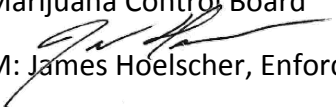




## MEMORANDUM

TO: Marijuana Control Board

DATE: November 8, 2017

FROM:  James Hoelscher, Enforcement Supervisor

RE: Enforcement Report, Marijuana

AMCO Enforcement has been operating with limited personnel levels recently due to various circumstances, but has continued to maintain its status as a valuable resource for the industries, communities, and other agencies. We have been working to build relationships with other agencies with the goal to maximize our resources to effectively address various concerns regarding the alcohol and marijuana usage in our State.

The prevention of underage drinking, marijuana use, and the sale of alcohol and/or marijuana to minors requires the combined cooperation of industry members, various government agencies, communities, schools, families, and individuals. We have been reaching out to such groups to offer any assistance, information, or education to assist in curtailing violations of Alaska Statutes 04, 11.71, and 17.38.

### Alcohol & Marijuana Stats 2017 (as of 10-27-17)

Investigations – 197 (16 Rural)  
Alcohol Walk-throughs - 360  
Alcohol Inspections – 477 (116 Rural)  
Alcohol NOV's -57  
Alcohol Advisory Notices – 28  
Alcohol Permits reviewed - 754  
Marijuana Walk-throughs - 160  
Marijuana Inspections - 177  
Marijuana NOV's - 44  
Marijuana Advisory Notices - 23  
Marijuana Background Conducted (MJ-18) - 73  
Marijuana Handler Cards Issued - 1924  
Enforcement Calls/Requests/General Enforcement Email – 7,065

### 3 AAC 306.720(e) Video surveillance - Video Surveillance Retention Period

- AMCO Enforcement has received reports of violations occurring on licensed premises after the required 40 day retention period for surveillance recordings has passed. This has caused Enforcement Staff to be unable to fully and effectively investigate the report of the violation. Enforcement requests 3 AAC 306.720(e) be modified from a 40 day retention period to a 180 day retention period for surveillance recordings. At this time, Enforcement is aware many licensees already have the equipment and capability to store recordings up to 180 days.



### **Product Manufacturing Approved Products**

- The request from Enforcement requesting updated photos of approved marijuana products from Product Manufacturing Facilities was made because the products on the market do not match the photos of products approved by the Board.
- This had led to some difficulties such as:
  - The serving delineation markings, packaging, wrappers, etc.
  - The large majority of the photos of the products submitted to the board are of poor quality. Which has resulted in Enforcement or members of the public to have difficulty in comparing approved products from our approved products list to what is on the shelves.

### **3 AAC 306.715. Security alarm systems and lock standards**

- Window Alarms – 3 AAC 306.715 (b)(2) regulations do state a marijuana establishment must have a security alarm system on all exterior doors and windows. There are several options available to licensees regarding window alarms such as motion sensors in the room facing the window, magnetic or electronic sensors on the window itself, and audible glass break alarms.
- Our inspection forms reflect that the two options of motion sensor or glass break sensor as we were receiving numerous questions on what would be acceptable for a window alarm.

### **3 AAC 306.360. Restriction on advertising of marijuana and marijuana products - Loyalty Programs**

- Enforcement has been receiving inquiries from Retail licensees about Customer Loyalty Programs in which discounts can be offered to a frequent customer. Enforcement seeks clarification of such practices.
  - If the programs do not allow for free product to be given away is it allowable?
    - Some examples are for free non-marijuana merchandise, such as t-shirts or hats and/or a discount on marijuana or marijuana product.
  - Or would it be viewed as a promotional giveaway coupon or activity and be a violation under 3 AAC 306.360(d)?

### **Vape Pens**

- Retail licensees have reported customers are attempting to return defective one-time-use disposable vape pens with unused marijuana concentrate product still inside. The product cannot be removed from the pen, thus rendering it unusable. According to METRC Support, this is a problem with vape pens in all states and the system does allow for returns.
  - Can Retailers accept the return of the pen for a refund? If so, does the customer receive a full refund if a portion of the product is used before the pen became defective?
  - Can the pen be replaced at a reduced price? Or would it be a violation of 3 AAC 306.310 (b)(3)(A)?
  - If the pens can be returned, can the retailers request compensation or replacement from the originating Product Manufacturer? In what manner would the Board like the pens destroyed to ensure the product could not be retrieved somehow after disposal of the pen, if a return is allowed?