

2/16/2022 12:43 PM

Schwab's iPhone (+ [redacted])

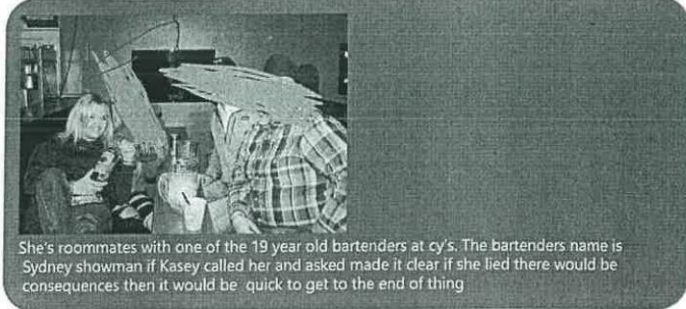


2/16/2022 1:02 PM

Andy White ([redacted])
She it looks 31 not 21

2/16/2022 1:14 PM

Schwab's iPhone ([redacted])



She's roommates with one of the 19 year old bartenders at cy's. The bartenders name is Sydney showman if Kasey called her and asked made it clear if she lied there would be consequences then it would be quick to get to the end of thing

2/16/2022 1:15 PM

Andy White ([redacted])
Got it

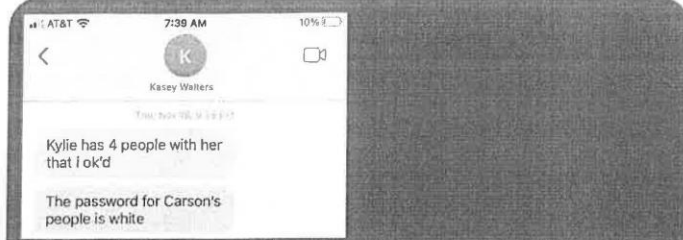
2/16/2022 1:15 PM

Schwab's iPhone (+ [redacted])

But I took her fake during the cy/hawk game the fake is either at outlaws or with Kasey because I handed it to him at the end of the night

7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



Andy I'm reaching out to you today because we still have a unresolved situation from the incident with me and Kasey on December 17th and some other wrongful acts he has done such as wage theft, defamation and retaliation. We talked on the phone in mid February we only discussed the one incident that Kasey was denying of him forcing me to let in underage people into the bar and him personally walking the girl inside when I refused since then. I've receive the snap-chat message data logs of the screen shot of Kasey giving approval to Olivia to let her friends inside that she sent to me I've also verified she was underage at the time her 21st birthday was last week. You can call Olivia Nuckles and Roman Petrich both participated in getting the underage girl in the bar and Kasey had zero problems hiring both back afterwards. After our last call when you said you will tell Kasey to strongly reconsider his position but leave the decision up to him kasey and me had a meeting that was entirely him saying he's the boss and can do whatever he wants and I need to learn to listen to him/ do what he says and he won't unban me like he agreed to because I wasn't gonna be silent about his abuse of power. I was willing to agree to disagree and move on but he made his position clear that this would haft to be a fight compounding one mistake with another no longer making the situation simple to resolve. We all make choices and haft to live with the consequences. I can go to the city council and show them the rest of the evidence on this and other issues and that's my plan for next week if nothings gonna change I spent months requesting data and organizing evidence there's nothing left to do. Kasey can't deny or defend these actions but I wanted to reach out to you and see what other ways there were since this will also hurt the friends that still work for the bars. Kasey has change my pay multiple time sometimes even retroactively so he could pay me less. At the time I left Kasey change how I was paid taking away my portion of the tips something every other employee including other bouncer get, only paid me \$5 per fake id confiscated but continually let in lots of people each night taking away the money I would've made from confiscating the fakes and limited me to only getting paid for up to 20 fake ids and sometimes not paying me for over a week of confiscated fake ids because the bar didn't make enough money to buy them from me. The day after the incident in December we met and he offered to fix all those problems, unban me and it sounded like it wouldn't happen again. This would've settled everything but for some reason he changed his mind. I shouldn't be punished for doing my job and that's what happened I hope to hear from you because this is a horrible situation that's only getting worse the longer it goes on.

