Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 8/5/20

License #/Type: 16511 Standard Marijuana Cultivation Facilities

Licensee: Smoking Joe's Terps Co.

Address: 24276 Moraine Vista Street, Kasilof, AK

DBA: Smoking Joe's Terps Co.

AMCO Case #: AM20-0514

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

A shipment of marijuana was sent from Smoking Joe's Terps Co., license # 16511, in Kasilof and turned into Anchorage ACE cargo on 05/07/2020. The shipment was supposed to be received by Wildflower, license # 21069 in the City of Kodiak on 05/11/2020. The marijuana arrived in Kodiak on 05/08/2020 and was unknowingly given to a non-licensee by the commercial air carrier on 05/14/2020. The receiving licensee reported the missing marijuana to AMCO Enforcement on 05/18/2020. The sending licensee did not report the missing marijuana to AMCO Enforcement. The marijuana was recovered from the non-licensee and received by AMCO Enforcement on 05/28/2020.

Refer to attached complaint for additional information relating to the alleged violation.

Your attention is drawn to:

3 AAC 306.715(e). Security alarm systems and lock standards
(e) A marijuana establishment shall notify the Department of Commerce, Community, and Economic Development, Alcohol and Marijuana Control Office as soon as reasonably practical and in any case not more than 24 hours after any unauthorized access to the premises or the establishment's knowledge of evidence or circumstances that reasonably indicate theft, diversion, or unexplained disappearance of marijuana, marijuana products, or money from the licensed premises.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice of Violation. A licensee may respond, either orally or in writing to the Notice. 3 AAC 306.810 (2)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation, to correct any defect that is the subject of the notice of violation of AS 17.8 or this chapter.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your marijuana license number in your response.**

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Email

Date:

STATE OF ALASKA

ALCOHOL & MARIJUANA CONTROL OFFICE

In the matter of	)	
	)	
Smoking Joe's Terps Co.	)	
DBA SMOKING JOE'S TERPS CO.	)	
24276 Moraine Vista St.	)	
Kasilof, AK 99610	)	
	)	
Respondent	)	
	)	
	)	**Case No. AM20-0514**

NOTICE of VIOLATION COMPLAINT:

1. Petitioner, Michael Chiesa, Special Investigator assigned to the Enforcement Unit of the Alcohol & Marijuana Control Office, acting in his official capacity and upon information and belief, alleges as follows:

INFORMATION/INVESTIGATION

1. Respondent, Smoking Joe's Terps Co, DBA SMOKING JOE'S TERPS CO, is the holder of a Standard Marijuana Cultivation license, located at 24276 Moraine Vista Street, Kasilof, Alaska, license number 16511.

2. According to MCB and CBPL records, Smoking Joe's Terps Co., is owned by Jacob Thom 51% and Bert Nelson 49% at the time of the incident.

3. The license was issued to Smoking Joe's Terps Co., on July 25, 2019.

4. I received a report from the Alaska State Troopers, Trooper Will, on 05/16/2020 at 1138 hours. The report consisted of the following:

(a) A shipment of commercial marijuana was delivered to Kodiak Island via ACE Air Cargo.

(b) The shipment was delivered to a remote lodge on Kodiak Island. Subsequent investigation revealed the lodge was Kodiak Adventure Lodge which is not a licensed marijuana premises.

(c) Alaska State Trooper Will told me he spoke with the licensee for Smoking Joe's Terps Co, Jacob Thom, who confirmed he had shipped the marijuana to Wildflower, license #21069 located in the City of Kodiak.

5. On 05/17/2020 I received an email from Kodiak Police Department Chief of Police Timothy Putney.

(a) Chief Putney's email consisted of a forwarded email he received from Sinia Maile, manager for Wildflower, #21069 a marijuana retail store in Kodiak, AK.

(b) Ms. Maile provided a copy of a transport manifest #0001196802 to Chief Putney.

6. I looked up manifest #0001196802 in Metrc, an online database for maintaining and monitoring Alaska Marijuana Licensees activities and marijuana products from initial planting to final sale. The originating licensee for the shipment was Smoking Joe's Terps Co.

