THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600
Anchorage, Alaska 99501
Main: 907.269.0350

To: Marijuana Control Board
Date: August 24, 2026
From: Kevin Richard, Director
RE: AMCO Director's Report

Marijuana Renewal Application Reminder

Any marijuana renewal application that is submitted after June 30, 2026, is delinquent and will be assessed an additional non-refundable $1,000 late renewal application fee under 3 AAC 306.100(b).

Any marijuana establishment that fails to submit a complete license renewal on or before August 31, 2026, for any reason, including failure to pay any required fees or submit accurate and complete copies of any required supplemental documents, will have its corresponding license expire at 12:00 midnight on August 31, 2026. The only exception is if the license qualifies for license reinstatement under 3 AAC 306.035(i).

- **Introduction**
  - This report summarizes the activities of the Alcohol and Marijuana Control Office (AMCO) from the last board meetings held in June 2026.

- **Discussion Topics**
  - **Licensing**
    - Regina Cruz will update you on the progress that has been made since the June 2026 board meetings.
  - **Enforcement**
    - Joe Bankowski will update you on the activities of the AMCO Enforcement Unit since the June board meetings. There are currently three vacant Special Investigator positions in Anchorage, Fairbanks, and Juneau that we are working on reclassifying.
  - **Administration**
    - AMCO is recruiting for an Administrative Assistant 1 position.
  - **AO 360**
    - AMCO has been working on the AO 360 Reform Plan since the project was opened on May 11. Staff have gone through the reform plan and identified regulations that are ready for draft language. As a reminder, public oral comments may not be received on the opened regulations project that have been reviewed and approved by Dept. of Law.
  - **Legislative Review**
    - **SB 208** Agricultural Land; Hemp; State Vegetable

- **Sponsor:** Senators Bjorkman, Kiehl, Giessel, Yundt, Claman, Kaufman, Cronk, Rauscher, Tilton. Representative Elam.
- **Status:** Awaiting Transmittal to Governor
- SB 208 went into law on 8/11/2026.

- **Legislative Audit**
  - AMCO is currently participating in a routine legislative audit of both the Alcoholic Beverage Control Board and the Marijuana Control Board. The report will be released later this year.
- **Lawsuits Between Hemp Companies and Drug Enforcement Administration on HHC**
  - Bluestar Operations, LLC v. U.S Drug Enforcement Administration
  - IHC Investments, Inc. v. United States Drug Enforcement Administration
  - Two hemp companies are suing the DEA after the DEA's claims that hexahydrocannabinol is a schedule I substance.
  - The DEA appears to be taking the stance that "only tetrahydrocannabinols in or derived from the cannabis plant – not synthetic tetrahydrocannabinols – are excluded from control as "tetrahydrocannabinols in hemp."
- **METRC Tags**
  - AMCO is aware of questions and concerns about METRC tags after they tested positive for trace amounts of lead, arsenic, and BPA. The California Department of Cannabis Control (DCC) released an update on August 3, 2026.
  - "Based on the low levels of the chemicals found in the tags, and information from METRC about the limited contact workers have with them, there is no evidence that workers are at risk. The concern for cannabis consumers is even lower."
- **Fraudulent Payment E-Mails**
  - AMCO has received reports from licensees that they are receiving e-mails fraudulently requesting payment. Please be aware that legitimate e-mails from AMCO will **only** come from an @alaska.gov e-mail address.
- **Administrative Holds**
  - Please see the attached memo regarding the July 15, 2026 administrative hold and release of some affected products.

Kevin Richard
Director, AMCO

POLITICS

DEA Says Hemp Company Can't Challenge Agency's Stance That Synthetic Cannabis Compound HHC Is Federally Banned



Published on August 13, 2026
By **Tom Angell**



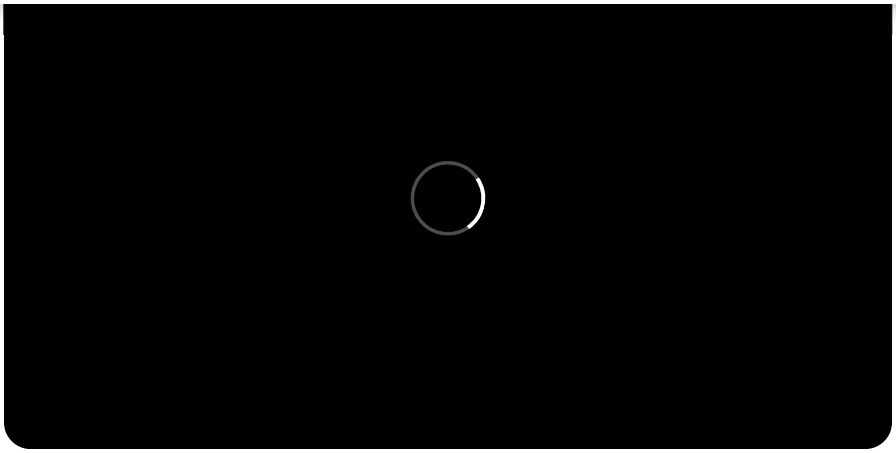
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The Drug Enforcement Administration (DEA) is defending its stance that a cannabinoid produced synthetically from components of the cannabis plant is federally illegal.