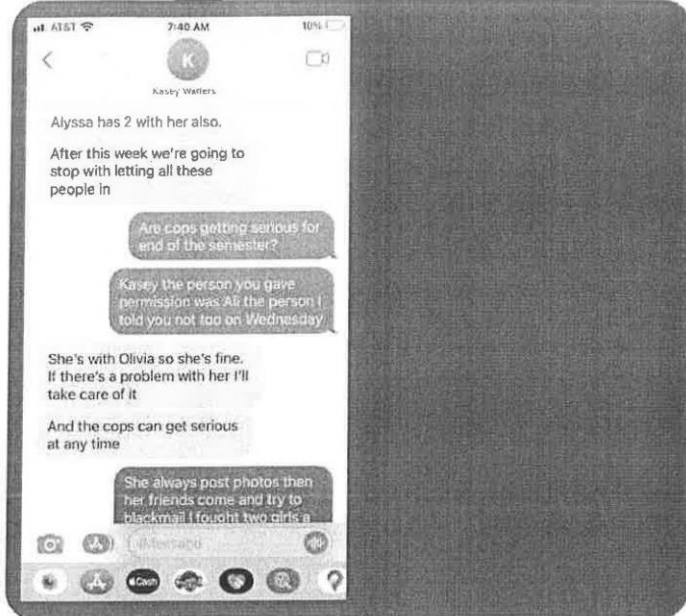
7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



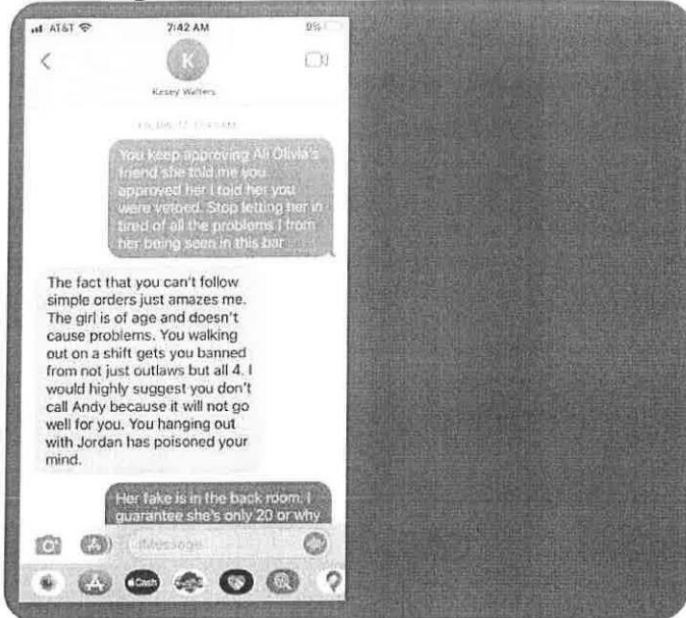
7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



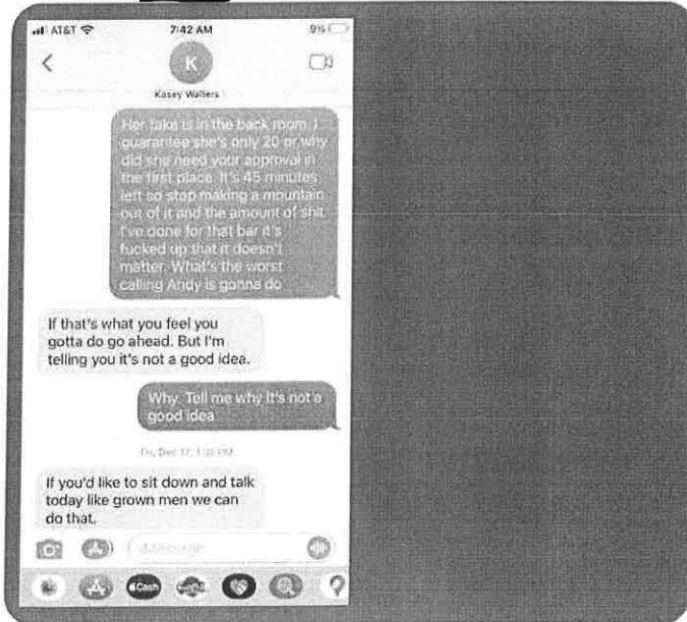
7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



