



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

ALCOHOL AND MARIJUANA CONTROL OFFICE

550 W 7TH AVENUE, STE 1600
Anchorage, AK 99501
Main: 907.269.0350

To: Marijuana Control Board
Date: April 11, 2025
From: Kevin Richard, Director
RE: Director's Report

- **Introduction**

- This report summarizes the activities of the Alcohol and Marijuana Control Office (AMCO) from the last board meetings held February 2025.

- **Discussion Topics**

- **Licensing**

- Jane Sawyer and her staff will update you on the progress that have made since the February 2025 board meetings. There is currently a vacancy for a Licensing Examiner 2 and a Regulatory Specialist 2

- **Enforcement**

- Investigator Joe Bankowski will update you on the activities of the AMCO Enforcement Unit since the February board meetings. There is currently a vacancy in the Enforcement Unit for one Special Investigator I.

- **Administrative**

- The AMCO Administrative Unit is now staffed, with no vacancies to report. The open Administrative Assistant I position was filled in March.

- **Legislative Review**

- There are currently 4 bills in session concerning Marijuana: HB 91, HB 94, SB 73, and SB 80. AMCO has a representative monitor each of the hearings.

- **Topics to be Considered**

- **The Use of Cure-Eggs and Terpene Infusing**

- It has come to the attention of the AMCO office that marijuana licensees may be using various mechanisms to infuse their marijuana or marijuana products with terpenes.
- 3 AAC 306.405 does not allow a licensed standard marijuana cultivation facility to treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the odor of marijuana.

- **NOV Practices and Marijuana Fine Schedule**

- The Marijuana Fine Schedule dated March 31, 2021 could be updated using a tiered system, similar to Oregon and California.
- NOV's are often issued without disciplinary action or fines due in part to the outdated Fine Schedule.

- **Marijuana Retesting**

- AMCO will not approve a retest for potency following a successful test for potency.
- AMCO will, generally, not approve a retest for Shiga-toxin producing Escherichia coli (STEC).
- AMCO will, generally, not approve a retest for Salmonella.
- **Marijuana Products Including THC Derived from Industrial Hemp Products**
 - It has come to the attention of AMCO that marijuana products are being approved, or have been approved, that are manufactured in violation of statutes and regulations. These products are combinations of marijuana and industrial hemp.
 - A non-compliant product is one that combines a marijuana product with a hemp product that has been modified beyond the form that was endorsed for human consumption.
 - EX. It violates state law to use CBD Isolate endorsed by the Division of Agriculture, convert it to Delta-8 THC, and further convert it to Delta-9 THC before combining it into a marijuana product.
 - This presents problems for multiple reasons, and the Division of Agriculture and the Alcohol and Marijuana Control Office intend to investigate these matters further and pursue enforcement actions against licensed marijuana establishments that manufacture or knowingly sell products in violation of state law.
- **Next Board Meeting**
 - The next Marijuana Control Board meetings are scheduled for June 25-26 in Fairbanks, AK.



Kevin Richard
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 Alcohol & Marijuana Control Office
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Friday, April 11, 2025

To: Marijuana Control Board
From: Kevin Richard, Director of AMCO
RE: Marijuana Products Utilizing "Cure-Egg" or Terpene Egg

It has come to the attention of the Alcohol and Marijuana Control Office and the Division of Agriculture that marijuana licensees are using various mechanisms to infuse their marijuana or marijuana products with terpenes. The "Cure Egg" or Terpene Egg devices seem to be the topic of some discussion.

AMCO's understanding is that a device is loaded with terpenes that are sourced from various marketplaces. This device is placed into an airtight container with marijuana or marijuana products. The device diffuses the terpene into the container, and the terpenes are then absorbed by the marijuana or marijuana product.

Terpenes are a class of organic compounds often derived from plants and are associated with providing flavors and fragrances.

3 AAC 306.405(c) states: "A licensed standard marijuana cultivation facility may not (3) treat or otherwise adulterate marijuana with any organic or nonorganic chemical or compound to alter the color, appearance, weight, or odor of the marijuana."

This does not prevent the use of terpenes by a marijuana product manufacturer with an approved product via MJ-16.

Kevin Richard
Director, AMCO



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To: Marijuana Control Board
From: Kevin Richard, Director of AMCO
RE: Marijuana Products Including THC Derived from Industrial Hemp Products

It has come to the attention of the Alcohol and Marijuana Control Office and the Division of Agriculture that marijuana products are being approved, or have been approved, by AMCO that are manufactured in violation of statutes and regulations. These products are combinations of marijuana and industrial hemp. A compliant product combines ("adds, mixes, or incorporates") marijuana with a Division of Agriculture endorsed industrial hemp product, such as CBD isolate in its final form.

A non-compliant product is one that combines a marijuana product with a hemp product that has been modified beyond the form that was endorsed for human consumption. For example, it violates state law to use CBD isolate endorsed by the Division of Agriculture, convert it to delta-8 THC, and further convert it to delta-9 THC before combining it into a marijuana product. This allows a manufacturer to cheaply increase the THC of a marijuana product by chemically altering an industrial hemp product.

This presents problems for multiple reasons:

1. These products are made in violation of the Division of Agriculture's regulations that prohibit selling a non-endorsed hemp products even if it is mixed with a marijuana product.
2. Delta-9 THC that is derived from untaxed industrial hemp unfairly competes against delta-9 THC derived from heavily-taxed marijuana, which deprives the State of revenue and puts downward pressure of the price of marijuana.
3. A description of the product manufacturing process in a Form MJ-16 generally is insufficient to identify the conversion of industrial hemp products to delta-9 THC.

The Division of Agriculture and Alcohol and Marijuana Control Office intend to investigate these matters further and pursue enforcement actions against licensed marijuana establishments that manufacture or knowingly sell products in violation of state law.

Kevin Richard
Director, AMCO