**Attorney General’s Office Serves Warrants to Take Down OKC Stores Selling Synthetic Marijuana**

Six Arrests Made in K2 Bust

OKLAHOMA CITY – Oklahoma Attorney General Scott Pruitt announced on Tuesday the dismantling of a criminal operation involving three Oklahoma City metro stores engaging in the selling and distribution of synthetic marijuana.

The Oklahoma Attorney General’s Office launched an investigation into three Mr. Coolz stores following a number of complaints from citizens regarding the danger of the narcotics allegedly sold at the stores.

The Mr. Coolz stores, in operation since 2010, are being targeted for the alleged retail distribution of drug paraphernalia and synthetic marijuana, widely known as “Spice” or “K2.” The owners and managers of the Mr. Coolz stores are also being targeted for laundering millions of dollars in unlawful proceeds from the sale of these illegal products.

“Today’s actions dismantled an organized criminal operation that was allegedly selling dangerous and illegal drugs to minors and making enormous profits in the process. Synthetic marijuana is a harmful drug that has proven it contributes to criminal behavior in our society. As attorney general, I will continue to take down criminals who seek to prey upon our children and will do all I can to ensure our children and communities are safe from these types of illicit and dangerous drugs,” Attorney General Pruitt said.

On Tuesday the attorney general’s office executed 18 search/arrest warrants across four Oklahoma counties. The warrants resulted in the arrests of John Roddy, William J. Martin, William J. Martin III and Montessa Chamberlin for racketeering. The suspects are accused of being the four principal operators of the Mr. Coolz stores. Also arrested Monday were Roy Lee Goddard III and Tobias Chantavong, clerks who allegedly distributed the illegal substances.

“I want to thank the tireless efforts our law enforcement partners that put time and resources into taking down this illegal business,” Attorney General Pruitt said.

The investigation was led by the Anti-Money Laundering Division of the Multicounty Grand Jury Unit of the attorney general’s office and assisted by Homeland Security Investigations and the Oklahoma Bureau of Narcotics. Assisting in Tuesdays raid are: Drug Enforcement Administration, Oklahoma City Police Department, Oklahoma County Sheriff’s Office, Bethany Police Department and the District 18 DA’s Drug Task Force.

**Colorado Marijuana Study Finds Legal Weed Contains Potent THC Levels**

By Bill Briggs

Colorado marijuana is nearly twice as potent as illegal pot of past decades, and some modern cannabis packs triple the punch of vintage ganja, lab tests reveal for the first time.

In old-school dope, levels of THC — the psychoactive chemical that makes people high — were typically well below 10 percent. But in Colorado's legal bud, the average THC level is 18.7 percent, and some retail pot contains 30 percent THC or more, according to research released Monday. "That was higher than expected," said Andy LaFrate, president of Charas Scientific. His Denver lab is licensed by the state and paid by marijuana businesses to measure the THC strength in their products before they go to market. "It's common to see samples in the high 20s." What's really in — and not in — Colorado's retail weed surprised LaFrate. After analyzing more than 600 samples of bud provided by certified growers and sellers, LaFrate said he detected little medical value and lots of contamination. He presents those findings Monday to a national meeting of the American Chemical Society, a nonprofit scientific group chartered by Congress.

"We don't want to be alarmists and freak people out, but at the same time we have been finding some really dirty marijuana," LaFrate told NBC News.

Some green buds he viewed were covered in funghi — and he estimated that several marijuana flowers were "crawling" with up to 1 million fungal spores.

"It's a natural product. There's going to be microbial growth on it no matter what you do," LaFrate said. "So the questions become: What's a safe threshold? And which contaminants do we need to be concerned about?"

For example, he also examined more than 200 pot extracts or "concentrates" and found some contained solvents like butane. All the tests were done with high-performance liquid chromatography, a method to separate, classify and measure individual compounds.

What LaFrate didn't see, however, also astonished him. The 600-plus weed samples generally carried little or no cannabidiol, or CBD — the compoundthat makes medical marijuana "medical." The average CBD amount: 0.1 percent, his study reports.

CBD is anecdotally known to control depression, anxiety, and pain. About 200 families with ill children also moved to Colorado to access a strain called Charlotte's Web, which appears to control seizures in some kids.

"It's disturbing to me because there are people out there who think they're giving their kids Charlotte's Web. And you could be giving them no CBD — or even worse, you could be giving them a THC-rich product which might actually increase seizures," LaFrate said. "So, it's pretty scary on the medical side."

