

WSLCB - Executive Management Team (Jun 27, 2018) - Transcript

06.27.2018 1:30 pm @ WSLCB Board Room, Olympia, Washington.

Participants

Attendees

- Chair Jane Rushford
- Member Ollie Garrett
- Member Russ Hauge
- Rick Garza, Director
- Peter Antolin, Deputy Director
- Justin Nordhorn, Enforcement Chief
- Brian Smith, Communications Director
- Becky Smith, Licensing & Regulation Director
- Gretchen Frost, Special Assistant
- Dustin Dickson, Executive Assistant

Observers

- Gregory Foster, Cannabis Data

Transcript

Approval of Minutes - Jane

Jane: Dustin, we had a change in the, in the minutes we were looking at today, correct?

Dustin: Correct. So we're going to hold off on the 13th.

Jane: On both of them?

Dustin: We can do the 20th.

Jane: Ok. Do I have a motion to approve the June 20?

Russ: Ok, I will move approval of the June 20th, 2018 EMT meeting minutes.

Ollie: Alright, I second.

Jane: Thank you. We'll wait for Becky. Anything newsworthy while we're waiting?

Brian: I mean they're, they're always coming in. I just did my LCB results and those, we're still averaging three-and-a-half media calls a day, which is easy for us and extreme for a lot of places. But I mean it's, the Washington Post called today about packaging waste and marijuana stuff. Yeah.

Ollie: Did Oklahoma win the vote of approval last night?

Russ: Yeah.
Ollie: It did? It did.
Rick: Was it for medical?
Ollie: Yeah.
Gretchen: Yeah. I saw that.
Jane: It was an interesting election night.
Ollie: [laughs]
Brian: Yeah, I didn't even think that was coming until I saw the results today. It was really new.
Jane: Wow.
Ollie: New York sent a clear message.
Brian: Clear for the left.
Jane: It's a new generation.
Ollie: Well, we were talking-
Peter: Watch your left flank.
Ollie: Yep. What was the percentage? I haven't seen the percentage.
Brian: I just saw it was big, wins big, I haven't read it. I, I didn't see what, how much.
Ollie: It wasn't-
Jane: It wasn't too big, but it wasn't too tight either.
Ollie: Ok.
Jane: I don't remember what, you know, two points is a lot.
Russ: It's kind of, yeah, we didn't have that big of a margin here in Washington. What was it?
What was it? 54 to-
Dustin: I think so.
Russ: Yeah.
Jane: 54, oh, in the [\[Initiative\] 502](#) [vote]?
Justin: Yeah, 54 to 46.
Ollie: Oh, I was talking about the New-
Jane: But you were talking about the rally.
Peter: About the New York election.
Ollie: Yeah, I was talking about the New York. Yep.
Jane: It was a handsome win.
Ollie: It was.
Jane: It wasn't a landslide, but there was no doubt she won.
Ollie: That movement is taking off. That'll be interesting.

Department Updates - Russ

Jane: Well, while we're waiting, let's see if there, is there, would anyone be willing to start on their round table? You have anything for the group Russ?

Russ: No, nothing beyond what I shared at the Caucus yesterday. We met with the [Elwha Tribe](#) and I'm encouraged by the direction that the medical cannabis delivery system work is going.

Jane: Good. Thank you.

Department Updates - Ollie

Jane: So, we'll go ahead when you're ready Becky. When you're ready we'll go ahead with your last, why don't we take a, we'll take another round table while you get settled.

Ollie: You were first on the agenda.

[general laughter]

Ollie: It's that lunch with Rick.

Jane: So, Ollie, did you have anything?

Ollie: No.

Licensing Update - Becky

Jane: Ok. Are you ready? Ok, great.

Becky: So, I wanted to just bring up, I'd, I had said "Licensing Updates," but it's just really one update, as I wanted to make the Board and everyone aware that we're, the letters, the forfeiture letters would be going out this weekend. And so, I believe we have, I was going to say 14 of those that'll be going out. And so, the one thing to know is that we're already getting phone calls, and so I, I suspect that we'll continue to, that we have folks off next week on vacation, but we have both [Linda Thompson](#) and Nicola [Reid] and Jeanne will all be around to answer any phone calls. It's not anything new. All the folks that we are sending letters to are, have been everyone that we've been communicating with for the last year. So, even though it might seem like it's new for them, it's, it's not. That we sent a letter back in April, and so now the letter that'll be going out will be very clear. There's, you know that, that I don't see, we've had, I've had four people reach out that want exceptions. It wouldn't be any exceptions that I would approve, and I certainly wouldn't think that the Board would want to approve those exceptions. It's things like they, they're still building out a year later, that, that they're in the middle of selling their license, that they just assumed a license, that they're getting financing. But again, this is a year coming. It's not new.

Ollie: Are the, the 14 are all retailers?

Becky: They are all retailers. So I just wanted to make everybody aware of that.

Jane: So Nicola goes on vacation next week, correct? But Jeanne's here?

Becky: She goes after the 3rd.

Jane: Ok.

Becky: Yes, but Jeanne'll be here.

Jane: Ok, good.

Brian: Can you send me over a copy of the letter?

Becky: I will.

Jane: That would probably be great for us to have as well.

Ollie: Because it, it probably is gonna make it to the press at some point.

Jane: Yeah, yeah.

Becky: I'm sure. And so any, any time, because if, you know, if they're not operating by August 1st, so we think that four of them came online this week. So we think that people will come

online really quickly once they receive the letter, because even of the four that reached out, they said they could open, it would just be, they would just like to wait. I mean, if they had to open, they would open, and it's like, well, you, you have to open. You know that, that, and some of them aren't in a location that they like, that they think that they would do better business if they could relocate somewhere else. Again, it's been over a year.

Russ: That's, that just sound so wacky to me.

Becky: So I will, I'll send you a copy of the letter. And then again, they'll probably be four of these folks that will reach out to the Board to look for an exception. It wouldn't be an ex-, any of the reasons that we hear-, have heard, certainly wouldn't be any reason to give an exception.

Jane: Any questions for Becky?

Ollie: So, I know we did the celebration of the cleanup. What's the end results of all of that right now?

Becky: So the clean up?

Ollie: The licensing, all done?

Becky: Yeah, so we still have our, right now we're looking at, we've been meaning to have a recommendation for the Board, because we still have about eight that we can license. And so those folks are moving through the process for retail only, and, and the rest will be in, we either need to have a conversation with those folks that are under the 502, and there's 11 of those that can, you know, that are in areas that there's moratorium and bans. So they've chosen not to get licensed, which isn't a bad choice, right? But at some point if we want to be done, we need for either to issue them certificates or to just withdraw the applications. So we're looking at some options for, and recommendations for the Board.

Ollie: So we have some that's in ban and moratorium, that wasn't part of the other group that was offered certificates?

Becky: They were all offer-, yes, that's correct. Because in order to receive a certificate, you had to be licensed, because it was a way that we were trying to make them, you know, that, that have less of a, you know, the impact on-

Ollie: Right. So the, the others you're referring to are not licensed, but was trying to open in a ban and moratorium, or that was what?