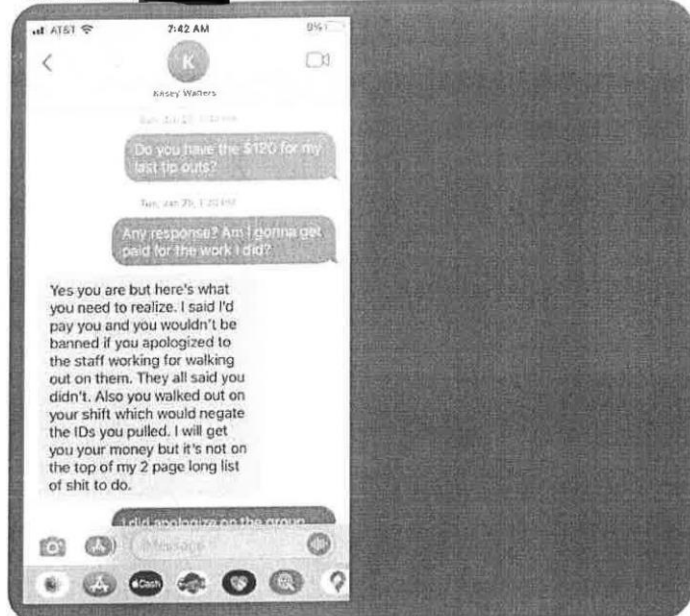
7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



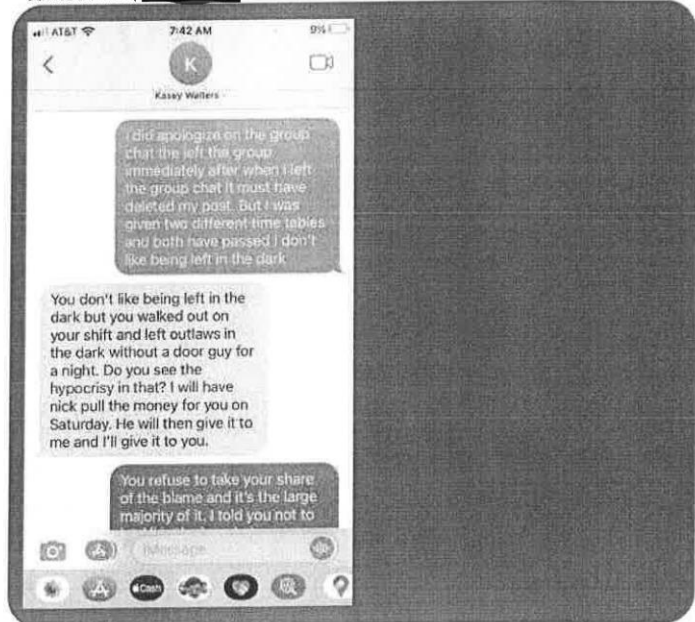
7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



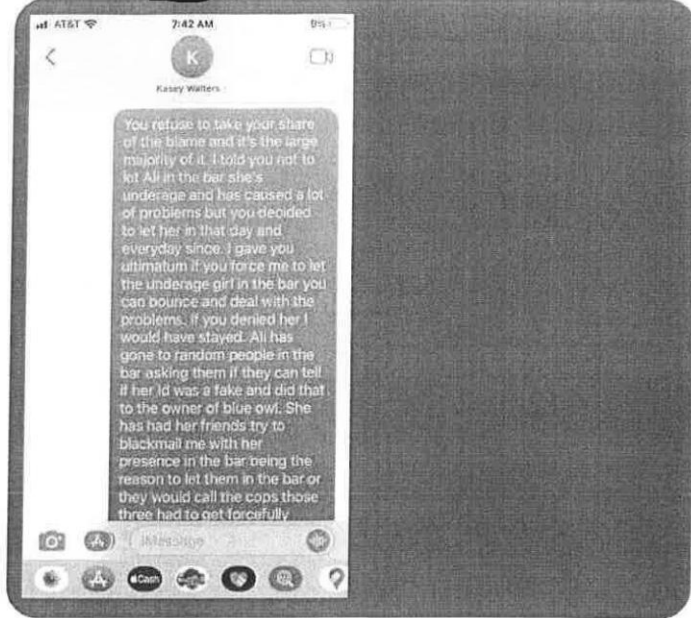
7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