7. The manifest included transfers to eight different destinations, with Wildflower in Kodiak being the last destination on the manifest. There were three items on the manifest to be transferred to Wildflower.

8. Total gross weight of the shipment was 979 grams (approximately 2.15833 lbs.)

9. The shipment to Wildflower contained the following items:

Item #1: 1A4020300008A49000001091, Buds Honey Badger (Bud/Flower), Shp: 454.0000 g GWT: 477.0000 g

Item #2: 1A4020300008A49000001093, Buds-SJT Honey Banana (Bud/Flower), Shp: 227.0000 g GWT: 251.0000 g

Item #3: 1A4020300008A49000001092, Buds SJT Kasilof Cookies (Bud/Flower), Shp: 227.0000 g GWT: 251.0000 g

10. Manifest # 0001196802 was created by Jacob Thom at approximately 0809 hrs. on 05/07/2020.

11. The items were transported by Louise Crow from Smoking Joe's Terps Co. The shipment left Kasilof the morning of 05/07/2020 and arrived at the first destination, King Street Cannabis Company, in Anchorage at approximately 1225 hrs.

12. The final destination for the shipment, Wildflower, had an estimated arrival date and time of 05/11/2020 at 1220 hrs.

13. The Wildflower portion of the manifest listed as part of the route travelled as "ACE Air Cargo flight 145 to Kodiak."

14. The manifest listed the pickup driver in Kodiak to be Sinia Maile and listed the route of travel from Advantage Air Freight, LLC to Wildflower in the City of Kodiak.

15. On 05/18/2020, at approximately 1246 hours, Wildflower licensee, Janiese Stevens, called me. She asked if Ms. Maile had called me over the weekend. I told her that I had not spoken with Ms. Maile.

16. Ms. Stevens informed me of the shipment of marijuana she had been expecting via ACE Cargo from Smoking Joe's Terps Co and that she learned it had been sent to a lodge somewhere on Kodiak Island by mistake.

17. Ms. Stevens provided me the name and number of the agent at Advantage Air Freight, Mr. Bob Stanford.

18. On 05/18/2020 at approximately 1303 hours I spoke with Bob Stanford. Mr. Stanford explained how the marijuana shipment was sent from Anchorage under his name without his permission via ACE Cargo in Anchorage.

a. Mr. Stanford said the package was shipped to him as what ACE calls "COMAT" or Company Materials. He said as an ACE agent he receives a certain number of free pounds of cargo shipping each month. He said he rarely uses his COMAT limit each month. He said the only person he gave permission to use his COMAT shipping were friends of his who own a lodge in Kodiak.

b. He said when the cargo arrived from Anchorage on May 8, 2020 he saw a COMAT tote for him and assumed it was for his friends who owned the lodge so he put the tote with the other packages he was holding for his friends to pick up.

c. Mr. Sanford said Jacob Thom later called him looking for the package. He said he asked Mr. Thom for an airway bill. He said Mr. Thom told him he didn't have one because it was shipped to the agent.

d. Mr. Stanford said this confused him more since he was the agent and he had not authorized anybody to use his COMAT shipping aside from his friends.

e. Mr. Stanford thought this seemed suspicious since the shipper had no airway bill and did not have his permission to ship via his COMAT.

f. Mr. Stanford said he also received calls from Sinia Maile looking for the same package.

g. Mr. Sanford asked ACE Anchorage to find out what the package was. He said Jacob Thom would only say it was a "high value thing."

h. Based on his experience, Mr. Sanford thought the situation was suspicious and indicative of drug activity.

i. Mr. Sanford called the Alaska State Troopers to report the activity.

j. After learning the package was shipped to the agent, Mr. Sandford contacted his friends at the lodge and asked them to check the totes they had picked up from him and transported back to their lodge and see if any did not belong to them.

k. Mr. Sanford said his friends in Kodiak contacted him later and said they had opened a tote they did not recognize and discovered it was full of marijuana. He said he let the Troopers know there was a tote with marijuana at the lodge.

l. Mr. Stanford told me the tote of marijuana was sitting at the Kodiak Adventures Lodge in Kiliuda Bay which is approximately 26 miles north of the Village of Old Harbor on Kodiak Island.

m. Mr. Standford stated emphatically he did not give anyone permission to ship any cargo on ACE via his COMAT other than Larry Carroll and his wife.

n. Mr. Stanford said he does not know Ms. Stevens and he did not give her permission to ship anything via COMAT.