Becky: Yeah, so they were in the, they were the first retailers.

Ollie: Ok.

Becky: So they were in the first pool, so they were 502 retailers. So once we did the lottery and we were, we said like, you know, Jane was one of the lottery winners. She got to keep that lottery to be a lottery winner. We never forced them to get licensed.

Ollie: Ok, so that's what that is. They didn't. Ok.

Russ: What are we gonna do with the licenses that are forfeited?

Becky: So when that comes up by, that's what we want to be able to get through with these folks, is that we want to be able to close, because right now remember we still have-

Russ: In other words we don't, are you saying we don't know?

Becky: We don't know.

Russ: Ok.

Becky: We have to be done with this pool of folks before we make a decision.

Russ: Ok, so step one, we get it all taken care of, then we're gonna have a pool of licenses and we're gonna have to make a decision as to whether to reissue them or just deep six them.

Becky: That's correct.

Russ: Ok.

Ollie: And on the certificates, how did that go? Did everyone apply? What happened there?

Becky: No, we still only have 17 retailers that have applied.

Ollie: Out of, what was it?

Becky: Out of 52.

Ollie: So that means the 52 are choosing to just stay put.

Becky: They are.

Ollie: Ok.

Becky: They are. And remember we reached back out to them again. So we, we both, you know, we sent emails, we made phone calls. I asked Christina why are folks not taking advantage of it, and some of believe that they'll be able to overturn the moratorium or ban. And some are just sort of, I think that they're afraid that they might not get their license reissued. We even know they have, they hold the certificate so.

Rick: Interesting. That's what that is.

Ollie: So they're not trusting, trusting the process.

Jane: Yeah.

Rick: They're worried we'll yank the certificates. That's odd.

Jane: So again, when they did not respond for the certificate, they're still obligated to fulfill-

Becky: They are.

Jane: Yeah. Makes sense but, ok, any other questions for Becky?

Ollie: Not from me.

Jane: Thank you.

Hidden Ownership Amnesty Program Proposal - Justin, Becky

Becky: So did you?

Justin: We haven't talked about it yet.

Becky: Ok.

Justin: We're gonna wait for you. We, we have another kind of Licensing and Enforcement issue we wanted to bring up. We're gonna talk with Rick a little bit about this. We came up with an idea on hidden ownership dynamics. I was getting some calls from attorneys saying, "I don't want to tell you who it is, but I've got clients who want to get their licenses, right? But they're too scared to, to make application to correct this, because they think they're just going to go through a cancellation process." So I said, ok. So, Becky and I started talking about this, and I talked with Rick a little bit about it, kind of came up with a amnesty idea for a short window to say, we'll give you, you know, you come forward in good faith and you're a qualified applicant, you apply and you follow through with the process, not, you know, drag it out and not participate with Licensing, and if you're qualified applicant, and you know, maybe you were a financier that morphed into a true party of interest, because I was just lending money and now I'm getting sucked into business, because whatever reason, get these people in compliance and so we can

lighten some of the workload on the investigation side. And so, we put some criteria together in, in our preliminary talks to say, ok, in order to qualify for this you can't be under a current investigation. You have to be a qualified candidate. You have to participate within the 30-day window that we would open it up for, those types of things. And so Becky and I talked about it, her staff did a fantastic job developing a flow model, a process, and then working with Brian on putting a letter together. And so we wanted to present the idea to you all with some completed staff work already done that, and see what, what you feel about allowing for this type of compliance effort, because the whole interest is to bring people into compliance. If we need to do it by investigations and tickets or if we have these lower level ones that aren't criminal organizations, and to get them into, into compliance. So that's what we're, we're brainstorming here and presenting to you all for consideration.

Ollie: See, when I first started talking about it and was hearing about it, and this is, I wasn't under the impression that this was just to get them in compliance, that these were intentional things going on behind the scene.

Justin: Some are intentional, and I think some potentially are not. So, you know, you've got a fairly young industry and people have made mistakes.

Russ: Can I see that?

Justin: The flowchart.

Russ: Yeah, that one. Thanks.

Justin: So you've got a fairly young industry where there's mistakes been made, and when we opened it up for the financiers especially, we're saying ok, I can gift you money. I can lend you money. And now, I have an investment, but it's not that I'm getting a profit or anything like that. But because, you know, I, I provided money, now I might feel compelled to get more involved, and so that's morphed into, now actually a true party of interest not just a financier. Those are more the target audience that we're looking at, and how do we get these folks to come forward and make sure that this can get corrected if there's an interest in getting corrected? If there's not, you know, if you're a hidden owner for whatever other reason, you have an intentional hidden ownership, you're not going to come forward in this program. And the other thing on the back end of this, is if you engage in this idea, if, if this were to go forward, you apply for the license, or the change in license I should say, and you don't follow through with providing Licensing with your documentation and you get withdrawn, then it goes to Enforcement for an investigation, because it's already, you, you disclosed there's an issue, and now it just launches into, into this. So I don't think this would be a widespread interest, but it would get a, a small group of people probably an opportunity to get into compliance without penalty and say, I want to do the right thing, I want to make it right, but right now I'm not because I'm too scared that, you know, it's gonna jeopardize everything that I have.

Becky: And there was a while there that we had, you know, that Licensing was behind by more than just a few months when it came to doing change requests. And so, for some financiers, for some businesses, they decided that they would go ahead and just take the money, and then they've never reported those folks to us, because they're afraid now that they're going to receive, and you know, an [Administrative Violation Notice](#) (AVN)] for taking money without us vetting that first. So it's not an excuse, but it is way for us to know who's involved in these businesses, and you know that, that it's, you know that, every time we, we, we're still getting a

large amount of entity changes in Financial, you know that, that people financing these businesses. So to think that we even have more investigations going on with hidden ownership or hidden financiers, you know that, that certainly would be helpful.

Ollie: And then the case, the scenario you just described and stuff, where they were just went ahead and just took the money, the innocent type cases like that. How do you determine what's that and what's intentional, and then how would that apply to the ones that you're saying that's already under investigation, to say the amnesty doesn't apply at this point? How do you-

Justin: Well, I think on some of those, you know, we're going to have to make a threshold decision. So, if we have an active investigation, or let's say there's a complaint, we haven't even started the investigation yet or it's just preliminary, and it's somebody saying, "yeah, I want to fall on the sword and, you know, I was a financier and now I'm a true party of interest." You know, we could take a look at how we want to proceed with those as they come in. The intent is to draw people in who aren't sharing any information. And were these intentional? Potentially, you know, and that, that's really the struggle. And when I would talk to my staff about it it's, well, you got somebody who's potentially, you know, had an intent on, on, you know, providing money and those types of things and they didn't go through the vetting process. We're looking at this from from, from, the benefit to the agency is, how do we alleviate some of the stress on the amount of investigations that are going on in hidden ownerships? And when you look at the cancellation impact, if you get people into compliance, isn't that what our, our end goal is, instead of the punitive approach, it's can we get compliance in these areas? And that, that's really the, the challenge that we're, we're trying to explore.