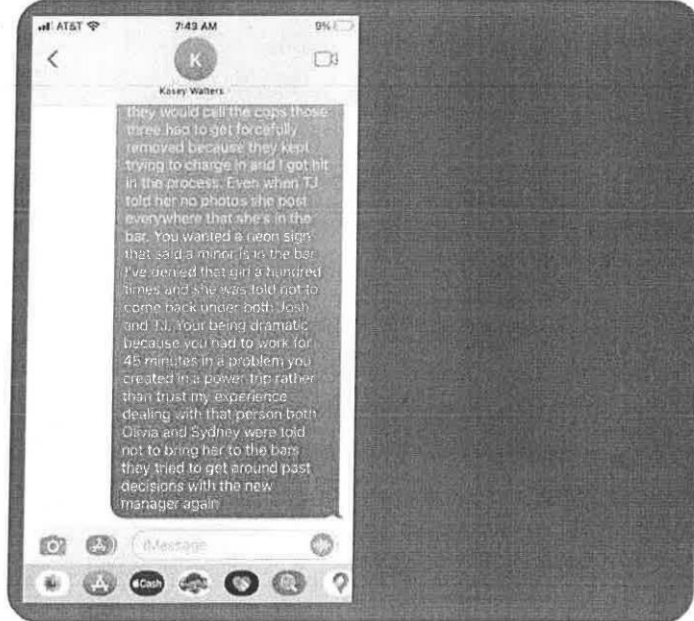
7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



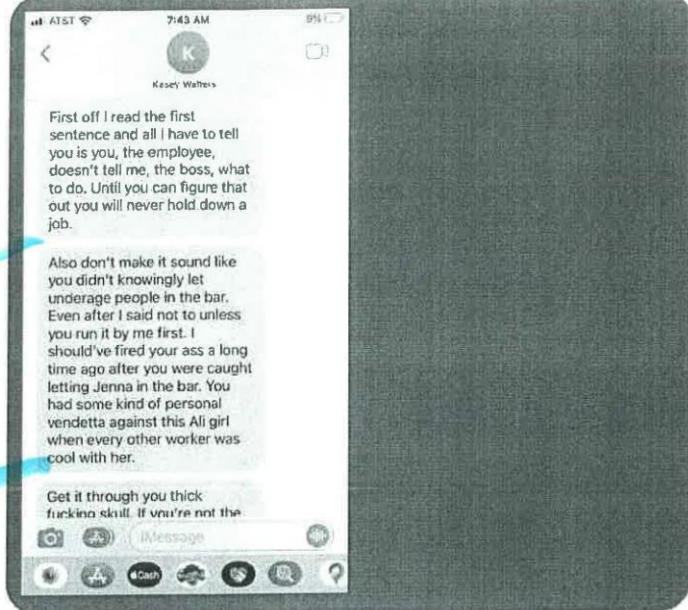
7/19/2022 3:00 PM

Schwab's iPhone ([REDACTED])