19. I called Jacob Thom on 05/18/2020. Mr. Thom confirmed the shipment of marijuana for Wildflower was turned into ACE Cargo at

Anchorage by Louise Crow on 05/07/2020. He described the package as a small black Husky tote. He said the manifest, invoice, and other paperwork were inside of the tote and the marijuana was placed inside of clear plastic bags inside of the tote with the Metrc labels attached to the bags. He said the tote was secured with cable ties but no lock.

20. Mr. Thom said Ms. Crow did not receive an airway bill for the shipment which he thought was odd. Mr. Thom said Wildflower had not paid him for the marijuana since they had not received it yet.

a. Ms. Crow told me she dropped the marijuana off at ACE Cargo in Anchorage between 1700-1730 hours on 05/07/2020.

b. Ms. Crow stated she told the person behind the counter the marijuana was to be transported to Wildflower in Kodiak.

c. Ms. Crow said an address label was on the tote addressing the shipment to Ms. Maile from Smoking Joe's Terps Co.

d. Ms. Crow indicated one of the women behind the counter said she was expecting the package and that Ms. Stevens had called.

e. Ms. Crow said they did not give her an airway bill or have her pay for shipping.

21. I asked Mr. Thom why the arrival date on the manifest for the shipment to be received in Kodiak was listed as 05/11/2020 when it was turned into Anchorage ACE cargo on 05/07/2020. Mr. Thom told me the ACE web site schedule lists the Kodiak fights as only Monday and Saturday and he was told the Advantage Air Freight office is closed on Saturdays so the first day Wildflower could pick up the delivery was Monday, 05/11/2020.

22. Mr. Thom said he did not become aware the marijuana shipment did not arrive at Wildflower on 05/11/2020 as indicated on the manifest until 05/15/2020.

23. Mr. Thom contacted ACE Cargo in Anchorage and Mr. Stanford in Kodiak to attempt to locate the missing shipment of marijuana but he did not contact AMCO to report the missing shipment of marijuana.

24. Mr. Thom stated he told Maile she needed to contact AMCO to report the missing marijuana. Additionally, he stated he did not realize shipped marijuana was the responsibility of the shipping licensee until it is received by the purchaser.

25. Further investigation revealed the marijuana shipment left Anchorage on 05/08/2020 and arrived in Kodiak on 05/08/2020. A check of flight records also revealed ACE Cargo Flight 145 successfully arrived in Kodiak from Anchorage every day from 05/08/2020 – 05/18/2020.

26. A load sheet provided for ACE Cargo Flight 145 on 05/08/2020 showed only one piece of COMAT, weighing 6 pounds for Mr. Stanford. An ACE employee had hand written an airway bill number on the load sheet next to the listed COMAT package.

27. The same Airway Bill number was listed for a second package on the load sheet. This second package was addressed to Maile, the Wildflower manager.

a. The second package on the load sheet was listed as having a weight of 18 pounds.

b. A check of Metrc records revealed another shipment for Wildflower was dropped off by Good LLC on 05/07/2020 at approximately 1200 hrs.

c. The shipment from Good LLC arrived in Kodiak on 05/08/2020 on the same flight at the shipment from Smoking Joe's Terps Co. The Good LLC shipment was picked up by Ms Maile on 05/08/2020.

d. Since the tote from Smoking Joe's Terps Co. did not have an airway bill attached and was addressed as COMAT, Mr. Stanford did not know it was a shipment for Ms. Maile.

28. Neither Smoking Joe's Terps Co. nor Wildflower contacted AMCO after the marijuana shipment was not received in Kodiak on 05/11/2020.

29. Mr. Thom did not attempt to locate the missing marijuana until 05/15/2020, four days after the shipment should have been received by Wildflower.

30. The receiving licensee, Wildflower, contacted AMCO on 05/18/2020.

31. The Alaska State Troopers received the report of the marijuana being at the Kodiak Adventure Lodge on 05/16/2020 and subsequently notified me.