The majority of samples tested came from recreational-pot merchants. Under Colorado law, recreational weed must be tested for potency. Some medical-pot sellers voluntarily provided samples to LaFrate. Colorado does not require pre-sale testing of medical marijuana. LaFrate did not analyze any edibles.

"Really, there is very little difference between recreational and medical in terms of the THC-to-CBD ratio, at least at the aggregate level," LaFrate said.

What does that mean for buyers? There may be little difference in how various strains make users feel, even though some people claim one type induces relaxation and another hikes alertness, LaFrate said. Three decades of cross-breeding pot strains — done to meet a demand for stronger weed — generally elevated THC and decreased CBD in many marijuana varieties, LaFrate said.

"These samples are representational, I think, of what's happening here in the state and, probably, across the country," LaFrate said. "Because most of the new states coming online with medical or retail marijuana have people from Colorado coming in to set up those markets.

"We found there's a tremendous amount of homogeneity within the genetics, at least as far as potency."

But some legal weed producers have launched new breeding projects, using different genetic combinations to boost CBD content, said Sean Azzariti, a cannabis advocate in Denver.

Azzariti also champions contamination testing as "an integral part of our industry."

"I personally am very excited to see technology in testing continue to advance. You would be very hard pressed to find a garden that hasn't at one point had some sort of issue, whether it's an infestation, microbial problems," said Azzariti, an Iraq War veteran. He uses cannabis to help treat post-traumatic stress disorder. Meanwhile, pot-legalization opponents are using LaFrate's findings to compare retail weed to food raised or grown with genetically modified organisms or GMOs. And pot foes continue to link the rise of the marijuana industry to the long-ago advance of Big Tobacco.

"This study is further evidence that Colorado legalization is not working. It proves that even under government control, there's no way to ensure marijuana is free of bacteria and chemicals," said Kevin Sabet, president of Smart Approaches to Marijuana (SAM).

"This shows that marijuana is a GMO product just like other products sold by big business. And just like other industries, now you have a big marijuana industry determined to hide these findings from the public. Where is their outcry? Where are the promises to change the way they do business?" Sabet said. "I won't hold my breath. For years, the tobacco industry did the same thing. Welcome, America, to Big Tobacco 2.0 — Big Pot."

**Economic study says EPA regulations threaten Wyoming coal**

March 19, 2015 6:09 pm • By BEN NEARY Associated Press

CHEYENNE, Wyo. — A new economic study says pending federal regulations to limit carbon emissions from existing coal-fired power plants threaten to hit Wyoming's coal industry hard in coming years.

The Wyoming Infrastructure Authority on Thursday released a study prepared by the University of Wyoming that predicts federal regulations could force a decline of up to 45 percent in Powder River Basin coal production by 2030.

Wyoming is the nation's leading coal-producing state. It's among several states pressing a federal lawsuit challenging the U.S. Environmental Protection Agency's proposal to require existing power plants to cut carbon emissions by 30 percent by 2030. The case is set for arguments next month in Washington, D.C.

Wyoming Gov. Matt Mead wrote to EPA Administrator Gina McCarthy in December saying that the EPA proposal would cut the demand for coal and drive up costs by requiring more electricity production from natural gas and other sources.

"Wyoming supplies 40 percent of the coal used in the United States — distributed to some 30 states annually," Mead wrote. "The mining industry employs — directly and indirectly — thousands of people in Wyoming."

The UW study says Wyoming would benefit from opening coal exports to Asia. Wyoming has been unsuccessful so far in efforts to access ports in the Northwest for coal exports. The prospect of trains hauling coal through Oregon or Washington to ports there has prompted stiff opposition from environmental groups and state regulators so far.

Mead this month signed into law a bill that gives the infrastructure authority the power to issue up to $1 billion in bonds to finance the construction of coal ports. Loyd Drain, executive director of the authority, said this week that the state is waiting for environmental review of proposed coal-port projects.

Drain said Thursday that he expects the EPA to issue its final rule regarding carbon limits on existing power plants this summer. The new economic study is the first of its kind to evaluate Wyoming's coal industry in over 20 years, he said.

"It's timely relative to new regulations as Wyoming looks to the impact of these new rules that are coming out in the summer," Drain said.

It should help shape the direction and emphasis the state needs to place on coal initiatives, such as exports, he said.

According to the report, coal production in Wyoming has fallen by 17 percent since 2008 as a result of factors including falling natural gas prices, slow national economic growth and increasing production of renewable energy. In 2008, the state produced a record 466 million tons.

