



MEMORANDUM

TO: Marijuana Control Board

DATE: May 3, 2017

FROM: James Hoelscher, Enforcement Supervisor

RE: Enforcement Report, Marijuana

Alcohol & Marijuana Control Enforcement has been working on updating our Policies and Procedures and identifying training needs.

We have also worked closely with the Director in identifying potential problems within the industry and finding constructive and proactive ways to resolve them. As time goes on, with new regulations, new licensees and staff, I have realized that we are in no shortage of identifying problems. Enforcement has worked with Federal, State and Local Law Enforcement, often requesting assistance and providing assistance. We have also provided and extended numerous offers for training of Alcohol & Marijuana Laws in hopes of providing needed education that would foster compliance with our statutes and regulations that pertain to Alcohol and Marijuana in the State of Alaska.

Enforcement has worked closely with our Attorney and Director in attempt to clarify questions surrounding our regulations, in some cases, we are not able to come to a conclusion or an answer and have frequently requested the board to look at some of the issues we are presented with. Unfortunately, this has delays and often times we err on the side of caution until we receive further guidance from the board. This is a double-edged sword, in the respect that some licensees may feel that we are too harsh when enforcing the regulations and we also have to enforce the regulations consistently with the understanding that it is in the best interest of the health and public safety of the people of Alaska.

Alcohol & Marijuana Stats 2017 (as of 5-3-17)

Investigations – 83
Alcohol Walk-throughs - 161
Alcohol Inspections – 153
Alcohol NOV's -15
Alcohol Advisory Notices - 8
Alcohol Permits reviewed - 241
Marijuana Walk-throughs - 53
Marijuana Inspections - 52
Marijuana NOV's - 14
Marijuana Advisory Notices - 7
Marijuana Background Conducted (MJ-18) - 12
Marijuana Handler Cards Issued - 554
Enforcement Calls/Requests/General Enforcement Email – 1,651



Items for the board to consider:

Reporting Crimes on Licensed Premises to AMCO –

- There is currently no requirement to report any crimes that occur on a licensed premises. The only requirement is to report in our tracking system. I believe that there should be a reporting requirement for licenses who have had crimes occur on their premises.
 - Diversion – This could be an area for diversion and would need an immediate investigation conducted by AMCO, separate from the original crime(e.g. burglary, theft)
 - Cole memo – This would also need to immediate separate investigation by AMCO, as the crime committed could lead to one of the 8 priorities defined by the Cole memo.
 - Security – This would allow us to verify security and make recommendations to the board regarding security measures.

Trade shows –

- We have received numerous question on trade shows, to include bringing marijuana and products to show attendees. Currently, there is no legal mechanism that legally allows a licensee to transport to a non-licensed premises for any reason. The trade shows are not new, but the difference this year is that we have licensees and that could not be said for previous years. Numerous “vendors” are in attendance, to include ones that do not have a license. This can blur the line of legal marijuana and illegal marijuana.
 - Possession of Marijuana, can a licensee have “X” amount of marijuana or marijuana product?
 - How does it get there? Violates Transportation Regulation.
 - Promotion, is this a permissible promotional activity?

Naming strains of Marijuana –

- We have identified that marijuana strains are given names that can be associated with items that may be attractive to children, (e.g. “Gummy Bears”, “Snow White”, “Candyland”, “Girl Scout Cookies”, “Jilly Bean”) and with all of our laws that pertain to keeping marijuana and marijuana products out of the hands of children and anyone under 21 and only making it legal for only 21 years of age and older, the naming of



marijuana strains with names that are associated with things that are made to appeal to children tends to go against the grain of our laws. I would request, when advertised, the strains with names that can be considered attractive to children be shortened, (e.g. respectively "GB", "SW", "CL", "GSC", "JB")

- 3 AAC 306.360(b)(5) – Does the naming of strains fall within "other depiction"?
- We have identified that marijuana strains are given names that can be associated with medicinal properties, (e.g. "Medical Mass CBD", "Medical Mystery", "The Cure")
 - 3 AAC 306.360(b)(3) Does this give representation that the use of marijuana has curative or therapeutic effects?

Advertorials, if the purpose is commercial -

- Can an unpaid editorial written to a newspaper be considered an "advertorial" and fall under the guidelines as a paid advertisement?
- If a licensee sponsors and has their logo affixed to a paid article promoting prohibited acts, (e.g. advertisement of claims of marijuana having curative or therapeutic effects?) would this be a violation of advertisement for the sponsoring licensee?

Advertisement –

- Promotional activities, during the week of 4/20, after consultation with our attorney, we issued an advisory to all retail marijuana licensees informing them that any promotional activity that encourages the sale of marijuana or marijuana products is against 3 AAC 306.360(d). This led to a lot of questions as to what is allowed. We need clarification from the board as to what is acceptable within the regulations.
- Cultivator Advertisement – Would the requirement for advertisement fall within the advertisement for retailers? 3 AAC 306.360(c)(1)
 - A cultivator wanted to sponsor a co-ed softball team and place a banner on the field with their name and logo.
- Retail/Cultivation Licensee – Promotional event
 - They advertised for a 4/20 event. After the advisory notice was sent out, they contacted us and were told that they were no longer having the event, but the landlord was putting on the event. The event was held in the parking lot that is shared with two licensed premises. I informed the owner that I did not think that this was alright for him or the landlord to do and informed him that I would bring this before the MCB.



- The promotional activity that was put on included music, free food, glass blowing, door prizes, \$250 giveaway at 4:20 and a “bounce house”. Even though the licensee said he was not holding it and his landlord was, I believe that this was done with the intention of skirting around our regulations and request the board to provide guidance to the public and licensees if this type of activity is in consistence and spirit with our laws.

Firearms –

- It was reported that a licensee that was conducting a transport of marijuana was carrying a sidearm, open carry, during the transport and entered the licensed premises. Our regulations do not prohibit this and there is no guidance other than the Cole Memo that list “preventing violence and the use of firearms in the cultivation and distribution or marijuana” as one of the eight priorities.
 - We have cultivators that have parts of their homes as a licensed premises.
 - We also have armed security firms that are contracted to transport marijuana and marijuana products.

Testing –

- 3 AAC 306.455 (Required lab testing) only requires that a cultivator test the bud and flower of a harvest batch for potency.
 - This has led to an issue where cultivators and retailers are creating and selling trim pre-rolls and the THC percentage is being advertised as that of the flower test.
 - This % is not representative of the actual THC content of the trim being sold in the pre-rolls.
 - Propose that a new requirement be created that if trim is going to be sold as a standalone product that it must be tested separately for potency or have a new labeling requirement with a disclaimer stating the trim product has not been tested separately from flower for potency and THC % is unknown.