Russ: There's a problem. If we offer some kind of amnesty, for it to be effective, it really can't be conditional and that's what you're talking about. Unless we're pretty sure that we're going to attract this innocent let's say, or non-, attract those people who are not, didn't enter into it with fraudulent intent, we're going to get them, and they're going to lie, and we're going to have to sort it out. And it's, you probably should talk with Bruce [Turcott] and [Washington State Attorney General's Office Senior Counsel] [Mary \[Tennyson\]](#) about this, because I think it's going to leave, create an avenue for litigation-

Rick: That, that's what I was gonna ask. Did we vet it?

Becky: We did. Not with Mary.

Russ: -over whether we offer the amnesty or not, that we don't have right now. See, right now our decisions are relatively protected if we follow this, but if we open it up---and I'm not saying we shouldn't, I, I understand that, you know, the idea of we're not operating at criminals, set of criminal sanctions, we're talking about a licensed business and getting them into compliance---but to do that, this is a really huge step, and I think we're going to have to just accept that to do it without exposing ourselves to pretty much wide open liability in my opinion, check it with the practicing lawyers, we're going to have to either accept that we're going to get some people with fraudulent intent in there, or just not do it, because we won't get anybody who meets the crite-, nobody, no lawyer is going to step up and say, "ok, disclose everything" to their client "and maybe you'll still have a fortune when you get done, that depends on what the Board Members at, down in Lacey decide to do." And that's not-

Rick: I think in some instances in the discussions I've had with some folks about this, it was intentional.

Ollie: Right.

Rick: They needed to meet capital, they got to pay payroll.

Russ: Yeah.

Rick: And they were concerned that, to your point, you---not you---our process was taking too long. And so they took the money knowing that they shouldn't have without the change being made in the license, and that's the kind of, those are the people that are asking when we met with them in the last year when we're out and about, "can you allow me to come forward without the possibility that I'll lose my license? I'm willing to come clean with the fact that I probably shouldn't've accepted the money."

Justin: And that's the target-

Russ: I think that's our mostly what we'll see. Listen I think it's problematic. I mean I agree that I don't know how you, what about the ones that you say-

Ollie: Right. I was gonna say and if that's the case, which is an if, I can, two things: if they applied for something that was taking too long, wouldn't we have a record that they, that they applied for a change or to add, wouldn't there be a record of that?

Becky: Would if they applied. We would've. Yes.

Ollie: So in those cases where they applied that was taking too long-

Rick: And they accepted the money.

Ollie: -that could be easily determined, because you would have a record that they did apply at some point or something. So, that would take care of that, those right there, that was, just needed the money to meet payroll, this, that, they were trying to do it the right way, but it was taking too long and they took the money anyway. So, but the others, I think the, the reason people were complaining and reporting all of this to us is, the perception out there in the community is, this is intentional-type stuff going on. And what message is that sending that we are offering a amnesty to get them to come forward and get in compliance when it was started out being intentional. But I'd, like I said, I agreed with the ones that you are describing hoping that would be the case, that would be the ones we get in compliance. So, how do we distinguish?

Russ: Well, thing is though Ollie, we'd get significant push back on that group too, because one person's innocent desperation move to take money that might be a little questionable, is going to be, in the eyes of the person on the outside who suffers a business disadvantage or doesn't have that opportunity, fraudulent intent at the outset. And, so it, it, it's, if we do this, and again, I'm not arguing against it, this is gonna, well if we had anything else that we wanted to distract somebody from, this would be the thing to do, because this is going to get a lot of attention.

Becky: So we did, we did, so just so you know is that we haven't spoken with Mary. We have spoken with Bruce and I have spoken with Penny as well, because any time we do something that I think might, might, you know that, that if we're, if we have either given somebody an AVN, a ticket, or, or revoking a license or we've done something, I want to make sure that we're covered where Penny, you know, so Penny has also reviewed it as well. So, you know that, that, initially one of the things that Penny had said to me is that this will, as long as we have, as long as we know who we're looking for, so this is not going to get to those people that are continuing to, to, the people that are paying their taxes, the people that, that are really trying to defraud or you know that, that put money into the business that are out of the state, or they're a part of the

business and they live somewhere else should, this isn't going to get to those folks. She said but this might allow for Enforcement to get to those folks, because they'll have less of a, less investigations to do with these with these mi-, with these other people that have input money financial, you know, finances into a license.

Russ: So I will not accept that statement as the last word on how this is going to work.

Ollie: Yeah.

Becky: The i-, and again, it's, you know, that, that, it's a conversation that we were having, and for Bruce, he's hasn't responded to the, the letter yet. And we've had the conversation with him, but he hasn't provided a response.

Peter: I've got another question that has to do with the waiting list that we have for licensees at the very beginning. So, if as part of our initial investigation, that they did not have the financing, would they have qualified for the license? And if they, and if they got this influx of money from a third party and that allowed them to get the license, wouldn't that have affected those in the queue that could have been eligible for a license, and wouldn't that open us up to risk of those licenses?

Becky: We didn't vet any money. So just so you know this, that we, we looked at source of funds when we license somebody, we didn't see, they didn't have to have a certain amount of money in order to get a license. That they, we just vetted the money that was being provided. So if somebody said I only need \$5,000 to open this business, they only needed \$5,000. If somebody said I need \$50,000 to open the business, we wanted to see where, what bank accounts that \$50,000 were going into. The folks that I were tal-, was talking about were folks that were already licensed, and they needed more money to, either to make, you know, to pay bills to, you know, to pay their employees and those were the folks.

Peter: They've already been approved for a license.

Becky: Yes.

Peter: And this is part of that business plan.

Ollie: And probably the reason a lot of this is coming up is, because the word is getting out that we're doing, taking investigating hidden ownership serious, which it's good it's getting out there. I think that you know, once something is exposed and that get out there, you're not gonna need to do an amnesty. They're going to start calling and saying, "what can I do, so that I don't get-"

Justin: Yeah so, so I guess, I guess the challenge that we have, and there, there's two fold. One, our interest is in gaining compliance. That's our first and foremost interest out there. We go out from Enforcement and we're, we're trying to encourage the industry to, if you self-report we're going to work with you, we're going to get you into compliance, those types of things. And so I've got attorney's that are saying, "well, we want to report, but this kind of a thing is a cancellation. This isn't a \$500 ticket. This is a cancellation of license, so if we report and it goes sideways we're out of luck." And so, the licensees are reluctant to come forward, which only leaves us investigations and whether or not we stumble across these things unless there's complaints that are coming in.

Russ: Well, there's another way too. I mean, that suggests the solution, that we, instead of offering amnesty, we, we issue a temporary policy or something like that, that says that the penalties for a certain class of license violations will be X and not to exceed, for a certain period

of time, and that people go forward. Now, the inequity there would be that those people who are able to pay a fine would be more likely to come forward-

Ollie: The people that are able to pay a fine-

Russ: But, so we're not going to get out of any, we're still getting a lot of trash, but that might be a cleaner way to go about it, because we could, we could reach more broadly then. We wouldn't be saying that after the fact we're just going to completely forgive your conduct that violates the rules. You're still gonna punished for it, but you're not gonna, you're, but the underlying license will not necessarily be in jeopardy.