Total state revenue from coal mining is $1.3 billion a year, or just over 11 percent of all government revenues in the state, based on 2012 figures, the report states.

The report analyzes a variety of environmental-regulation scenarios including the prospect of a carbon tax on coal production. It estimates that coal production in the state could drop from 20 percent to 45 percent and that state tax revenues could drop by up to 46 percent. Under the worst-case scenario, it states that one in 10 jobs in the Powder River Basin could be lost.

Exporting 100 million tons a year of coal to overseas markets would mean a $1.2 billion increase in the gross state product and spell an increase of 4,000 jobs at an annual total income of $345 million a year, the report estimates.

**Pro-coal Montana tribe weighs in on Cherry Point terminal**

By Ralph Schwartz

The Bellingham Herald March 23, 2015

Lummi Nation, which has fished the waters off Cherry Point for centuries, and Crow Nation, a tribe in Montana sitting on billions of tons of coal, have taken opposite stances on a proposed coal terminal on the Lummis’ historic fishing grounds.

Crow Chairman Darrin Old Coyote wrote the U.S. Army Corps of Engineers on Jan. 20, asking the federal agency to bring the two tribes together to discuss Gateway Pacific Terminal. The Crow letter was in response to request on Jan. 5 from Lummi Nation to the Corps, asking the agency to reject the terminal because it interfered with the Lummis’ ancient fishing practices, which were reinforced in U.S. law by an 1855 treaty.

The terminal is currently under environmental review.

“We are concerned about recent news reports that Lummi is asking the (Corps) to stop the environmental review process based on perceived impacts to their treaty fishing rights,” Old Coyote wrote.

In its response, dated March 10, the Corps said it would not organize meetings between the tribes. The agency suggested the Crow ask the Bureau of Indian Affairs.

“The Corps wouldn’t be the appropriate agency to facilitate such a meeting,” Corps spokeswoman Patricia Graesser said on Friday, March 20, in an email to The Bellingham Herald.

Leaders at Crow Nation were not available for comment on Friday.

The Corps said it would meet a different request from the Crow, to keep the tribe informed about the Corps’ review of Gateway Pacific Terminal and to include in that review, when appropriate, the Montana tribe’s position.

What’s at stake for Crow Nation is the 2013 agreement between the tribe and Cloud Peak Energy that would allow the mining company to extract 1.4 billion tons of coal from Crow land. The deal has already enriched the Crow by at least $3.75 million and would be worth millions of dollars more, depending on the amount of coal mined.

That, in turn, could depend on whether Gateway Pacific Terminal is built. Coal that would pass through the Cherry Point terminal would come from Montana and Wyoming.

“The Gateway Pacific Terminal project will ensure access to markets for Crow coal,” the tribal chairman’s letter said. Old Coyote has said in media reports that two-thirds of the Crow’s budget comes from coal revenue.

The Lummis have hosted the Crow at Cherry Point and have told the Montana tribe about the anticipated disruptions to Puget Sound fishing areas, Lummi Chairman Tim Ballew said.

“We’ve done extensive fact finding with other governments, including the federal government and other tribes,” Ballew said in an interview on Thursday, March 19. “We’ve come to the decision that our treaty right cannot be mitigated.”

“We have an explicit treaty fishing right that the Corps needs to respond to,” Ballew added. “That letter and request from the Crow is not a setback.”

The Lummis on March 5 sent the Corps details about the tribe’s fishing practices in response to a request from the Corps for more information, to support the tribe’s Jan. 5 request that the coal terminal be stopped. Ballew said Thursday the tribe had not yet heard back from the Corps.

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Read more here: <http://www.bellinghamherald.com/2015/03/23/4197844_pro-coal-montana-tribe-weighs.html?rh=1#storylink=cpy>

**Obama administration tightens rules on chemical disclosure**

By MATTHEW DALY and JOSH LEDERMAN

Associated Press

WASHINGTON – The Obama administration said Friday it is requiring companies that drill for oil and natural gas on federal lands to disclose chemicals used in hydraulic fracturing operations.

A rule to take effect in June also updates requirements for well construction and disposal of water and other fluids used in fracking, a drilling method that has prompted an ongoing boom in natural gas production.

The rule has been under consideration for more than three years, drawing criticism from the oil and gas industry and environmental groups. The industry fears the regulation could hinder the drilling boom, while some environmental groups worry that it could allow unsafe drilling techniques to pollute groundwater.