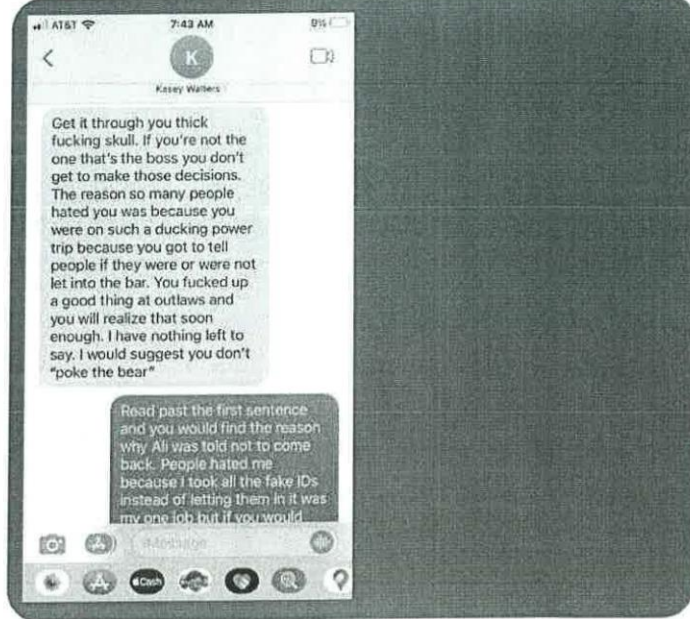
7/19/2022 3:00 PM

Schwab's iPhone (redacted)

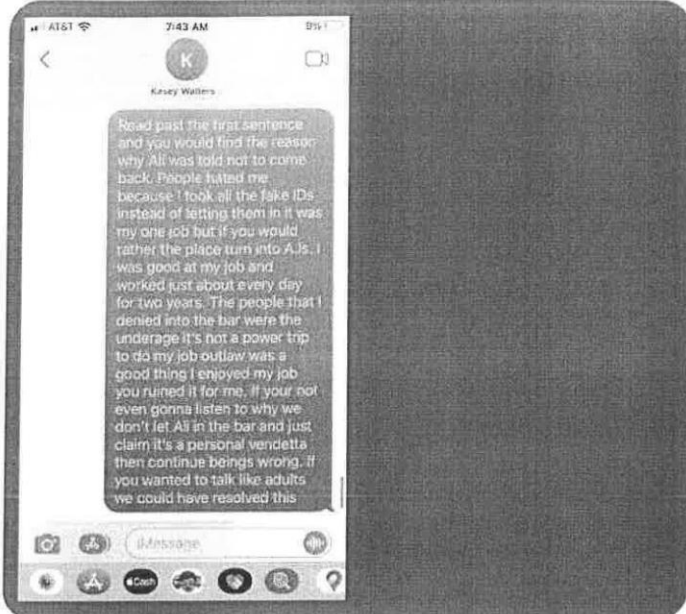


7/19/2022 3:00 PM

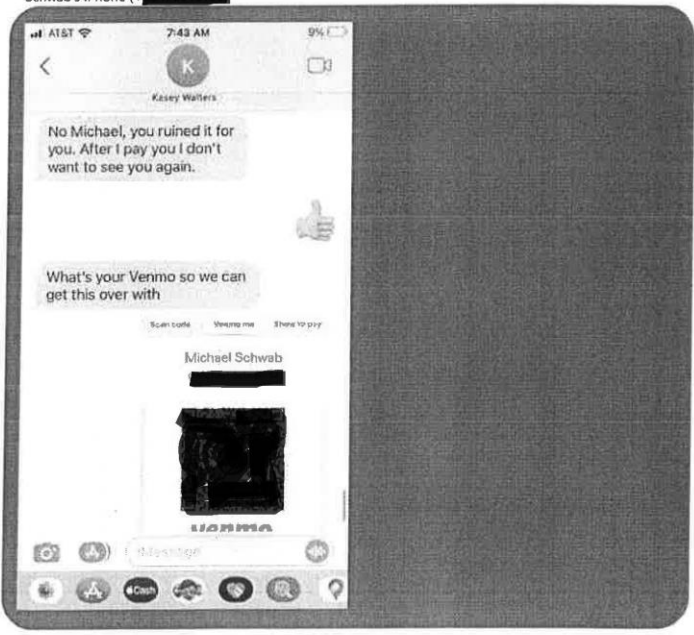
Schwab's iPhone (redacted)



7/19/2022 3:00 PM
Schwab's iPhone ([REDACTED])