DEA issued a rule in May saying that while it had already considered hexahydrocannabinol (HHC) to be a Schedule I illegal substance under the federal Controlled Substances Act (CSA), the agency will now giving the compound its own unique drug code for classification.

Two hemp companies filed separate lawsuits challenging the move, however, and on Tuesday DEA filed a brief in the U.S. Court of Appeals for the Fourth Circuit in response to one of them —arguing that the company, Bluestar Operations, LLC, does not have standing to bring the

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HHC, the agency said, "is a synthetic hallucinogenic drug that for decades has been included in schedule I under the Controlled Substances Act (CSA)" and has a similar chemical structure to THC, for which it has shared a DEA drug code until now.

Assigning the code does is "a technical change that has no substantive effect on HHC's status as a schedule I substance," DEA said.

"All the rule does is assign a tracking code to HHC to facilitate DEA's administration of the CSA," the brief said, adding that because the change "imposes no new obligations or liabilities," Bluestar has not "identified any injury traceable to the rule that can be remedied in this proceeding."

Beyond that, DEA said, "Bluestar does not even claim that the listing of HHC in schedule I is categorically unlawful."

> "Bluestar claims only that its specific products are hemp and therefore exempt from schedule I. But whether Bluestar's HHC qualifies as a schedule I substance under the CSA or as hemp under the 2018 Farm Bill is a question of how those two statutory schemes interact and how Bluestar's HHC is produced. Even under Bluestar's view, there will still be HHC that does not meet the statutory definition of hemp; it is undisputed that at least some HHC products are properly included in schedule I, such as those with high concentrations of intoxicating substances. Nothing in the final rule conclusively adjudicates whether the HHC manufactured by Bluestar qualifies as hemp, nor does the rule impose independent obligations on Bluestar. Bluestar remains free to argue that its HHC qualifies as hemp in an appropriate case."

"Even if this Court were to grant Bluestar's requested remedy and vacate the final rule, HHC still would be a schedule I substance as a THC," the DEA brief said. "Bluestar thus would continue to suffer the same alleged injuries, which all stem from HHC's placement in schedule I."

The drug agency also pointed to forthcoming planned changes in the legal status of hemp products.

Hemp derivatives with less than 0.3 percent delta-9 THC on a dry-weight basis were federally legalized under the 2018 Farm Bill that President Donald Trump signed during his first term in office. But late last year, the president signed new legislation containing provisions that will remain legal after November 12.

remains of Bluestar's claims," it argued.

That said, Senate recently approved a funding bill that includes a provision to delay the effective date of the hemp product ban until December 11—a move that was supported by the White House. While that change has not yet been approved by the House of Representatives or enacted into law, industry supports believe it could give them more time to convince Congress to enact a regulatory structure for hemp products as an alternative to broad prohibition.

Meanwhile, the appeals court considering Bluestar's challenge in June denied the company's request for a stay on the drug code rule pending resolution of the litigation.

The U.S. Court of Appeals for the Ninth Circuit is considering a separate similar case brought by the hemp company IHC Investments, Inc.

Both suits say the agency's decision is "unlawful."

In earlier briefs filed in June, DEA has said that each petitioner "fails to meet any of the factors required to show that a stay pending review would be warranted."

HHC can be found in trace amounts in cannabis plants but is also synthesized by hydrogenating cannabidiol (CBD). It's sometimes sprayed on cannabis flowers that are low in delta-9 THC, the most well-known psychoactive component of marijuana, and its psychoactive effects are reportedly similar.

While the 2018 Farm Bill federally legalized hemp and its derivatives with less than .3 percent delta-9 THC on a dry-weight basis, DEA says that only applies to naturally occurring, and not synthetic, cannabinoids. As such, it is the agency's position that HHC does not fall under the definition of legal hemp.