Jane: And I think that speaks to the consistency we have to have across all of the AVNs. And we do have, you know the, feels like this needs a little bit more of a, a deeper risk assessment just to expose, you know, based on all comments made here today, but also the consistency, because we have, we see a trends in the AVN process where there could be an element of we've, you know, actually said this could have been a warning as opposed to a violation. And so it feels like we've got that continuity of thought that we need to be applying beyond this point, you know, outside of or including this, but it, this is the most complicated of them perhaps.

Ollie: I, I just, I don't know. I think, for me, most of the conversations I was hearing, you're saying the number one thing was to get them in compliance, and I was, the number one was, it's intentional it's going on. It wasn't to get them in compliance. It was to get to the root of it, and to say these are bad players, and ones that probably got, have attorneys are probably the ones that got the influx money to afford attorneys. So the ones that fall into the category that you're referring to, that couldn't meet payroll and things like that, it's, I, I think it just needs to be vetted more.

Justin: So if absent something like this, I'm trying to figure out and brainstorm, how do we, how would we pull these people and get the compliance that we're looking for in the business? So we don't have to spend an enormous amount of resources on, at the end of the day, when they call and say "hey, this is such a great person, look at you know, they have no criminal history, this person stumbled into the business and they didn't report it right," and all these types of things. And we go through a process, let's say we, we identify it, we write the violation and we settle. Are we going to be consistent on our settlements? Is this something that the Board is willing to settle on? And you know, how do we bring the, this, you know, what, what I perceive as a limited group of licensees into the fold to say, you know you want to do the right thing, let's help you do the right thing here, versus you want to do the right thing, but you're going to stay in the shadows until you get caught. You know, that's the struggle I'm looking at. So, what I guess, I like the policy consideration that, that Russ had mentioned, because if we came out and said, hey, for this short period of time we're going to give leniency, not necessarily amnesty, of some sort to get you into compliance, you still pay the, the fine, because it was intentional. That, most of this stuff, there's, there's going to be an element of intent behind it.

Rick: Right.

Jane: Mhm.

Russ: Yeah.

Justin: But it's to what degree. I mean, we're not talking about giving amnesty to criminal organizations that are out there operating or somebody who's got extensive criminal history and,

and they're hiding on the license because of that. This is legitimate, qualified people that didn't do the paperwork right.

Rick: And, and they will jump if you give, it wouldn't matter what the cost is, as long as it wasn't cancellation. They would pay a pretty hefty fine to have a violation and hold that violation in their record, but not lose their license. That's kind of what I'm, to, to your point Russ about, we're not gonna give you amnesty but we'll be lenient for a period of time.

Ollie: And it's gonna lead them into getting even more money from whoever to pay the fine. I mean, of question back to, for you. Do you, is there a track record of folks that apply for a change in ownership or add on that stop the process or something like that? Is there-

Becky: Well so, yes, we know how many people made the request. It's a little harder to go into look to who they are in our system. So, you know that, I, I would have to see with Mary whether or not there was a way to pull those people out, because we track them, we track who's, we track them by the number, of how many people applied for this, how many people applied for that? And if we looked at their, if we looked at every single license, we could see what they've applied for, but we'd have to go in and do that manually to see what they looked for. So if somebody applied and said, "I'm gonna apply for, you know, for this," and we wanted to find out if they had originally applied before, we can go find that out. But we have to have a license number. We have to have somebody's name, usually somebody's name is how we track them the best. But it would be something that we'd have to go in the system and look at individually. Our system doesn't do that automatically.

Russ: It, it's just, it is attractive to take a big whack at the problem and see if we can separate the wheat from the chaff and get the, the, and rather than have your guys out there chasing after people who are essentially innocent although I hate to use that term-

Justin: Qualifying.

Russ: Well, yeah. People who, you know, made some mistakes versus people who are actively trying to game the system, and it's a fine line. And I guess, from bitter experience, I know that if we open up something like this, we're going to get, we're going to miss some people who have good intent and we're going to snag some people who have bad intent, which, it'd have to be we have our eyes open about that and protect ourselves as much as possible if we're going to do this. So yeah, I, I agree. I think we need to chew on this little bit more.

Justin: Yeah, that's perfectly fair. I mean that's, you know, we're just trying to, to, to figure out some solutions to this and, before I forget, one of the points that I get from the industry, so I've got those calls from the attorneys, but for the industry folks, when I come up and I get in front of the groups and I say, you know, if you self-report we're g-, we're gonna try to work with you. And they go, well, when we apply at Licensing, they turn it over to Enforcement if they find that, you know, there's a change made and then we go out and write them a ticket. Well, are they self reporting at that point or not? Well kind of, but then they weren't actually violating, and so that's really, you know, the other side of this is, the people who are, you know, how do you get people to come forward willingly, you know, whether it is, you know, we, we provide a sanction in there and say, ok you're going to be fined for your, your misconduct, but then we'll get this corrected and you can move forward potentially.

Russ: Two points, where, where I've seen this happen most closely or we, something similar, actually done something similar is when we got a backlog of traffic warrants. And you get the

word out however you can, today's the day, come in, and costs will be waived or interest will be waived on your back fines. So it, it, it, it can work. And sometimes, we may be getting at it, but I want to say this out loud before I lose it, maybe the, the incentive would be that these violations become forward, if your violation falls within the parameters here, these will be temporarily subject to compromise and we just plug into the compromise, a process which would allow us a lot of flexibility in terms of what the penalty might be, and also give the three of us the ability to look at each case's, without creating something new.

Jane: And that gets to the consistency somewhat. I mean, when I'm thinking of global consistency, that it's like, you know, extrapolating one thing and giving it a process of its own, that fixes my thinking around that. That it would be within the process we have, and would have the same steps involved.

Russ: Yeah, we'd need to talk with the lawyers to ensure that we can actually do that. I don't think there would be a problem, but I don't know. But again it, trying, again, that point, trying to create another system when we've got a system on the shelf, that works pretty well, that we can just plug this into.

Jane: And there're possibly again, other things in that system, other circumstances that because, with the maturity of the industry now, we're starting to see different types of, you know, it's changing all the time, the violation queue. And so, there might be a way to find a, you know, with a process like this, to take elements of it and be able to apply it other places. I don't know, I'm just thinking.

Justin: Yeah. And I think the cost savings for us would be considerable, since when we do, you know, beyond the investigation once the violations are written people can drag it out through court for a year and half, two years, and we know they're operating, you know, with not a true party of interest, and yet here they get to operate. So, I mean it's a way to bring, you know, cut the costs and bring people into compliance in a quicker fashion, because our processes are really slow, on the state side.

Russ: Well, yeah, and I appreciate that at the end of the day, we might be in a position as a Board to say, "Oh my gosh, we're being too harsh on this person," after you did a lot of work to bring them forward and this could short-circuit that.

Ollie: I think the one thing that, it would be kind of interesting is, they know that it, all it takes, it only, if I call you, but, if I'm already under investigation, not knowing if I am or not.

