



MEMORANDUM

TO: Marijuana Control Board

DATE: September 1, 2017

FROM:  James Hoelscher, Enforcement Supervisor RE: Enforcement Report, Marijuana

This year marks the first year that we have had alcohol and marijuana licenses operating during the summer and it has proven to have been a continuing challenge for Enforcement regarding a large number of investigations and inspections. Our seasonal alcohol licenses were a priority during the months of May and June, then our priorities shifted to renewal inspections for marijuana licenses from July and will continue until September. A high amount of investigations, during the time we are trying to focus on inspections has created an extremely busy environment for us.

Challenges aside, Enforcement has made a concerted effort in communicating with licensees, the general public and working with other law enforcement.

Alcohol & Marijuana Stats 2017 (as of 8-25-17)

Investigations – 156 (14 Rural)
Alcohol Walk-throughs - 281
Alcohol Inspections – 377 (97 Rural)
Alcohol NOV's -45
Alcohol Advisory Notices – 26
Alcohol Permits reviewed - 564
Marijuana Walk-throughs - 110
Marijuana Inspections - 124
Marijuana NOV's - 30
Marijuana Advisory Notices - 18
Marijuana Background Conducted (MJ-18) - 49
Marijuana Handler Cards Issued - 1495
Enforcement Calls/Requests/General Enforcement Email – 5,585



Audits – We have conducted random audits of Retail licensees to compare what is in our tracking system, METRC, versus what they have on hand in their premises. We have identified the following:

- Of the Retail licensee's that we conducted audits on, 40% of licensees had discrepancies between METRC and product. Of the 40% that had issues:
 - 100% are using a point of sale system.
 - 50% had the correct amount in the point of sale system, but did not verify that the point of sale uploaded to METRC.
 - The remaining 50% had conflicting numbers in stock, in the point of sale system and in METRC, these are the most concerning.
 - They all rely on their point of sale solely to report to METRC
 - Essentially 20%(2 out of 10) of those audited do not have a way to explain the discrepancies
- The remaining 60% who had the correct amount of marijuana and/or marijuana product had a practice that they verified on daily basis that the point of sale system uploaded the correct amounts from prior day sales.

Point of Sale Systems/Third Party Integrators – AMCO Enforcement has experienced an issue where a third party integrator has not been cooperative with Enforcements request for records.

Seed to Sale/Untracked Marijuana in Licensed Premises – We have a “seed to sale” State, yet not one of our statutes and/or regulations specifically addresses this.

- Recommend regulation for introduction of untracked marijuana and marijuana product into licensed premises.

Item seeking clarification from the board:

Cultivation/Seed Bank – Seeds are tracked in METRC with package tag. Cultivators have introduced large amount of marijuana seeds into their inventory prior to inspection and then immediately after being licensed, sell the seeds to retail stores for sale to customers. We have informed cultivators that the purpose of the seed bank is not for this reason and informed them to stop this practice.

Outdoor Odor Control – Enforcement has received numerous complaints stemming from possible odor control issues. Usually this is straight forward and if enforcement receives a complaint, we issue an advisory, unless the licensee has been informed of the odor prior. We have two separate licensees that we have received numerous complaints regarding their outdoor grows. In review of their operating plan, they both indicate that the odor will naturally dissipate in the air. This has proven, at least in these two locations to be an ineffective way to control the odor of the marijuana.