

ARTICLES FOR 12-10-15 ROUNDUP

Utah Attorney General's Office & Asian Association of Utah Awarded Over \$1.2 Million to Fight Human Trafficking and Support Victims

Monies will enhance the Utah Trafficking in Persons (UTIP) Task Force

SALT LAKE CITY – Dec. 8, 2015 – The Utah Attorney General's Office and the Asian Association of Utah today announced they are one of sixteen partnerships selected by the U.S. Department of Justice (DOJ) in 2015 for anti-trafficking task force grant awards to support law enforcement efforts and victims services over the next three years. The Utah Attorney General's Office was selected to receive \$899,512 as the law enforcement applicant and the Asian Association of Utah will receive \$400,000 as the victim's service provider. The combined funding will support the Utah Trafficking in Persons (UTIP) Task Force.

“Over the past two years my eyes have been opened to the atrocities of human trafficking – including right here in Utah. I am honored to work with so many experts and dedicated team members from all the agencies comprising the Utah Trafficking in Persons Task Force, including those from the Attorney General's Office and our SECURE Strike Force who are individually and collectively dedicated to eradicating human trafficking in Utah,” said Attorney General Sean Reyes. “The DOJ grant will have tremendous impact on not only investigations and prosecutions, but also victim support in Utah. The Asian Association of Utah is a proven community leader in providing services for many of our most vulnerable and we look forward to partnering with them to help victims of trafficking reclaim their lives.”

In 2014, the Utah Attorney General's SECURE Strike Force was involved in over 25 human trafficking related investigations, serving over 70 victims. The DOJ grant funding will be used to support and enhance existing human trafficking efforts including: 1) implementing victim-centered, collaborative and sustainable approaches to *identifying victims* of sex and labor trafficking through training and outreach, 2) Proactively *investigating trafficking leads* through dedicated law enforcement staff, 3) *Building strong cases for prosecution* of traffickers through a specialized prosecutor and 4) providing individualized, comprehensive *victims services* for victims of all types of trafficking throughout Utah. Additionally, the Task Force will *gather statewide data* and share information in order to ensure Utah's human trafficking response is data driven and effective.

“In most investigations and subsequent prosecutions that have roots in human trafficking, we find victims in fear of not only their traffickers, but also of what exists outside of the life that they have known,” said Tammie Atkin, Chair and Board Member of UTIP and the Attorney General's Victim Witness Coordinator. “Solutions are complex and often take years of victim support for individuals to finally find personal freedom. Our office understands how important it is to have partners who know how to build trust and establish patterns of self-sufficiency and success.”

Elizabeth Hendrix, Program Director at the Asian Association of Utah added, “We are proud to partner with the Attorney General's Office to serve all victims of sex or labor trafficking, regardless of age, gender, or immigration status. Victims often experience extensive trauma and have complex needs. We have established a comprehensive set of victims services — through our programs and great community partners — to ensure each individual's needs are met as they move toward recovery and healing.”

The UTIP Task Force is led by an Executive Board, co-chaired by representatives from the Utah Attorney General's Office and the U.S. Attorney's Office, District of Utah. Comprised of over 70 essential stakeholders from multiple sectors and geographic areas, UTIP has broad reach in both participation and impact. Members include the Federal Bureau of Investigation, U.S. Department of State, U.S. Department of Labor, U.S. Department of Housing and Urban Development, U.S. Department of Homeland Security, Utah Department of Public Safety, multiple law enforcement agencies, first responders, victim advocates, NGO's, social service agencies, Utah Department of Child and Family Services, Juvenile Justice, Utah Occupational and Professional Licensing, Utah legal services, Backyard Broadcast, Volunteers of America (Utah), Statewide Information & Analysis Center and many others.

To support statewide efforts to combat human trafficking, UTIP will use a micro-grant structure to provide small awards to local law enforcement-victim service provider partnerships. This will foster collaborative approaches to human trafficking response throughout the state, and allow highly-impacted areas to develop local capacity to address trafficking.