Justin: Yeah, that's.

Ollie: It's going to be, well, do I risk calling?

Justin: Yeah we talked about that, but.

Jane: You're too late.

Ollie: And then, when you tell them they're too late they're gonna go "Uh-oh, but I just gave myself up, too."

Justin: And I tell ya-

Rick: Well that happens right now, right, doesn't it?

Justin: I talked to my lieutenants already about this too, as an idea when I was brainstorming, just to kind of get the temperature check of my staff on where this would even be, and, you know, I said, "I would not want to see a whole bunch of people rush out and launch investigations here either," you know. Say well I've got these, you know, ten suspicions, so I

guess I'll just open formal investigations and then, you know, that's not that's not meeting the intent of this either. So, not that I, I hoped that that wouldn't happen but, you know, when you have little dynamics, it certainly could so. Yeah, that's a risk that's out there. So, so I guess what we could do, and I know there's some, some leave time comin' up for folks, so we can, we can mull over this for another month, and, and try to vet this a little bit further, and see, maybe the compromise and policy approach is the better approach to this, but you know, we're certainly needing to figure out, how can we take a bite out of this apple?

Chorus: Yeah. Yeah. Yeah.

Jane: Cause it's really, quickly.

Justin: So this, this is, kind of, we wanted to bring something a little bit more completed than just an idea. So, Becky's-

Ollie: And it's good, the conversation, you're having the conversation to come up with something.

Jane: Great point of departure to start that, you know, to go, so, the next step will be that the two of you get back together, or.

Justin: Yeah so we'll, we'll try to mull this over in July, and then come back, maybe at the beginning of august, and try to figure something out.

Jane: Good, good.

Rick: So I was quite impressed to hear the word amnesty from the Chief, I don't think I've ever heard it before. So, it was kind of, I think, I had shared that with you, a couple of weeks ago.

Jane: I thought you were referring to it in a very different way though.

Rick: Oh.

Jane: I didn't know it was for the reference to this circumstance.

Rick: So, so I was thinking, so the hidden ownership issue is big enough that, I mean, you had said earlier, and we had talked about it with the US Attorneys, It's like, do we really care about organized crime, with respect to hidden ownerships, and. So I love this. I mean, I like the idea, if you were to vet, in other words, if you were to compromise the three [unintelligible] on a case-by-case basis, you would look at them and determine them, as you see them come along, what makes sense, what doesn't, just as you do today.

Jane: Yeah.

Justin: Yeah, because, the investigative time is much better spent on the potential organized crime, versus the mistakes that people made.

Rick: Right, right..

Jane: It puts us in that common principles kind of framework to, you know.

Brian: Revenue does that on taxes every now and then, they call it amnesty too, and a lot of people will come forward and bring in a lot of money, and they'll just waive the penalty, so.

Becky: Yeah, we weren't liking that amnesty word, we were trying to think of a whole nother word for it.

Justin: Yeah why don't you bring that out to my staff, they were like, they didn't like it either.

Rick: Yeah, I thought it was amazing.

Jane: Yeah, it's a risky word, probably.

Justin: I couldn't think of a better word.

Ollie: And, amnesty, yeah. Cause, amnesty in those senses though, are people that owe money. It's not something hidden types like with the parking tickets. I mean, it's like ok, we're running an amnesty program if on such-and-such day you pay just the ticket amount only, we waive all of the fines. So, it's getting them out of that debt type situation, they get their license reinstated. It's not-

Jane: Forgiveness of the whole.

Ollie: Right. With the taxes. It's like, ok, it's something you owe, you didn't have the money. But, if you come forward now, we might, we'll waive the penalties, the interest, dadada. It's not something that's was, could be potential shady so to speak.

Russ: Well, I think, we might disagree on that if we read a few of the files.

Ollie: Ok, ok. Yeah, but.

Jane: Thank you, Becky and Justin.

Ollie: Amnesty, in the process, can we find another word besides amnesty to call this.

Becky: I know, well we made up a word, but like we don't want to use this word.

Jane: It isn't amnesty.

Justin: If you guys came up when you wrote the letter with something else in there, but.

Brian: I, that's not the version that I edited, that's the first version.

Jane: Any other questions on this? So, we'll hope to, talk again in a month? Good.

Terminology on Official Documents - Brian, Becky

Jane: Any around the table updates? Peter, It's your last EMT.

Brian: Do you want to sit, there's a-

Jane: Oh, I apologize, yes.

Brian: Do you want me to start on that Becky?

Becky: Please.

[laughter]

Brian: This is sort of- This one is on, I don't know, It's just another kind of discussion kind of thing, the terms "cannabis," and the term "marijuana." Some of us have moved over and started using the term, you know, informally, the term cannabis etcetera. But sometimes when it comes from legislative leadership and stuff, that word kind of trickles down sometimes to line staff, and we had an instance, where basically, people are looking to make some kind of wholesale changes across agency forms, documentation, that kind of stuff. And by the time it got to me, you know, a lot of momentum going, when I go to put my hat, I got in touch with Bruce, and I said, you know, we should have a discussion about this, we, if we want to switch to cannabis, if that's not a legally problematic, you know, then we should be communicating that out to all folks and we're going to try to make an effort to move towards this so we're all saying the same thing. But if it is a problem, which I suspected it might, because statute, most of our statutes refer to it as marijuana. I think we need to know that too, and we need to be able to have a discussion. And so, he did get back and say it is legally problematic, and, you know, the statute says you have a cannabis produ- or, you have a marijuana producer license, you don't have a cannabis producer license, or various things. And so, I said, okay, I want to be able to go back, and at least, Becky and I sat down and we talked, and so we want to get together, and share that

message back with this group. If you had an expectation that this sort of thing should be going on through our official documentation at this time, or if you do we would probably need to take this on as a policy, and take it to the legislature and make that whole sort of change, but I think there's more discussion that needs to be happen around it. Cannabis doesn't apply just to marijuana, it includes hemp and there's, there's other stuff involved. But I wanted to get back to you, if you had an expectation that this sort of stuff be going on right now, we've got to put a halt on it, at the moment.

Jane: That's fine, it's not the most urgent battle to pick. We are the, shall we be though, the Liquor and Marijuana Board?

Rick: Well the law says cannabis. The law says cannabis.

Jane: So that was, that was changed.

Russ: It was an economy measure so they didn't have to change the initials.

Rick: I see.

Justin: In my world, I use marijuana, primarily because the Associated Press says to use marijuana, and when people refer to it in common language as marijuana, don't mean it in a derogatory way, in any way. But I, you know, people are using it, Rick's, we're using, Rick's stuff is all cannabis, when he speaks of things.

Rick: Well, I think we had talked about, for our own, not that which relates to the law, but for our purposes internally, as an organization, we would try to use the word cannabis, always and not marijuana.

Jane: Cause it, we looked at it when we were looking at the strategic plan,

Rick: Yeah.

Jane: And there were a couple of, we used it both ways I think. So we kind of flagged it as, an opportunity.