The Bluestar case cited a prior ruling in the Fourth Circuit that found the hemp-derived cannabinoid THC-O-acetate is federally legal despite DEA's claim to the contrary.

"Congress intentionally employed expansive statutory language and did not prohibit cannabinoids subjected to ordinary extraction, refinement, conversion, hydrogenation, distillation, or similar manufacturing processes commonly utilized throughout the hemp industry," the complaint said.

DEA's move "conflicts with the plain text, structure, and purpose of the 2018 Farm Bill and unlawfully inserts limitations Congress neither intended, nor enacted," it said. The agency's action has "already caused immediate and concrete harm to the Petitioner, including substantial compliance costs, business uncertainty, reputational harm, disruption of commercial relationships, and interference with ongoing operations."

> "Congress, not executive agencies like the DEA, defines the scope of federal criminal liability. The DEA lacks authority to narrow Congress's legalization of hemp cannabinoids through interpretive construction unsupported by statutory text."

The IHC Investments case cited a prior Ninth Circuit ruling that the federal legalization of hemp through the 2018 Farm Bill removed restrictions on a wide range of molecules produced by the cannabis plant—including the psychoactive cannabinoid delta-8 THC.

The petition said that "DEA effectively, and thus unlawfully, attempts to expand federal criminal liability through administrative interpretation, unsupported by the plain statutory

"Congress did not clearly authorize the DEA to criminalize broad categories of hemp-derived cannabinoids through administrative interpretation."

Both petitions argued that DEA's move violates the major questions doctrine, a precedent holding that if an agency seeks to decide an issue of major national significance, that action needs to be supported by clear congressional authorization.

The agency's ban of HHC "carries enormous economic and political significance affecting a nationwide hemp industry involving billions of dollars in commerce," the litigation brought by Bluestar said.

DEA, for its part, said in the HHC rule it filed that "only tetrahydrocannabinols in or derived from the cannabis plant—not synthetic tetrahydrocannabinols—are excluded from control as 'tetrahydrocannabinols in hemp.'"

"To clarify further, tetrahydrocannabinols produced through chemical conversion, even when hemp derived are considered synthetically produced for purposes of the CSA, do not qualify as 'tetrahydrocannabinols in hemp' under" the 2018 Farm Bill, the agency said.

The Federal Register notice wasn't the first time that DEA addressed the legal status of HHC.

In a 2023 letter, Terrance Boos, chief of DEA's Drug and Chemical Evaluation Section, wrote that HHC "does not occur naturally in the cannabis plant and can only be obtained synthetically, and therefore does not fall under the definition of hemp."

The recent filing signed by DEA Administrator Terrance Cole said that "this rule does not affect the continuing status of hexahydrocannabinol as a schedule I controlled substance in any way."

"This action, as an administrative matter, establishes a separate, specific listing for hexahydrocannabinol in schedule I of the CSA and assigns a DEA drug code for this substance," it said. "This action will allow DEA to establish an aggregate production quota and grant individual manufacturing and procurement quotas to DEA-registered manufacturers of hexahydrocannabinol, who had previously been granted individual quotas for such purposes under the drug code for tetrahydrocannabinols."

The DEA notice cited a move last year by an international drug control body to add HHC to Schedule II of the United Nations Convention on Psychotropic Substances of 1971—but the document doesn't note that when the Commission on Narcotic Drugs (CND) took the action, the U.S. was the only country to abstain from the vote.

DEA said that the U.S. Department of Health and Human Services (HHS) "concurs with the direct listing and drug code assignment of hexahydrocannabinol in the CSA."

Read the DEA recent filing in the HHC lawsuit below:

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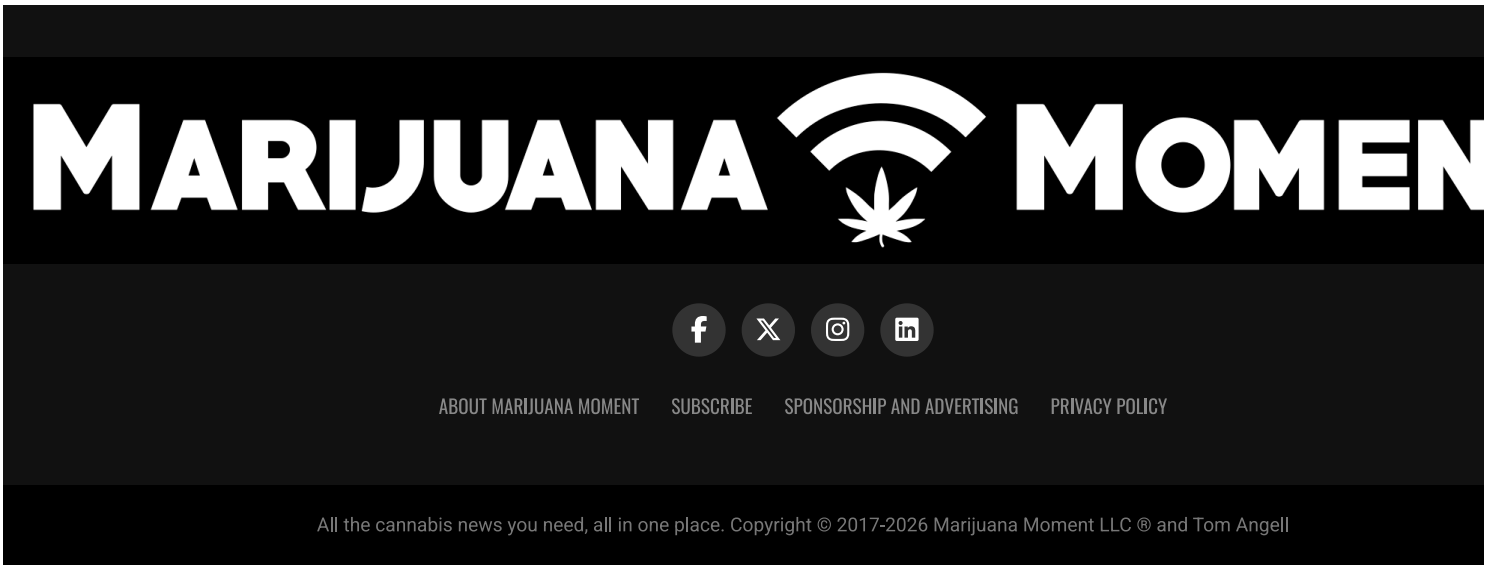
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Tom Angell

Tom Angell is the editor of Marijuana Moment. A 25-year veteran in the cannabis and drug law reform movement, he covers the policy, politics, science and culture of marijuana, psychedelics and other substances. He previously reported for Forbes, Marijuana.com and MassRoots, and was given the Hunter S. Thompson Media Award by


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August 3, 2026

Update on Metrc tags



Protecting consumers is the Department of Cannabis Control's (DCC) top priority and California's regulations, including testing requirements, are built around that goal.

We understand there have been some ongoing questions and concerns about Metrc tags and will provide our most updated information.

We have been tracking these concerns and responding to inquiries since they were brought to our attention in November last year. To date, there is no evidence that Metrc tags pose any risk to employees who handle them, or that Metrc tags could account for a cannabis product failing testing.

This issue was first brought to our attention after a Metrc tag was tested for contaminants and the plastic parts tested positive for low amounts of the chemicals lead, arsenic and bisphenol A (BPA). The laboratory tests were performed on a Metrc plant tag, not on cannabis. The tests performed were not appropriate to determine whether the chemicals found in the tags posed an exposure risk to employees or to consumers. Specifically, the testing was done in a manner that assumed workers would be exposed to the chemicals through inhalation or ingestion. This is very different from the ways in which the tags are handled. A tag is not intended to be inhaled or consumed, so measuring the chemical levels found in the tag through these test methods against the action levels set for cannabis flower does not align with exposure to a consumer, or to an employee handling a tag at a cultivation site. The available data do not indicate that chemicals from the tags transfer to the cannabis plants, and additionally, our cannabis product testing requirements would identify these chemicals so they don't reach the consumer.

Since November, DCC has been communicating on this topic with Metrc and with the California Office of Environmental Health Hazard Assessment (OEHHA), the state's environmental health authority, which administers Proposition 65. OEHHA conducted a preliminary review of the available data and information provided by Metrc and DCC. Based on the low levels of the chemicals found in the tags, and information from Metrc about the limited contact workers have with them, there is no evidence that workers are at risk. The concern for cannabis consumers is even lower. Currently, OEHHA does not believe the trace levels of the detected chemicals warrant a Proposition 65 warning. Metrc's outside experts have independently confirmed that the tags are safe for use in cultivation environments and maintain their structural and functional integrity.

We take questions about product and workplace safety seriously and will continue to coordinate with OEHHA, Metrc and others to address and alleviate any issues.

Finally, a related note regarding proper tag disposal.