32. On 05/18/2020, I received an email from the owner of the Kodiak Adventures Lodge, Larry Carroll, who confirmed the marijuana shipment was located at his lodge and he sent pictures of the marijuana shipment.

a. Mr. Carroll said he and his wife had unknowingly picked up the tote of marijuana from Mr. Stanford on 05/14/2020 when they sailed to Kodiak from their lodge for supplies and picked up other cargo from Mr. Stanford's hanger at the Kodiak Airport.

b. The marijuana was loaded onto their boat in Kodiak Harbor on 05/14/2020 where it sat aboard their boat docked at the harbor with their other cargo for several hours while they ran errands around town.

c. Mr. Carroll sailed back to the Kodiak Adventures Lodge making the approximately 4-1/2 hour ocean voyage. He said they returned to their lodge late on the evening of 05/14/2020 and did not off-load any of the cargo from their boat.

d. On 05/15/2020 Mr. Carroll and his wife unloaded the cargo from the boat and placed it in the lodge building, still not knowing one of the totes contained over 2-lbs of marijuana.

e. After being contacted by Mr. Stanford, Mr. Carroll opened the unfamiliar tote and discovered the marijuana.

f. Mr. Carroll then moved the tote of marijuana from the lodge building to the wood shed due to the strong odor.

g. Mr. Carroll told me he did not support commercial marijuana. He was very upset at receiving the commercial marijuana product and did not want the marijuana on his property.

33. The lodge is located approximately 50 air miles from the City of Kodiak or via an over four and half hour voyage on a small watercraft. The lodge is on the coast of the Pacific Ocean and is accessible only by float plane or boat.

34. Despite his discomfort Mr. Carroll agreed to store the marijuana until AMCO Enforcement or the Alaska State Troopers could reach the lodge and secure the marijuana.

35. The marijuana was stored in an unlocked, wooden storage shed, in a saltwater environment near the shore.

36. Alaska Wildlife Trooper (AWT)-Pilot Eric Lorring was able to reach the Kodiak Adventure Lodge on 05/28/2020 with an AWT float plane. Trooper Lorring took possession of the marijuana and transported it back to the Kodiak State Trooper post where Trooper Anthony Will took possession of the marijuana including photographing and inventorying it.

37. After the marijuana was entered into evidence by AST, Court Services Officer Gillum took possession of the marijuana and transported it to Anchorage on 05/28/2020 where it was released to AMCO Enforcement Evidence Technician Jason Davies. Mr. Davies then inventoried and entered the marijuana into evidence at the AMCO Enforcement Office in Anchorage.

The Alaska State Troopers expended personnel time of a State Trooper, a Wildlife Trooper Pilot, and a Court Services Officer to help recover the marijuana, secure it, and get it to AMCO. Additionally, two Department of Public Safety aircraft were used to secure and transport the marijuana from the Kodiak Adventure Lodge to AMCO Enforcement in Anchorage

38. Management at the Anchorage ACE office said they believed the only way cargo would be shipped via COMAT would be for the customer to specifically say the items were shipping to "Bob" in Kodiak or for Bob to call the Anchorage office and tell them he was expecting COMAT.

a. ACE Management in Anchorage said it was highly unlikely the counter in Anchorage would be expecting a customer to drop a package off for Wildflower based on a phone call from Ms. Stevens to the counter as Ms. Crow stated happened.

b. ACE Management said the marijuana should have shipped with an airway bill and the shipping charges should have been prepaid.

c. ACE Management stated the airway bill number for different shipments written on the load sheet next to the COMAT package appears to be a "human error." They stated COMAT does not have an airway bill number and the load sheet is not generated by the counter staff.

d. ACE said the cost to ship the 6-pound item to Kodiak would have been $18.82.

Neither the shipper, Smoking Joe's Terps Co, nor the receiver, Wildflower, paid ACE Cargo to ship the marijuana from Anchorage

to Kodiak. The total amount owed to ACE cargo for shipping is $18.82.

Prior History

1. A review of the Alcohol and Marijuana Office records shows the Respondent, Smoking Joe's Terps Co., has no prior allegations of violations, Notices of Violations (NOVs), nor any sustained findings of violations.