Also within the scope of the grant, UTIP will gather statewide data and share information to ensure Utah's human trafficking response is data-driven and effective. In order to facilitate data-informed decision making, researchers from the University of Utah will monitor progress toward project goals and provide feedback to the Task Force. Using information about law enforcement indicators (such as investigation, prosecution, and conviction), service indicators (such as number of victims receiving treatment services), and task force indicators (such as number of partners and referrals), researchers will support the Task Force in implementing policies and procedures that increase responsiveness to the issue of human trafficking.

\$1.25 MILLION IN GRANTS AVAILABLE FOR HUMAN TRAFFICKING SERVICES

More than a million dollars in grants is available for organizations and entities providing services relating to human trafficking, announced Attorney General Wayne Stenehjem. The \$1.25 million in grant funds was authorized by the 2015 legislature as part of a comprehensive package of bills to address human trafficking in North Dakota.

“During the legislative session the state made a promise to victims of human trafficking that we would help them find a better life. This grant will put funding in the hands of organizations that can do that, just as promised,” said Stenehjem. In addition to organizations already providing prevention and treatment services to victims, the grants are available to entities seeking to expand into North Dakota, and to criminal justice agencies for training and enforcement efforts and prosecution of traffickers.

The grants will be awarded through a competitive process beginning in January. The Attorney General's Human Trafficking Commission and the Drug and Violent Crime Policy Board will review the applications and make recommendations to the Land Board, which will distribute the grant awards in February.

The grant application instructions and application form can be downloaded from the BCI Grants page of the Attorney General's website, at www.ag.nd.gov. Completed applications must be received by BCI no later than December 31, 2015.

Water Wars: Opposing Sides Promise Sacrifices Will Rebuild Aquifer

December 04, 2015 2:30 am • MYCHEL MATTHEWS mmatthews@magicvalley.com

TWIN FALLS • It's been a big year for water users.

Parties in a 10-year-old water call are wrapping up an unprecedented settlement agreement to restore the Eastern Snake Plain Aquifer and end future water battles between the Surface Water Coalition and groundwater users. Major players have signed off on the agreement, and are now working out details that will go to the state Legislature.

Two dozen neighbors in a water-scarce area south of Filer are exhausted from protesting a water transfer by Thomas Leno on behalf of Hank Hafliger and his dairies. The Idaho Department of Water Resources approved three of the transfer applications but denied a crucial fourth application, which neighbors said would have put their water wells most at risk. Richard Parrott, a neighbor of Hafliger's dairies, has challenged Director Gary Spackman's decision to grant a 1970 priority right to a well that Parrot says hasn't been drilled yet. Parrot has asked for a face-to-face meeting with Spackman to address what he says is an unjust action by the director.

"We need to protect the public from water grabs," Parrot said. "Big dairies use the government to control the public."

Members of the Big Wood & Little Wood Water Users Association in February claimed that the IDWR had failed to administer their senior water rights under the Prior Appropriation Doctrine, which stipulates that "first in time means first in line."

About 40 water users south of the Wood River Valley hold water rights with priority dates ranging from the early 1880s to the early 1900s.

The Rangen fish hatchery in Hagerman made a water delivery call in January 2014. After months of uncertainty and legal maneuvering, the groundwater users — nearly the same groundwater users named in the SWC water call — reached a deal and in February finished a \$4 million pipe to deliver Rangen spring water to prevent curtailment.

Why Now?

The amount of precipitation the region receives has changed little over the last 60 years, said Brian Olmstead, general manager of the Twin Falls Canal Co. But the reason for water battles in this heavily irrigated desert is simple.

"We are pumping more and recharging less," Olmstead said. The ESPA has reached its lowest levels since 1912.

Water in the ESPA was over-allocated and the state was needed to help bring it into balance, he said.

House Speaker Scott Bedke of Oakley bartered the deal.

Affected groundwater users who are a part of the Idaho Ground Water Appropriators (IGWA) have agreed to surrender a staggering 13 percent of their water, among other stipulations. The plan will leave an additional 240,000 acre-feet into the aquifer each year.

Spackman doesn't remember a more monumental water contract.

"The reason this is historic is that it establishes a multi-year, long-term solution that addresses the senior water-right holders' needs and assures them of a reliable source of water," he told the Times-News in August. "And it creates certainty for groundwater users as well."