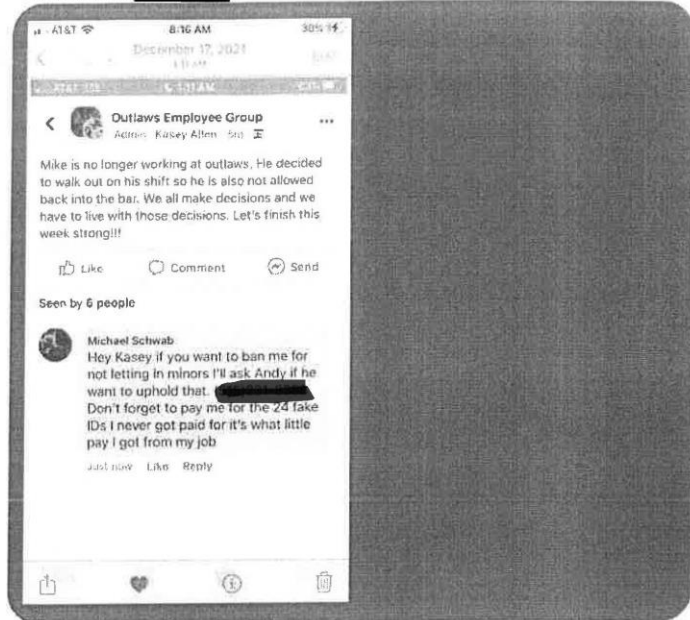


7/19/2022 3:00 PM
Schwab's iPhone ([REDACTED])



7/19/2022 3:00 PM

Schwab's iPhone [REDACTED]



7/19/2022 3:04 PM (Viewed 7/19/2022 3:05 PM)

Andy White ([REDACTED])

I'm not sure what you think you're doing but you also tried suing me... Talk to your lawyer, not me

21 total messages and 17 total images.

Schwab - Employee & Outlaws

Deb. 8-4-21

Messages exported from: Schwab's iPhone
With: Kasey Walters (3192156727)
PDF created with Decipher TextMessage (deciphertools.com)

Kasey Walters ([redacted])
Kylie has 4 people with her that i ok'd
11/18/2021 9:59 PM

Kasey Walters ([redacted])
The password for Carson's people is white
11/18/2021 10:33 PM (Viewed 11/18/2021 10:34 PM)

11/18/2021 10:39 PM
Schwab's iPhone ([redacted])
Hey are we doing the pool tournament tonight it's late and we haven't started
11/18/2021 10:39 PM

Kasey Walters ([redacted])
Starting at 11:00

Kasey Walters ([redacted])
Mike lost his wallet and is coming back to look
11/19/2021 1:07 AM (Viewed 11/19/2021 3:05 AM)

Kasey Walters ([redacted])
Madison has 2 coming and Justin has 1 coming. That's all that's allowed tonight
11/19/2021 9:14 PM (Viewed 11/19/2021 9:31 PM)

Kasey Walters ([redacted])
Justin has 2 total
11/19/2021 9:19 PM (Viewed 11/19/2021 9:31 PM)

Kasey Walters ([redacted])
Group of 15 coming in with the singer
11/11/2021 9:57 PM (Viewed 11/11/2021 9:58 PM)

Kasey Walters ([redacted])
Code word outlaws
11/11/2021 9:57 PM (Viewed 11/11/2021 9:58 PM)

11/11/2021 9:58 PM
Schwab's iPhone ([redacted])
Do they pay cover or just don't check them

Kasey Walters ([redacted])
Pay cover still
11/11/2021 10:02 PM (Viewed 11/11/2021 10:03 PM)

11/12/2021 4:43 PM (Viewed 11/12/2021 4:46 PM)

Kasey Walters [REDACTED]

Alyssa has 2 with her also.

11/20/2021 12:16 AM (Viewed 11/20/2021 12:17 AM)

Kasey Walters [REDACTED]

After this week we're going to stop with letting all these people in

11/20/2021 12:17 AM

Schwab's iPhone [REDACTED]

Are cops getting serious for end of the semester?