Russ: I heard, or read Leafly, or something like, some similar source of, as a matter of etiquette, cannabis is the appropriate term in the industry. Unless you're talking about medical, "medical marijuana" has been accepted for so long that it's used as shorthand for that, that whole system, that that is less offensive, somehow.

Justin: Associated Press says that in North America, marijuana is the generally used term, although there is a movement to try and make more cannabis, outside of North America it's cannabis, I guess, but.

Russ: Oh is that right, I didn't know.

Justin: Yeah, we read it up on the [unintelligible], before we came here so.

Becky: And most of the forms and licensing, because they were created

Gretchen: Before-

Becky: And yeah, before in 502 everything's referred to as marijuana. So all, of, you know, so when we went through and they were changing the forms, it's like whoa, what are you doing? Don't, stop, stop. Nobody can change any forms. Until we have permission from Brian. Or actually the law, so.

Brian: So that's where we're at. We just wanted to get you back to speed, and see if you're cool with that, if not, if you wanted to go another direction we should talk.

Jane: Everybody ok?

Department Updates - Peter

Jane: So, it's Peters last EMT. And we'll miss you Peter.

Peter: Well I'll miss EMTs. Kind of.

[laughter]

Dustin: Almost said it with a straight face. Almost made it through that with a straight face.

Ollie: Right, right. without laughing.

Peter: Without laughing. It was hard. Ah, final updates. Ah, [\[Systems Modernization Project \(SMP\)\]](#), just want to give you a quick update. The public sector [\[Requests For Information \(RFIs\)\]](#) are done. This is where Rachelle had gone out and talked to a number of states. The RFI for the, for the vendors, going to go out, second week of July. So, pretty good, pretty good there. On traceability, we've got the [Gartner \[Consulting\]](#) study. I hope they have it done, by this week. I've got a meeting with them first thing in the morning tomorrow. I brought in [\[Cannabis Examiner Manager\] Kendra \[Hodgson\]](#), to get her up to speed on the study. And so, we had a little bit of a glitch because the draft report we saw didn't quite hit the mark, and I suggested a, a format that I shared with them last week. They were cogitating on that. They were still cogitating on that earlier this week, and we had a teleconference yesterday. And so they're, the person that's the lead on the study is going to come and chat with us tomorrow. So I'll have some better information there. On the ah, couple of audits, we have our financial audit. We got word this morning, he wants to schedule the exit interview. And so [\[WSLCB Chief Financial Officer\] Jim \[Morgan\]](#) and Chelsea who's the auditor, they're trying to schedule it when [\[incoming WSCLB Deputy Director\] Pat \[Kohler\]](#) is here. So, we're looking at some time around the 20th, you know it's, end of the month, end of July for that exit interview. On the performance audit, I think I shared with you that we had suggested a number of edits. We were not, we didn't get to review the final report, prior to it going to their management team for review. But, [\[Washington State Auditor's Office Principal Auditor\] Chris Cortines](#), who was the lead on the audit, said that he had accepted most of our audit, most of our comments. And so our strategy, as I discussed with our team is that, those items that, where they did not accept our language, we would include that as part of our written response to the audit itself. And so again, not seeing what the final report is, we'll just have to wait and see what that looks like. And Chris said that we might get that next week. Again, depends on their time, your timing in terms of their, their management teams review of our our.

Russ: You're gonna come back and read it.

Peter: Ah, I may take it home and read it. For some light reading.

Rick: You mean you'd take it home and you may read it?

Peter: Ah, I have an interest in it. I'll read it. So, that's all I got. I do want to thank you all for, for allowing me to, to work here it's, it's, it's been a pleasure. I've really enjoyed it. You all have just been tremendous, the Board, you know, the Russ you're a Lancer, really appreciate that connection. Jane, you know, you've been great, and Ollie, you and I have worked together for so long, really appreciated your help. But the Management Team, we've got a great team here, and I think with Pat coming in, I don't think you guys are gonna miss a beat.

Ollie: You're saying we're not gonna miss you?

Peter: Ah, well some may, some may not.

Jane: We'll miss you.

Ollie: We'll miss you.

Becky: We'll miss you.

Peter: Oh, thank you.

Jane: Thank you Peter, for so many contributions.

Peter: Oh thank you.

Jane: It's been a real pleasure to work with you. You're always respectful, and always responsive, incredibly professional, and a class act.

Peter: Well, thank you.

Jane: I think you hear that a lot.

Ollie: How many agencies you've been through?

Peter: Well let's see, started at [the [Washington State Department of Natural Resources](#) (DNR)], back in '74. That's how I got an [unintelligible]. Ah, then [[Washington State Office of Financial Management](#) (OFM)].

Gretchen: Dang it.

Dustin: Had to throw that in there.

Gretchen: One more dig, a [unintelligible] one.

Peter: Um, so, OFM, [the former [Washington State Department of General Administration](#) (GA)], [[Washington State Department of Early Learning](#) (DEL)], [[Washington State Office of Minority and Women's Business Enterprises](#) (OMWBE)], [[Washington State Military Emergency Management Division](#) (EMD)], and then here.

Jane: Wow.

Rick: Did you say OFM? Yeah.

Peter: Yeah, OFM twice.

Rick: You went back.

Peter: They took me back.

Jane: Impressive.

Jane: Anyone else that has something, we're, we're closing in on time before Peter's cel-. Is it at 2:30?

Rick: 3:30.

Jane: Oh, it's at 3:30.

Rick: I thought, am I wrong?

Justin: Yeah, 3:30.

Gretchen: We gotta set the room up. This room's gotta be set up and stuff.

Jane: Ok.

Rick: Anything on the Gartner report, Peter?

Peter: That's what I was talking about.

[laughter and crosstalk]

Rick: Alright, sorry.

Peter: That's who I'm meeting with in the morning.

Rick: Alright.

[laughter and crosstalk]

Jane: I don't understand.

Rick: Ok.

Peter: We have a feeling of community.

Brian: Definitely.

Department Updates - Justin

Jane: Justin.