Lynn Tominaga, IGWA executive director, on Thursday said his members signed off on the agreement by Oct. 1. IGWA's membership includes the state's nine groundwater and irrigation districts, industrial users and cities — representing more than 1 million acres of cultivated land and 120,000 residential and business customers.

Travis Thompson, an attorney representing surface water users, said SWC members have signed the agreement.

The seven largest irrigation districts in the Surface Water Coalition — A&B Irrigation District, American Falls Reservoir District, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Co. and Twin Falls Canal Co. — made the original water call in 2005.

"Everyone who is a part of the agreement has signed off on it," Thompson said. But others, such as the Coalition of Cities, Southwest Irrigation District and Idaho Falls, "will likely file their own mitigation plans."

"I think (the settlement) is critical for the sustainability of the ESPA," he said. "It does deal with the water call, but it is a comprehensive way of dealing with the aquifer in a way we've never done before."

Both Olmstead and Tominaga say it will take four or five years to iron out the wrinkles in the plan.

"It's going to be interesting how it all shakes loose," Olmstead said. "If everybody meets their goals, it will work."

Western Governors Endorse Prescreening Tourists Outside U.S.

The governors' resolution asks U.S. customs and immigration authorities to put screeners at airports

By ASSOCIATED PRESS

LAS VEGAS — Governors from 19 Western states called Friday for expansion of a program that screens international travelers at airports abroad, in a bid to encourage tourism and stop terrorists before they arrive in the U.S.

Montana Gov. Steve Bullock told the Western Governors' Association in Las Vegas that expanding a U.S. government pre-clearance program would serve two purposes.

"First, it enhances national security by keeping potential terrorists from even arriving on U.S.," he said. "Second, it encourages tourists to travel to the U.S. by reducing the hassle and wait times at customs checkpoints" when they arrive.

Security was a key issue for Bullock, a Democrat, and the Republican governors of Wyoming, Idaho and Nevada during the conference at the Four Seasons resort.

But Bullock said the resolution endorsed by governors of 15 of the 19 states, with some ballots still pending, was in the works long before a mass shooting Wednesday in nearby Southern California killed 14 people and wounded 21 at a holiday event at a government office in San Bernardino. The husband-and-wife assailants, who had ties to Pakistan, were killed in a shootout with police.

The governors' resolution asks U.S. customs and immigration authorities to put screeners at airports in Belgium, the Dominican Republic, Japan, the Netherlands, Norway, Spain, Sweden, Turkey and England. It notes that screeners are currently stationed at 15 airports in Ireland, Canada, Aruba, the Bahamas, Bermuda and the United Arab Emirates

The governors also approved resolutions calling for federal funding for sustainable forest management in the West, implementation of the 2014 Farm Bill and safe transportation of defense-related radioactive waste.

Wyoming Gov. Matt Mead, association chairman, called security the No. 1 priority for governors of every state, not just the 19 members of the association, also including Alaska, Arizona, California, Colorado, Hawaii, Kansas, Nebraska, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah and Washington.

"You can't think of security of any individual state without thinking of the security of the country as a whole," Mead said, adding that he expected the larger and separate National Governors Association might address the issue.

Nevada Gov. Brian Sandoval offered prayers and condolences to people affected by the shooting and pointed to preparations being made for New Year's Eve events including fireworks expected to draw up to 350,000 people to the Las Vegas Strip. Sandoval said 1,500 law enforcement officials and the National Guard will be involved.

"We have to be extremely vigilant how we protect our visitors (and) how we protect our residents," he said.

U.S. Interior Secretary Sally Jewell focused during a keynote speech on issues including drought, wildfires, species protection and abandoned mines. She urged states to continue working with federal officials to address them.

Jewell said adopting rules this year to protect habitat for the greater sage grouse in 11 Western states, rather than declare the chicken-sized bird an endangered species, was one example of cooperation.

The nation's top land manager acknowledged the breadth of the regulations created lots of work for lawyers.

"But I will say that it's way better than a listing," she said. "It provides certainty to developers ... states ... and the conservation community as well."