Requests of the Marijuana Control Board

Wherefore, in accordance with:

3 AAC 306.715(e). Security alarm systems and lock standards

(e) A marijuana establishment shall notify the Department of Commerce, Community, and Economic Development, Alcohol and Marijuana Control Office as soon as reasonably practical and in any case not more than 24 hours after any unauthorized access to the premises or the establishment's knowledge of evidence or circumstances that reasonably indicate theft, diversion, or unexplained disappearance of marijuana, marijuana products, or money from the licensed premises.

1st violation: 5-day suspension or $2500 fine

The petitioner respectfully requests,

1. That the Marijuana Control Board find that the respondent, Smoking Joe's Terps Co, committed the acts alleged above.

2. That the Marijuana Control Board place the establishment on probation for one year and fined $2500.00 with no suspension days of their license.

3. Require Smoking Joe's Terp's to pay ACE Cargo for the cost of shipping the marijuana from Anchorage to Kodiak which is $18.82.

4. Reimburse the Alaska State Troopers for the resources

used to recover and transport the marijuana from the Kodiak Adventures Lodge to AMCO Enforcement in Anchorage.

Dated at Anchorage, Alaska, this 5th day of August 2020.

Michael R. Chiesa
Special Investigator
State of Alaska
Alcohol & Marijuana Control Office

Smoking Joes Terps
Jacob D. Thom
6857 S Hangar Talk Circle
Wasilla, Alaska

June 18, 2021

Glen Klinkhart
Director
Alcohol Marijuana Control Office (AMCO)
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501
Email: glen.klinkhart@alaska.gov
Phone: 907-269-0350

RE: AMCO Case #: AM20-0514

To whom this may concern:

In reference to the Notice of Violation I am writing to formally authorize that AMCO retain the product invoiced and are relinquishing all claims to the evidence with the understanding that it will be destroyed by AMCO, in exchange to drop the AMCO Case #:AM20-0514 and no further action be taken.

Sincerely,

Smoking Joes Terps
Jacob D. Thom

Smoking Joes Terps
Jacob D. Thom
6857 S Hangar Talk Circle
Wasilla, Alaska

June 18, 2021

Department of Commerce, Community
And Economic Development
Alcohol Marijuana Control Office (AMCO)
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501
Email: marijuana.licensing@alaska.gov
Phone: 907-269-0350

RE: Section 3 "Written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b)."

To whom this may concern:

In reference to the Notice of Violation for AMCO Case #:AM20-0514 that was issued. I am writing a letter of explanation, to identify that although there is a case on file it has been reviewed by the AMCO board and has been addressed with no further action to be taken.

Sincerely,

Smoking Joes Terps
Jacob D. Thom

Received by AMCO 6/18/2021

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
https://www.commerce.alaska.gov/web/amco
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Smoking Joes Terps Co.	**License Number:**	16511		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	Smoking Joes Terps Co.				
Premises Address:	24276 Moraine Vista ST				
City:	Kasilof	**State:**	Alaska	**ZIP:**	99610

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Jacob Thom
Title:	President

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:	Initials
I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.	JT
I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.	JT
I certify that a notice of violation has **not** been issued to this license between July 1, 2020 and June 30, 2021.	

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:	Initials
I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).	JT

Received by AMCO 6/18/2021

Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Section 4 – Certifications & Waiver

Read each line below, and then sign your initials in the box to the right of each statement: Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued. JT

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application. JT

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state. JT

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board. JT

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees. JT

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board. JT

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued. JT

I, Jacob Thom, hereby waive my confidentiality rights under AS 43.05.230(a) and authorize the State of Alaska, Department of Revenue to disclose any and all tax information regarding this marijuana license to the Alcohol and Marijuana Control Office (AMCO) upon formal request as part of any official investigation as long as I hold, solely, or together with other parties, this marijuana license. JT

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Signature of licensee

OFFICIAL SEAL
Tatyanah Shassetz
Notary Public - State of Alaska

Notary Public in and for the State of Alaska

Jacob Thom

Printed name of licensee

My commission expires: 10/23/2022

Subscribed and sworn to before me this 20th day of April, 2021.

Received by AMCO 4.20.21. Payment 4.22.21