Justin: Yeah, I, I thought I'd bring something up. We had a, another case yesterday, and I don't know what the ultimate cause is, I don't think it's a, an issue with traceability *per se*, but we're finding a lot of growers that aren't tagging their stuff. We've had a lot of seizures lately, our evidence facility is full. Because, we've taken so much. And as an example, yesterday, and this is just during a normal check, we went in, and they had next to nothing tagged. And the licensee admitted, "Yeah, you know, we haven't been tagging anything for months." And we're like, what? You know, it just, it's just very odd. I don't understand why people aren't following those things. So, because it's not tagged it's subject to seizure. I don't know what the intent of not tagging it is, if it's supposed to be, you know, they're going to try to divert it or they're just not, you know being due diligent or what, what the case is, but we took 2,500+ plants yesterday. Um, 17 or 12, 1,200 clones, looks like 300, or 3,400 pre-rolled joints, 345 pounds of frozen product, and then almost 100 pounds of bulk flower. None of it tagged. And you just go, I don't understand why these folks are, are not engaging in that, that level of traceability. And this isn't an isolated case, we've actually had a number of these things. So we're trying to figure out what's, what's going on with this, and when we look at the, and I'm not saying that you know, the deterrent factor is what's the most appropriate here, but we look at the penalties, I was talking to [WSLCB Commander] [Jennifer \[Dzubay\]](#) this morning, I said, "ok, so what are we doing with these folks?" You know, I mean, obviously we're writing violations, but it's just a monetary penalty for a traceability violation. No traceability. And I said well I guess you could aggravate if it's intentional, but, you know, it's not a cancellation or anything. So these folks that aren't participating in the accountability of the system, you know, what's the level of, of sanction that's out there, and, you know, whether we want to look at these, you know, these larger scale things on a more aggravated basis, which we haven't done in the past. But, this seems to be happening every couple weeks almost that we're finding something that's significant like this. So it's just, something a little bit newer, when we used to find, you know, small traceability violations frequently, but these larger scale things are something that we're coming across. You know, so we said, you know, one, one licensee on this case was, was talking about it. I think there's a conflict between owners in the same business. And so we were wondering only if there was sabotage done or something. No, they just admitted, yeah, we haven't been doing this. So, not sure what the, what the trend is but if you start hearing stuff about hey, you know, we've, you know, gone in, and we've taken all this product out of circulation because we don't, there's no way to account for it, and we don't know where it's going, you know, that's kind of what's happening out there. It's very bizarre. We haven't, hopefully it won't be an ongoing trend, but we've stumbled across this, several times in the last couple months. So it's, it's something that we're looking at.

Russ: Thanks for bringing that forward, because the way, we don't see much about the violations other than the compromises, or the settlements. And this could be a very, I have, I can't even imagine what purpose there might be for somebody essentially giving up all of their inventory.

Justin: Yeah, it's just.

Russ: But, if, there might be some, I don't know, but.

Justin: Well the loss is a huge penalty in and of itself, too.

Russ: Yeah. We need to see, we need to see this, because if there is some, I, I agree, just a repeat financial penalty for something like this is probably not going to get it. And the scale of it, if it hadn't been interdicted, then we'd have all this. Well, how were they going to sell it if it wasn't in the system?

Justin: Yeah.

Russ: Who's going to take it?

Justin: Yeah, and I don't know if on the back end, by the time they harvest, are they going to be making up numbers to put into the system to sell to somebody?

Russ: Well they'd have to.

Justin: Or are they diverting, you know plans, to divert, I don't know, I mean they're not gonna.

Russ: Well did you have things packaged without numbers on them?

Justin: We had a lot of plants, and they had frozen-

Russ: Well you said, you got, you got some pre-rolled joints, were they in bulk, or?

Justin: Yeah, I think they were bulk, because there were 3,400+.

Russ: Well, I, I would like to look at this phenomena more and then maybe we could get together some recommendations about how to change penalties?

Justin: It's just, it's, it's a strange, a strange deal.

Brian: But you definitely think it's a trend, you're seeing a trend.

Jane: It's disconcerting.

Justin: I don't know, I mean, I don't want to, a trend is, is, is pretty broad. But we've seen this multiple times over the last several months and to say that you know, I don't want to say all licensees are doing this and it's you know, people are stopping tagging stuff. But, we've found this a number of times that, you know, we have to think, I mean we had one that was, I guess a month or so ago. There was two tons of product. You know, we just took it straight to the incinerator.

Rick: So Justin why wouldn't that be grounds for an emergency suspension?

Jane: Yeah.

Justin: Yeah.

Rick: If the whole entire grow is out of compliance. Wouldn't it be?

Justin: Yeah. Yeah. Well, if it isn't, then we should, I, I'd certainly.

Rick: That's odd.

Russ: Because, you know, the only explanation for that, is that somebody's hoping they won't get caught, and they'll have this big wad of product that they'll be able to push-

Jane: Push anywhere.

Russ: Across the border.

Justin: And we haven't, we haven't really exercised the emergency approach with cannabis. You know, that's just something we haven't really looked at.

Russ: Let's do that.

Rick: I mean when it's everywhere.

Brian: There'll be a message that'll get out.

Justin: It would be. And so and, and we can certainly try to take a look at that on this, this particular, cause this is fresh.

Russ: Well, let's look at that two-ton guy, too. Ok.

Jane: That's a lot.

Russ: That's got my attention.

Ollie: Right, right.

Justin: Yeah, that was, that was huge, you know.

Russ: Ok, are you working Monday, are you working Tuesday?

Ollie: And we didn't do anything but just take the product.

Justin: I can, I wasn't.

Russ: No, no don't, don't worry about it. Let's hook up after the holiday, ok, and plow through this.

Jane: And that was a legal grow.

Justin: Yeah that was a legal grow.

Becky: It would be interesting to see if we could look-

Rick: It's really weird.

Jane: An illegal, legal grow.

Becky: In traceability to see if they've been reporting, what they've been putting in. In the last few months.

Justin: - and this is one of the things we've been telling our folks, is, you know, cause we were getting involved in some of the illicit stuff, and especially on one team, I said, we haven't even got to all our licensees. You got to get out there, and start checking these. Well, they're getting out there and this is what they're finding, you know? So it's, and these are very time-consuming. I mean this, you know, they stumble across this, they gotta call in more officers to deal with this and you know, this was almost a 10-hour shift for about five people yesterday, trying to, you know, manage all of this stuff.

Russ: Well, yeah, we've got to adjust our-

Justin: And this is one of 1,400.

Rick: How would that be different than a retailer selling product that they didn't purchase from the system, you know what I mean? That would be grounds for a suspension I would assume. Cause it's kind of the same thing. You've got this product that's not in our system.

Russ: Well the whole reason that we respond so quickly, I would imagine the legislative intent from, in our rules to tag things right away, is because until it's tagged, it should, it's presumptively illegal, it's presumptively going to be diverted. It's presumptively contraband. That's why we seize it, with clear conscience.

Becky: Well you know, the traceability system has, you know that they could go back and because we look from time to time to see who has been inputting product into the system, and we have a number of producers that haven't inputted product in the system in some time, for, it

would be, it'd be interesting to know if these people are the same folks that, you know, if they were one of those people on the list, so if they haven't been reporting, putting anything into the system.

Russ: They should get a visit.

Becky: Right, and so, you know, yeah, because we only know, we only, we're really only trying to look at those folks that aren't reporting, like paying their taxes

Peter: Sales, right.

Becky: But if people aren't reporting any kind of transfer, any kind of activity for a year or two years, those people should be the first people that we're, you know, knocking on their door and seeing if they even have anything out there.

Russ: Or if it's good. Yeah, this, this is very-

Justin: It's, it's huge.

Russ: This is very disconcerting. Yeah.