Jewell and Sandoval met separately and reached agreement to use new maps of sage grouse habitat in Nevada to correct inaccuracies that showed the birds living near urban areas in Reno and Sparks — stopping plans for a badly needed school and a veterans' cemetery.

The budget-busting cost of fighting wildfires was another burning issue during the twice-yearly governors' meeting.

Robert Bonnie, a U.S. Department of Agriculture undersecretary, said the cost of fighting wildfires has exploded from about 16 percent of the U.S. Forest Service budget in the mid-1990s to more than half the agency budget in recent drought-stricken years.

Fires this year in Washington state and California were among the worst on record, and Idaho Gov. Butch Otter noted that the so-called Soda Fire in the southwest of his state burned nearly 450 square miles.

States are calling for the federal government to classify severe wildfires as natural disasters for funding purposes.

Bonnie said the problem is that the Forest Service spent \$3 billion of its \$5 billion budget fighting fires that charred nearly 10 million acres in 2015, leaving few resources for needed forest management, research and recreation programs.

Casino Industry Unveils New Best Practices for Anti-Money Laundering Compliance

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Washington, DC – One year after issuing the first-ever comprehensive set of Anti-Money Laundering (AML) Best Practices, the American Gaming Association (AGA) today released updates that include enhanced emphasis on instilling a strong culture of compliance; more robust assessment of money laundering risks; incorporation of key conclusions from the U.S. Treasury Department; and improved employee training on the latest AML updates.

The Best Practices guide the efforts of casinos to protect the U.S. financial system and America's national security from money laundering and other forms of illicit finance. The landmark first version of the document was developed in coordination with the Financial Crimes Enforcement Network (FinCEN) and with compliance representatives from a broad array of AGA member companies.

*Read the AGA's updated Best Practices for Anti-Money Laundering Compliance

"Our industry's commitment to a culture of compliance is stronger than ever, and our updated Best Practices ensure that casinos of all sizes are protecting themselves and America's national security," said Geoff Freeman, president and CEO of the AGA. "We will continue to bolster these Best Practices, adapt to evolving threats and incorporate guidance from FinCEN and other regulators who share our goal of preventing illicit activity from occurring at gaming properties."

Among the updates to the Best Practices are:

- Enhanced emphasis throughout the entirety of the updated Best Practices on the importance of instilling a strong culture of compliance, aligned with FinCEN's guidance;
- More targeted and extensive assessment of money laundering risks, focused on the various aspects of a casino, including: gaming floor activity; race and sports book activity; cage focused activity and information from the back of the house;

- Incorporation of key conclusions regarding potential risks in casinos from the Treasury’s National Money Laundering Risk Assessment; and
- Employee training section enhancements to ensure that employees receive timely updates on developments in laws, regulations and Government issued guidance.

Casino companies have developed robust risk-based programs that promote compliance with the requirements of the federal Bank Secrecy Act (BSA) and associated AML regulations to discourage illicit behavior and safeguard the integrity of the casino industry. Risk-based compliance efforts are essential to the casino industry’s effective implementation of AML controls.

AG Brnovich: Used Car Dealership Banned From Selling Cars

Contact: Mia Garcia (602) 339-5895 or Mia.Garcia@azag.gov

AG Brnovich: Used Car Dealership Banned From Selling Cars

Phoenix, AZ – Attorney General Mark Brnovich today announced Uncle Joe’s Auto Sales is banned from selling cars in Arizona after violating the state’s Consumer Fraud Act. The used car dealership and its owners will also pay \$70,000 in consumer restitution. The restitution is part of a Consent Judgment reached against Front Line Auto Auction, LLC, doing business as Uncle Joe’s Auto Sales and Uncle Joe’s Auto Consignment Shop (“Uncle Joe’s”) and its principals, Joseph and Gina Colombo. The Consent Judgment also bans Uncle Joe’s and the Colombo’s from owning, operating, or managing a motor vehicle sales or finance business in Arizona.

“This dealership targeted Arizona families with no credit or poor credit, charging them outrageous fees,” said Attorney General Mark Brnovich. “Buying a car is a major investment for most families and this office will continue to take a tough stance against used car scams and auto dealer fraud.”