Recycling and waste disposal requirements vary by jurisdiction. DCC has reached out to CalRecycle for guidance on recycling Metrc tags and will report back in an upcoming Licensee Update.

From: "marijuana-licensing alaska gov" <marijuana-licensing.alaska.gov@usa.com>
To: [redacted]
Sent: Wednesday, August 26, 2026 11:32:33 AM
Subject: Outstanding Violation Fee

Please be reminded that, as of now, the Commission has yet to receive your payment. We encourage you to promptly request the settlement instructions so you can proceed with the payment and resolve the matter without further delay.

THE STATE of ALASKA

MARIJUANA CONTROL BOARD
212 Chenega Ave.
Valdez, AK 99686

INVOICE
Due Date: Upon Receipt
Total Amount Due: $16,600.00

BILLED TO:

[redacted]

INVOICE BREAKDOWN

Description	Amount (USD)
Approval and Review	$16,600.00

Total Amount Due: $16,600.00

REMITTANCE INSTRUCTION

Payment Method: Wire Transfer
Instructions: Wire transfer details will be provided upon request.

Thank you for your prompt attention and cooperation.

Issued By:
CITY OF VALDEZ COMMUNITY DEVELOPMENT DEPARTMENT
212 Chenega Ave.
Valdez, AK 99686

FAKE

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West Seventh Avenue, Suite 1600
Anchorage, Alaska 99501
Main: 907.269.0350

To: Marijuana Control Board
Date: August 24, 2026
From: Kevin Richard, Director
RE: July 15th, 2026, Administrative Hold Update

On July 15, 2026, the Alcohol and Marijuana Control Office ("AMCO") placed an administrative hold on marijuana or marijuana products originating from marijuana cultivation licenses 32405 and 10959 pursuant to 3 AAC 306.830(a)(5)(B).

Since imposing the administrative hold, AMCO has continued its investigation, conducted informal conferences with licensees, reviewed METRC and production records, and evaluated additional information concerning the movement and use of marijuana or marijuana products originating from the cultivation facilities. That investigation produced information that allowed AMCO to narrow the scope of marijuana and marijuana products for which continued application of the administrative hold remains justified. Accordingly, AMCO has released from administrative hold those products that are no longer within the scope of the investigation in this matter.

Products that have been released from administrative hold since July 15, 2026, can be sold, moved, transferred, or engaged in other commercial activity.

AMCO wanted to inform the Marijuana Control Board of the following:

The administrative hold was originally placed by selecting all products that originated from licenses 32405 and 10959 and any derivative product. This means that any product that was connected to these licenses in METRC was placed on administrative hold. This includes products that were harvested from the licenses, transferred from these licenses, or manufactured from products that were, at any point, received from these licenses.

After the Marijuana Control Board Special Meeting on July 28, 2026, AMCO received input from licensees that they had product on hold, but that hadn't conducted business with 32405 and 10959 in years. AMCO ran METRC reports for concentrates with quantities over 1,000g and reviewed the source package history. What AMCO found is that many concentrates list hundreds or thousands of harvests in their source harvest history, with harvest dates going back to 2016. Products were still actively listing, as a source harvest, marijuana that had been harvested a decade ago.

In the review of products placed on administrative hold, AMCO found that packages with quantities of zero were placed on administrative hold. Zero-quantity packages were the greatest

number of administratively held packages, which created problems when AMCO was trying to release the administratively held products.

On/about August 7th, 2026, AMCO concluded that we could release the administrative holds on products that were harvested from 32405 and 10959 prior to June 1, 2026. This would release products that were outside of our investigatory window, products that were transferred from, but not harvested by, 32405 and 10959, and products that contained a source package from months or years prior to the investigation.

On August 7th, August 8th, and August 9th, AMCO was able to release most of the products that were administratively held based on the above criteria. AMCO discovered some technical limitations on the administrative hold process:

- There were tens-of-thousands of packages placed on administrative hold, in part because of quantity-zero products being held.
- AMCO could only release packages in batches of 50 or 100. Batches of 50 were routinely error-free, 100 could time out, and anything greater than 100 would consistently time out.
- Each release could take up to 2.5 hours to complete.
- During each release, the queue would have to be monitored. If a package had an error, it could stall the release and eventually cause the application to time out. Additionally, it seemed that if more than four errors occurred during a release, the release would fail.

AMCO has been working with METRC to address zero-quantity administrative holds and the difficulties faced in releasing the products. AMCO is reviewing all the input received from stakeholders in this matter to help refine and adopt better administrative hold procedures in the future.

Sincerely,



Kevin Richard
Director, AMCO