

More 2021 cannabis stories at [tulsaworld.com](https://tulsaworld.com) The story below, originally published July 3, 2021, in Tulsa World, is being reissued among top stories of the past year during a free-to-read week presented by Bill Knight Automotive: A lot of new pickup trucks are kicking up dust on rural Oklahoma roads. The drivers, in many cases, are not familiar to longtime locals and seem to prefer it that way. Stories abound of strangers showing up with bundles of cash and paying far above market rates for farmland that's quickly converted to marijuana production enclosed in fenced compounds. For the most part, the grows seem to be duly licensed by the Oklahoma Medical Marijuana Authority. But law enforcement officials and some lawmakers contend that a good deal of the product is being illegally shipped out of state for old-fashioned street sales. By one estimate, said state Rep. Josh West, R-Grove, 60% or more of the state's marijuana production is sold illegally. To be sure, not all grow operations are on rural Oklahoma farmland. Hundreds are tucked into repurposed industrial buildings in the two major urban areas. But they don't attract the attention the rural grows do. And the situation, say rural lawmakers, is creating a lot of tension in their districts. "You have large marijuana grows going in across our state in rural areas," said state Rep. Scott Fetgatter, R-Okmulgee. "The appearance is that there's a lot of foreign interest in those grows. The concern is that there is organized criminal activity involved with them. It's a real problem," said Fetgatter, who has devoted a large portion of his time the past three years to understanding the medical marijuana business and its impact on the state. "If you don't live outside Tulsa or Oklahoma counties, you probably don't even understand the magnitude of it. It's gotten away from us." Some contend that the stories are exaggerated, and they may be, encouraged by those still largely opposed to legal marijuana of any type and hoping to turn public opinion in their favor. But at least some of the stories are true. For example, a 30-acre parcel with an 1,800-square-foot house between Bartlesville and Tulsa that was on

the tax rolls for \$132,600 was sold to a marijuana-growing operation last November for \$375,000. Even legitimate sales like that make neighbors nervous. It drives up land values for those who would like to expand and raises the taxes of those just trying to hang on to what they have. And then there is the criminal element. To be clear, it is thought that most of those involved in Oklahoma's new medical marijuana sector follow the law. But some don't. Oklahomans have joked since at least the 1970s about pot becoming the state's leading cash crop, but Mark Woodward of the Oklahoma Bureau of Narcotics and Dangerous Drugs said his agency is seeing an unprecedented level of activity involving illegal marijuana. The money trail, Woodward said, leads throughout the United States and into Asia, Latin America and the Middle East.

“There are multiple angles we're investigating when it comes to people involved in the marijuana business who are not following the rules,” said Woodward. “Some are making no effort to even try. That's what we've been very, very busy with, starting really last fall.” By the time the legislative session began in February, lawmakers had heard an earful from constituents worried about the “Chinese” buying up all the state's available farmland. “This is a huge issue for my district and something my constituents come to me about every day,” Rep. John Pfeiffer, R-Orlando, said in April. “That's why we've had several medical marijuana bills up,” he said. “It's gotten away from us.”

A new law that just took effect in Oklahoma requires OMMA-licensed cannabis businesses to disclose any foreign interests in the medical marijuana industry. In May, the BBC reported at length on connections between Asian American businessmen from California and the surge in Oklahoma's marijuana grower's licenses. According to the report, the businessmen were largely restaurant shut down by COVID-19. Some operations appear to be quite complex. For instance, authorities think a house that was raided this spring in Edmond was a drug and prostitution den for Asian cannabis workers. Many of those workers themselves likely were victims of trafficking, Woodward said. “Unique” conditions for market boom A combination of circumstances have

created the current situation, but perhaps the most important one is that Oklahoma's medical marijuana laws did not anticipate the kind of modern-day land rush the state has seen since last fall. "Oklahoma's medical marijuana laws are so different than any other state's," said OMMA Director Kelly Williams. "Licensing fees are much lower; there are no caps; there's no qualifying conditions for patients. A lot of the limitations in other states aren't in place here, so there wasn't a good way to predict what this market would look like. It really is unique." Framed by State Question 788, passed overwhelmingly by state voters three years ago, Oklahoma's medical marijuana laws tried to favor small, local operators by limiting out-of-state ownership stakes, setting license fees low and putting no cap on the number of business licenses that could be issued. But lawmakers and others say the residency requirement for businesses is routinely circumvented and that the low licensing fees and unlimited number of licenses have encouraged large operators to buy up dozens or even hundreds of licenses, which are used to confuse investigators. The result is that the OMMA has issued almost 8,000 grower's licenses "far more than is needed to support the state's legal medical marijuana market. "We have so many grow operations, I don't know how the free market should have taken care of it. That's the conversation we had in 2018: Let the free market take care of it. Well, the free market should have taken care of it but hasn't ... because of the black market. "You've got the cartel; you've got the Chinese drug ring; you've got the biker gangs. Pretty much every criminal organization is operating in the state of Oklahoma right now," West said. None of that is good for the legitimate growers, processors and retailers who are trying to follow the rules "which is one reason some legislators are still trying to make the state's medical marijuana laws work, even though there was and remains widespread opposition in state government to SQ 788. Fetgatter says he does not use cannabis products and opposed SQ 788 but that after it passed he decided to do

his best to make the law work. To that end, he and several other lawmakers “ mostly in the House “ pushed through a number of changes last session to bolster compliance. These include bringing in the Oklahoma Tax Commission to collect and audit medical marijuana taxes; requiring the OMMA to hire more than 70 additional employees, including more than 60 field inspectors; allowing it to enter a memorandum of understanding to pay for more OBNDD agents to handle enforcement; and giving the OMMA more teeth on matters such as inspections and product recalls. Williams said the additional staff will allow her agency to better monitor such things as illegal sales, expired licenses and out-of-state ownership. A seed-to-sale tracking system was supposed to come online this spring but has been blocked amid a lawsuit filed in Okmulgee County. Williams said implementation of the system would help shut down illegal sales from licensed grow facilities.

All told, Williams said, the OMMA will “about double in size” in the coming year. “I can safely say,” she said, “that the growth in the industry and the corresponding growth in the agency has exceeded everybody’s expectations.” Comparing counties Many Oklahoma’s licensed medical marijuana grow operations are in rural areas. Logan County (population 46,683): 266 Delaware County (population 42,433): 258 Pottawatomie County (population 72,154): 245 Mayes County (population 41,044): 171 Noble County (population 11,335): 138 Kay County (population 44,402): 134 Payne County (population 81,815): 134 Canadian County (population 140,455): 118 Nowata County (population 10,322): 101 Ottawa County (population 31,454): 98 Sources: U.S. Census 2019, OMMA Tulsa World’s 5 most memorable cannabis stories of 2021 Be the first to know Get local news delivered to your inbox! Sign up! \* I understand and agree that registration on or use of this site constitutes agreement to its user agreement and privacy policy.