The final rule hews closely to a draft that has lingered since the Obama administration proposed it in May 2013. The rule relies on an online database used by at least 16 states to track the chemicals used in fracking operations. The website, FracFocus.org, was formed by industry and intergovernmental groups in 2011 and allows users to gather well-specific data on tens of thousands of drilling sites across the country.

Companies will have to disclose the chemicals they use within 30 days of the fracking operation.

Interior Secretary Sally Jewell said the rule will allow for continued responsible development of federal oil and gas resources on millions of acres of public lands while assuring the public that “transparent and effective safety and environmental protections are in place.”

Jewell, who worked on fracking operations in Oklahoma long before joining the government in 2013, said decades-old federal regulations have failed to keep pace with modern technological advances.

“I’ve personally fracked wells, so I understand the risk as well as the reward,” Jewell said. “We owe it to our kids to get this right.”

Fracking involves pumping huge volumes of water, sand and chemicals underground to split open rocks to allow oil and gas to flow. Improved technology has allowed energy companies to gain access to huge stores of natural gas underneath states from Wyoming to New York but has also raised widespread concerns about alleged groundwater contamination and even earthquakes.

While the new rule only applies to federal land – which makes up just one-tenth of natural gas drilling in the United States – the Obama administration is hoping the rule will serve as a model and set a new standard for hydraulic fracturing that states and other regulators will follow.

Brian Deese, a senior adviser to President Barack Obama, said the rules for public lands could serve as a template that the oil and gas industry could adopt to help address the public’s concern about the health and safety of fracking.

“Ultimately, this is an issue that is going to be decided in state capitals and localities as well as with the industry,” he said.

The Interior Department estimated the cost of complying with the rule would be less than one-fourth of 1 percent of the cost to drill a well.

The new rule drew immediate criticism from groups close to the energy industry, which warned it could disrupt the yearslong energy boom in the U.S.

“The Obama administration’s hydraulic fracturing rule is a solution in search of a problem,” said Thomas Pyle, president of the pro-industry Institute for Energy Research.

The League of Conservation Voters called the bill an important step forward to regulate fracking.

Even so, the group was disappointed with the continued reliance on FracFocus, which a spokeswoman described as an industry-run website.

“While this proposal has improved from previous versions, it represents a missed opportunity to set a high bar for protections that would truly increase transparency and reduce the impacts (of fracking) to our air, water and public lands,” said spokeswoman Madeleine Foote.

The rule will make the Interior Department’s Bureau of Land Management the largest customer of FracFocus, a website that has taken on increasing prominence in recent years as it collects data on drilling sites. Nearly 95,000 wells nationwide are registered with FracFocus, which is managed by the Ground Water Protection Council and Interstate Oil and Gas Compact Commission. Both groups are based in Oklahoma. The groundwater council is a nonprofit organization while the oil and gas commission is a collection of state officials from energy-producing states.

Jewell said that BLM will have representation on FracFocus’ board, adding that the group has taken steps to improve its platform, including adopting a new format that allows data to be automatically read by computers. “We feel like we’ve got an appropriate seat at the table and they’re listening to input to address the concerns that were initially raised” when the site was first suggested for federal use two years ago, Jewell said.

Jewell acknowledged that congressional Republicans are likely to mount an effort to block the rule, but she predicted the rule would survive because the industry recognizes that sensible regulation of fracking is appropriate.

“We expect that these rules will stick,” Jewell said.

**Utah Attorney General Sean Reyes and Utah Federal Solicitor Parker Douglas Submit an Amicus Brief in Multi-State Appeal of California’s Egg Regulation Case**

SALT LAKE CITY (March, 2015) — Utah’s Attorney General Sean Reyes and Federal Solicitor Parker Douglas have filed an amicus brief in support of multi-state appeal of a California law that bans the retail sale of millions of eggs from both in-state and out-of-state producers. Utah asserts that the case is a classic example of a good intentioned state law that attempts to exercise inherent Police Powers, but conflicts with the rights of citizens and regulatory authority in other states. Utah asks the U.S. Court of Appeals for the Ninth Circuit to consider: “The Larger State’s ability to exercise its Police Powers in a manner that may infringe on the Police Powers of other States.” Utah filed the amicus brief because it also has an interest in seeing that such important constitutional issues that directly affect it are properly considered and reviewed by the federal judiciary.

“California’s newly active egg production law is not only detrimental to Utah egg farmers, but also to the most vulnerable of citizens, those below the poverty line, and children who need proper nutrition,” said Attorney General Sean Reyes. According to Andrew P. Miller, former Attorney General of Virginia, Utah’s participation in this case is critical to its outcome. “Utah’s excellent legal analysis and arguments submitted in an amicus brief to the Ninth Circuit Court of Appeals may have saved this case for nationwide egg farmers and those most impacted by the possibility of limited egg production and higher prices,” Miller said.

