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Shipment of Unknown Liquid Prompts Marijuana Enforcement Action

February 10, 2017 ANCHORAGE – A tip from the U.S. Post Office led investigators from the Alcohol and Marijuana Control Office (AMCO) to confiscate unapproved marijuana oils from several licensed retail marijuana stores across the state. Post office staff contacted AMCO regarding leaking packages containing over 1,000 vials of CBD (cannabidiol) oil. AMCO investigators inspected the packages and found 20 unmarked vials. The presence of an unknown substance in a package with products intended for human consumption—including syringe-style dispensers, chocolate bars, chewing gum, and caramel-flavored agave sticks—posed a potential public health and safety risk.

Because of the public health and safety concerns of this particular violation of AS 17.38, which governs the testing, packaging, and labeling of marijuana products such as CBD oil, AMCO chose to inventory and take possession of the products at retail establishments rather than request a voluntary removal. AMCO officers visited seven stores in the Anchorage area, one in Kenai, one in Houston, and two in Wasilla. Officers met with business representatives, described why the products were in violation of the law, and explained that the retailers would be notified of the next steps of the process in writing.

"When we spoke with retailers, a few were not aware that CBD oil was a regulated product. However, two admitted that they knew it wasn't legal and were selling it anyway," says AMCO Chief Investigator James Hoelscher. "If there is a question about whether a product is legal to sell, all licensees need to do is pick up the phone."

Prior to removing the product from the store, each business representative was given a written inventory of what was confiscated. Each retailer acknowledged that the inventory was correct and received a copy. Retail establishments cited by AMCO will appear before the Alaska Marijuana Control Board to determine the disposition of the products inventoried by the state. The board hearing will be closed to the public, but a record of the board's decision will be made public.

After immediate public health and safety concerns are addressed, AMCO is focusing on education and bringing licensees into compliance with the law. As defined in statute and regulation products derived from the marijuana plant are regulated under AS 17.38. There is no separate provision under state law that allows oil with any particular composition of CBD or THC to be regulated outside of AS 17.38 and 3 AAC 306. Additional information about the sale of CBD oil will be posted on the agency's website (commerce.alaska.gov/web/amco) next week.

The Alcohol and Marijuana Control Office, along with the Division of Banking and Securities, the Division of Corporations, Business and Professional Licensing, the Division of Insurance, and the Regulatory Commission of Alaska, is an agency housed within the Alaska State Department of Commerce, Community and Economic Development tasked with protecting consumers in Alaska. For additional information about the agency, please visit commerce.alaska.gov/web/amco. For additional information about the Department of Commerce, Community and Economic Development and its other agencies, please visit commerce.alaska.gov.