11/20/2021 12:28 AM

Schwab's iPhone [REDACTED]

Kasey the person you gave permission was Al the person I told you not too on Wednesday

11/20/2021 12:29 AM

Kasey Walters [REDACTED]

She's with Olivia so she's fine. If there's a problem with her I'll take care of it

11/20/2021 12:29 AM

Kasey Walters [REDACTED]

And the cops can get serious at any time

11/20/2021 12:30 AM

Schwab's iPhone [REDACTED]

She always post photos then her friends come and try to blackmail I fought two girls a little while ago because of this

11/20/2021 12:31 AM

Schwab's iPhone [REDACTED]

TJ told her not to post it was still on her private story I gave you her fake and told you it's the one I want to destroy

11/20/2021 12:31 AM

Kasey Walters [REDACTED]

I instructed Olivia to tell her to not post while in outlaws

11/20/2021 12:31 AM (Delivered 11/20/2021 12:32 AM)

Schwab's iPhone [REDACTED]

TJ stayed the same it didn't work

11/20/2021 12:32 AM

Kasey Walters [REDACTED]

I'm not TJ

Even when TJ told her no photos she post everywhere that she's in the bar. You wanted a neon sign that said a minor is in the bar. I've denied that girl a hundred times and she was told not to come back under both Josh and TJ. Your being dramatic because you had to work for 45 minutes in a problem you created in a power trip rather than trust my experience dealing with that person both Olivia and Sydney were told not to bring her to the bars they tried to get around past decisions with the new manager again

1/25/2022 1:57 PM (Viewed 1/25/2022 2:02 PM)

Kasey Walters (██████████)

First off I read the first sentence and all I have to tell you is you, the employee, doesn't tell me, the boss, what to do. Until you can figure that out you will never hold down a job.

1/25/2022 2:01 PM (Viewed 1/25/2022 2:02 PM)

Kasey Walters (██████████)

Also don't make it sound like you didn't knowingly let underage people in the bar. Even after I said not to unless you run it by me first. I should've fired your ass a long time ago after you were caught letting Jenna in the bar. You had some kind of personal vendetta against this Al girl when every other worker was cool with her.

1/25/2022 2:04 PM

Kasey Walters (██████████)

Get it through you thick fucking skull. If you're not the one that's the boss you don't get to make those decisions. The reason so many people hated you was because you were on such a fucking power trip because you got to tell people if they were or were not let into the bar. You fucked up a good thing at outlaws and you will realize that soon enough. I have nothing left to say. I would suggest you don't "poke the bear"

1/25/2022 2:15 PM

Schwab's iPhone (██████████)

Read past the first sentence and you would find the reason why Al was told not to come back. People hated me because I took all the fake IDs instead of letting them in it was my one job but if you would rather the place turn into AJs. I was good at my job and worked just about every day for two years. The people that I denied into the bar were the underage it's not a power trip to do my job outlaw was a good thing I enjoyed my job you ruined it for me. If your not even gonna listen to why we don't let Al in the bar and just claim it's a personal vendetta then continue beings wrong. If you wanted to talk like adults we could have resolved this

1/25/2022 2:24 PM

Kasey Walters (██████████)

No Michael you ruined it for you. After I pay you I don't want to see you again.

1/25/2022 1:35 PM

Schwab's iPhone (██████████)

I did apologize on the group chat the left the group immediately after when I left the group chat it must have deleted my post. But I was given two different time tables and both have passed I don't like being left in the dark

1/25/2022 1:39 PM

Kasey Walters (██████████)

You don't like being left in the dark but you walked out on your shift and left outlaws in the dark without a door guy for a night. Do you see the hypocrisy in that? I will have nick pull the money for you on Saturday. He will then give it to me and I'll give it to you.

1/25/2022 1:55 PM

Schwab's iPhone (██████████)

You refuse to take your share of the blame and it's the large majority of it. I told you not to let Al in the bar she's underage and has caused a lot of problems but you decided to let her in that day and everyday since. I gave you ultimatum if you force me to let the underage girl in the bar you can blame and deal with the problems. If you denied her I would have stayed. Al has gone to random people in the bar asking them if they can talk if her id was a fake and got that to the owner of blue owl. She has had her friends try to blackmail me with her presence in the bar being the reason to let them in the bar or they would call the cops those three had to get forcefully removed because they kept trying to charge in and I got hit in the process.