In addition to the constitutional questions that this case has brought into question, Utah’s attorneys believe that the everyday lives of Utahns are impacted in important and concrete ways by California’s egg producers’ rules, embodied in AB 1427, and applied extraterritorially. “We are very concerned for the nearly 13% of Utah citizens who are currently living below the poverty level and depend on low cost egg protein in their nutrition. Studies also indicate that the consumption of eggs may help reduce obesity,” said Utah Federal Solicitor Parker Douglas. “Utah has an additional interest in testing the constitutionality of AB 1437, as a substantial portion of its population, especially its low income population, could find higher obesity rates as egg prices increase.”

The California law on producers was challenged and dismissed by a lower federal court in Oct. 2014 without in depth argument and the new law took effect Jan. 1, 2015. Utah was not included in that case, but has now joined other egg-producing states in asking the Ninth Circuit Court of Appeals to reverse and remand the lower court’s decision to allow the Plaintiff States to amend their complaint. The Plaintiffs are seeking proper dormant Commerce Clause analysis and hope to prove that California’s AB 1427 constitutes extraterritorial regulation that is not justified by local interest that outweigh those of California’s sister States.

**Attorney General Settles With Four More Manufacturers Over Violations Of Vermont’s Prescribed Product Gift Ban And Disclosure Law**

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So far this year, the Attorney General has filed four Assurances of Discontinuance settling violations of Vermont’s Prescribed Product Gift Ban and Disclosure Law by prescribed product manufacturers. Each of the four manufacturers agreed to prospective compliance with the law, which bans most gifts to Vermont health care providers and requires manufacturers of prescribed products to disclose expenditures deemed appropriate by the legislature. All violations were self-reported. The four manufacturers paid a total of $137,750.00 to settle the claims.

For a copy of the AODs, see the Attorney General’s website at: www.ago.vermont.gov under “Disclosures by Manufacturers of Prescribed Drugs, Biological Products and Medical Devices.”

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**HAWAII SUPREME COURT RULES ONLINE TRAVEL COMPANIES MUST PAY MILLIONS IN BACK TAXES FOR HAWAII HOTEL ROOM SALES**

HONOLULU - The Hawaii Supreme Court ruled today that 9 online travel companies, including Expedia, Orbitz, Priceline and Travelocity, owe up to tens of millions of dollars in back taxes to the State of Hawaii for selling Hawaii hotel rooms over the Internet.

“This landmark ruling is the first time the Supreme Court ruled that online commerce may be just as subject to pay general excise (GE) taxes as local brick-andmortar businesses,” announced Attorney General Doug Chin. “It is the result of years of effort by the Attorney General’s office to collect state taxes from national companies who profited from selling Hawaii hotel rooms.”

In 2010, the state tax department issued GE tax and TAT assessments against the online travel companies for back taxes starting from 2000. The online travel companies refused to pay, arguing that their revenue generating activities did not occur in the State of Hawaii. In today’s ruling, the Supreme Court upheld the very broad reach of Hawaii’s general excise tax and stated that general excise tax applies to “virtually any economic activity imaginable.”

The Court pointed out that the general excise tax law applies to persons who do business in the State even when they don’t have a physical presence in Hawaii. The online travel companies “were not passive sellers of services to Hawaii consumers.”

The Court reasoned: [I]t is clear the occupancy rights that [these companies] are selling to transients are wholly consumable and only consumable in Hawaii. Even though an [online travel company’s] agreement with a transient may take place outside of Hawaii, the agreement is effected with the intent that performance would occur entirely in Hawaii.

Today’s ruling affirms the Tax Appeal Court’s judgment upholding the State’s assessments of penalties and interest against online travel companies for failing to file tax returns and failing to pay general excise taxes during the period 2000 through 2011.

“The amount of taxes, penalties and interest owed by these online travel companies will be substantial, up to tens of millions of dollars,” said Deputy Attorney General Hugh Jones, lead state attorney in the litigation since 2010. “On top of those back taxes, we believe online travel companies must pay GE taxes to the State of Hawaii for the past years up to the present and going forward, based on this ruling,” said Chin. “It’s a privilege to do business in Hawaii. Bottom line, these online travel companies derived substantial revenues from the sale of Hawaii hotel rooms and they need to pay their fair share.”