Justin: I agree. So, I thought I would share that and on the, a different note, just real quick, for a May update, we had, we're about a month behind on our staff analysis. We had 232 complaints come in, and 36%, or I'm sorry, 69 complaints were towards the marijuana industry. 36 complaint, 36% of those are still advertising. So we still have a lot of concerns about advertising out there. We're trying to gain the, the compliance issues, but it's still, you know, an overabundance of complaints on advertising and I talked to somebody from the prevention community in Seattle yesterday who was going to meet with [Washington State] Representative [\[Eric\] Pettigrew](#) this afternoon on advertising, and they're still concerned about billboards and those types of things. They don't believe our rules are strong enough in these areas of those types. So, we may see a rule petition, I don't know. He goes, "well, we haven't seen any change in billboards" and I'm thinking well, I have, and maybe you haven't noticed the nuances, because people have taken off the plants off of the billboards and just reposted it almost identical but. So they may be missing some of those things, but we're still getting a lot of complaints. So on that end, I finalized the PDF with HR and we're going to be making the announcement for the Advertising Coordinator recruitment here in the next couple days, so that should be up and, up and running, and that hopefully will help in this area as well. So those are the two updates I wanted to share.

Jane: Thank you.

Department Updates - Gretchen

Jane: Gretchen?

Gretchen: I don't have anything.

Department Updates - Dustin

Jane: Dustin?

Dustin: Nothing.

Department Updates - Becky

Jane: Becky?

Becky: So, you'll be seeing a new face at the front desk. We seem to go through people at that front desk more than anything else. So, her last day was yesterday, and she was going back to school, and so we're in the middle of hiring. We just posted for that position, so trying keep this one. And then I'm on vacation as of today so, not like right now, but at the end of the day I'll be on vacation.

Rick: How's vacation going?

Gretchen: Yeah I was like, hey, you are? You're sitting here.

Becky: So far it's kind of-

Jane: Mother of the groom.

Becky: And yes, so. So yes, I'll be back, on the 11th or 12th. On the 11th-

Jane: Or the 12th.

Becky: -or the 12th.

Jane: Give yourself some time to recover.

Becky: Yes.

Department Updates - Rick

Jane: Rick.

Rick: I only have a couple of things. I'm headed to Region 3 to-, oh no, I went to region 3 on the 8th.

[general laughter]

Jane: I don't understand.

Rick: And then, I think I shared with you that Justin and I had done a tour and, and, in Arlington, of [Smokey Point Productions](#), and I did a ride-along with [WSCLB LEO2 [Joe Bussman](#)]

Justin: Yep.

Rick: The gentleman, yeah, our officer. Going to Region 2 tomorrow to meet with folks in Tacoma that represent Seattle and the Tacoma area. That's gonna be my last regional meeting with them, a couple of hours over the survey result. I think I told you that's gone very well. And then I'll meet with you individually to talk about next steps with respect to that. The Directors are going out and meeting, and, and some of them like Becky already have, or Justin with the team following my meeting with the directors. Regulators Roundtable, there was a discussion that didn't, I, I don't understand what, how the call went today, but more importantly what I wanted to share was that we set a, Rhode Island and Massachusetts are going to co-host the next Regulators Roundtable in Boston, October 22nd through the 24th, and I'll send you something Ollie, and probably because of the fact that we're going to Boston, I was thinking of, of taking or inviting Justin and, and Becky and [WSLCB Policy and Rules Coordinator] [Joanna Eide](#) to join us, probably a smaller group than we took the Denver just because the expense of it. But I think, Ollie are you going to the next one?

Jane: If that date, those days work for her, if not, then it'll default to, to me.

Rick: Okay, so I'll send that information and we were on a call today that didn't go well, because I couldn't tell who was on it---oh you guys, were on it too?---and, and I don't know which, [State of Michigan Licensing and Regulatory Affairs Director] [Shelly \[Edgerton\]](#) is the administrator in Michigan for medical marijuana, because they're moving toward adult use, but she was trying, she's been doing a separate phone call with medical folks around the country and she didn't set it up very well and explained to everybody how we got to where we were which I, what I was trying to do today. But I suspect they'll be a lot more states that will be there when we go to Boston.

Russ: I was surprised to hear Florida pipe up. I didn't know that they were in the mix.

Rick: Yeah. And it's, it's kind of weird how they're nervous about, and it's pretty normal when the elections come, they were concerned some of the states about, how close it was to the elections, because governorships are up and they're reluctant to travel, but that's kind of the thing that always happens where, there's always elections and governors win and they appoint different people to the positions. But, so there will be some people who won't be able to go because it's close to the election, but we shared in the phone call that November, December is never good, because of the holidays and because you're going to a place that gets kind of cold. So it looks like it'll be the end of October and I'll send more information.

Jane: You know, I just want to make an editorial comment about that. You'll recall that we were planning a different activity a year and half ago and it failed and then this was the solution, to have the Regulators Roundtable, and look how successful it's been.

Rick: Yeah.

Jane: I mean, it's just drawn, it's just gotten more and more successful.

Rick: Yeah, it's pretty cool.

Jane: So, that was a great outcome, taking up, making a silk purse.

Rick: And so there, and so, you probably heard mention of it today. [State of Alaska Alcohol and Marijuana Control Office Director] [Erika McConnell](#), who is the administrator from Alaska who, who like us has alcohol and cannabis, has been working to create bylaws and constitution, so that we can become an association of, of regulators for cannabis. And she took the [\[National Conference of State Liquor Administrators\]](#) (NCSLA) bylaws and constitution that were written in '34, but have been amended over the years and using that as a template. And so, when we meet in Boston, there will be a discussion about how we, how we do that, how we form an association to, to meet more regularly. And they'll be a, a discussion like there was in Denver, Russ, about there's reluctance by I think a majority of folks to not allow the industry, and yeah, that really needs to be a discussion of us, because that's, that's where the networking needs to occur and then maybe in the future once more states come together that-

Russ: Yeah, I think it's just early days.

Rick: I think it is too. So I, so I wanted to share that and then, I think that's all that's relevant at this point. Thanks Jane.

Department Updates - Jane

Jane: So I just want to touch base with the two Board Members about the eastern Washington Spokane Board Meeting, because we're having trouble with the date. So where we are now is

that the, one of the three of us won't be there for one of them, so we're trying to figure that out. You're going away on one of the proposed dates, so that date didn't work with eastern Washington anyway, when Dustin went back or checked in. They would like to have it in October or September. I think Oc-, I mean, August or September, and September, or August feels really close to me now to get that all organized. So, I want to touch base and hear what you think about the September date Russ, because that was the one that didn't work for you.

Russ: Yeah. Yeah. It's gonna be, September's a bad month for me generally, because of family issues. When we were talking about it in Caucus, we kicked around the idea of maybe moving it to November because-

Jane: It didn't, it didn't work for them. The harvest continues through the end of November.

Russ: Okay. Well, yeah.

Jane: So we're-

Russ: I don't think it's critical that I'm there for a meeting in September. I mean, you know, it's just not like this is the only time they're gonna see our faces.

Jane: Really hoped that we three would be able to be there, and Rick of course, and there were others of you that will go. But I think we're going to have to make a decision. So, since October and November don't work for them, looks like September.

Russ: I, I can do it first part of September, but the second half is-

Jane: Let's take a look at that.

Dustin: Okay.

Jane: Okay, anything else for the good of the order?

Russ: My 60th birthday she says, "stay outta [uintelligible]!"

[general laughter]

Jane: Month-long celebration, all of September. Okay. Thanks everyone.