

An interim legislative study on the relationship between medical cannabis producers and others in the state's agriculture industry revealed the extent to which the Oklahoma Bureau of Narcotics is involved in compliance enforcement efforts. Showing lawmakers an Oklahoma state map filled with green dots, each one a reported business site, bureau spokesman Mark Woodward said last week that the agency has at least 8,300 cannabis-related manufacturing license applications and 2,300 distributor license applications on file. "If each one of these were Chick-Fil-As, we would not be able to sustain them," Woodward said, pointing to Oklahoma County. "We're not naive enough to think that every bit of this marijuana is going to the legitimate market. But there's tricks to figure out who's legitimate and who's not." He said the bureau denied approval of 401 business licenses in July based on evidence indicating that they had what he described as the "criminal business structure" of "ghost owners" to bypass the two-year residency rule in state law. The term "ghost owner" refers to an Oklahoma resident who falsely claims majority ownership in a business so the actual out-of-state owners can report compliance to the Oklahoma Medical Marijuana Authority and the Oklahoma Bureau of Narcotics and Dangerous Drugs Control. Businesses must have licenses from both in order to open. Woodward declined Wednesday to disclose who had applied for those licenses or which businesses were affected, "as this is still being processed at this time." But he told lawmakers last week: "We've already got one person who surrendered almost 300 licenses" after realizing the gravity of the situation. "None of these are gonna pass anymore," Woodward said. "We were under a lot of pressure early on to just get these things out there, get it going" let's get the program working. And we stayed out of everybody's way. "But we're at the point now where they have taken advantage of our hospitality and know how to play the game," and that is why things changed so quickly beginning in November and December of last year. The interim study, Aug. 30-31 at the Oklahoma Capitol, focused on concerns in the agriculture industry about the risks reported to come

with the rise of cannabis-growing facilities following passage of State Question 788. Its leaders were Reps. Dick Lowe, R-Amber; Dell Kerbs, R-Shawnee; and Carl Newton, R-Cherokee. “To me looking at this, it looks like to me we’re talking about a medical marijuana. This is a medical drug, pharmaceutical product that we’re giving to patients that need it,” Newton, who is an optometrist, said during discussions with OMMA leadership about the study. “We have quite a few regulations and guidelines and stuff like that, and to me, comparatively speaking, there doesn’t seem to be as much regulations (for medical cannabis.)” He later said he believes that “a lot of things in this medical field need to be tightened down to get a handle on this.”

Lawmakers heard from officials with the Oklahoma Rural Water Association and the Oklahoma Department of Agriculture about issues such as pesticide drift, as well as impacts to rural water and other rural utility services. But a significant portion of discussions detailed the struggles involved with ensuring that businesses are operating properly, including regulatory and legal compliance enforcement.

Tulsan Kathleen Windler recently filed a lawsuit against her former employer, law firm Jones Brown, alleging that the firm “where had she worked as a secretary” had her act as a ghost owner and turned the practice into a side business. Windler and four other defendants are charged in Garvin County District Court with cultivation-related crimes related to an Oklahoma Bureau of Narcotics raid of a prospective grow site this spring. The firm has not yet responded directly to Windler’s allegations, but partner Logan Jones has previously maintained that he and his colleagues have worked to help businesses follow the law. Woodward told lawmakers that some of those facilitating the “ghost owner” phenomenon are “brokers and law firms,” but he did not give names.

He referenced the existence of Windler’s lawsuit while explaining the practices of ghost owners but said he would not comment further. The narcotics bureau recently entered into an agreement with the OMMA through which the OMMA allocates a portion of license fees the bureau will use to create and staff a cannabis-specific enforcement unit. OMMA leaders

said the drug bureau's enforcement is for criminal violations, while OMMA typically takes on regulatory complaints. "Our lane is very, very narrow," Woodward said in the interim study. "However, whenever they step outside the bounds of State Question 788, they start getting into Title 63 drug laws, and our lane is very, very wide." Related

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