The Consent Judgment resolves the state’s Consumer Fraud Lawsuit filed in March 2015. The Attorney General’s Office received more than 30 consumer complaints about Uncle Joe’s, even though the business, located near 24th Street and Bell Road, was only open for about 8 months. In the Consent Judgment, Uncle Joe’s and the Colombo’s admitted to engaging in numerous false, misleading, unfair, and deceptive acts and practices, including:

- Misrepresenting the condition of defendants’ motor vehicles and their willingness and ability to repair motor vehicles;
- Misrepresenting in Craigslist advertisements that their sales were private (non-dealer) sales;
- Making deceptive statements in order to obtain deposits and/or down payments from consumers and then refusing to return those deposits;
- Overcharging consumers and charging unreasonable fees for registration, title, filing, and other miscellaneous fees “paid to public officials, including filing fees”;
- Misrepresenting the interest rate (APR) on buyers’ finance contracts;
- Selling vehicles “as is” in violation of Arizona law, and failing to honor statutorily required warranties; and
- Making deceptive statements that conflicted with the written terms of their sales and finance agreements.

Restitution may also be available to additional consumers who file complaints before February 15, 2016. The Defendants are also required to pay \$5,000 for attorney’s fees and costs and \$360,000 in civil penalties, of which \$335,000 will be waived if the Defendants make their payments on time and comply with all of the terms of the Consent Judgment.

This case was handled by Assistant Attorney General Alyse C. Meislik.

If you believe you have been the victim of consumer fraud, you can file a consumer complaint by contacting the Attorney General's Office in Phoenix at (602) 542-5763, in Tucson at (520) 628-6504, or outside the Phoenix and Tucson metro areas at (800) 352-8431. Bilingual consumer protection staff is available to assist. Consumers can also file complaints online by visiting the Arizona Attorney General's website at <https://www.azag.gov/complaints/consumer>.

If you have additional questions, members of the media may contact Mia Garcia, Director of Media Relations at (602) 339-5895 or Mia.Garcia@azag.gov.

Judge Halts Deceptive Fundraising and Orders Business Reforms for Newspaper Archive Company

Court order bars Newspaper Archive Inc. and associated charity Global Way Makers, both with Cedar Rapids ties, from stealth collection of online donations

(DES MOINES, Iowa) An international newspaper archiving company and related non-profit, both with Cedar Rapids ties, are barred from using a pre-checked box to obtain charitable donation authorizations from the company's subscribers, through an agreement with Attorney General Tom Miller.

The agreement, called a consent judgment, approved Thursday by Polk County District Court Judge Robert B. Hanson, requires Newspaper Archive Inc. to change its business practices in Iowa, including the notices and disclosures it provides to its online subscribers.

Consumers had complained about the company's automatic subscription renewals, billing practices, restrictive refund policies, unexpected price increases, difficulty in cancelling, and unresponsive customer service.

The billing practice complaints included Iowans who objected to negative-option charitable donation charges to a non-profit organization called Global Way Makers that the consumers had not intended to make.

The organization, which was first incorporated in California in 2003 as a religious corporation distributing humanitarian aid, was started by then-Californian Debora Leitner. Leitner later married Christopher J. ("Chris") Gill, and in 2010 Gill's company Newspaper Archive began using the pre-checked box to garner donations from the company's online customers.

Both the company and non-profit list an identical Cedar Rapids address in several business filings, though the company lists a San Diego mailing address on its website.

Miller's investigation indicated that Global Way Makers used the collected funds for charitable purposes. However, some of the funds were routed to schools or other causes in the Cayman Islands, where the Gills now reside, or to other charities associated with Newspaper Archive. Miller said that many consumers whose credit cards were charged for donations may not have chosen to donate, or would not have made the same choices the Gills made in re-distributing charitable donations.

“And that’s really the point,” Miller said. “Consumers deserve transparency about what they’re being charged for and why, so they can make their own decisions about charitable giving and other spending.”

The pre-checked box device for generating donations was used from May 2010 through June 2014. The amount collected as a donation from most individual consumers was less than \$25, and was often only a few dollars. But some consumers were charged more than \$200 for donations over the course of their subscriptions, whether they knew they were donating or not.

“Consumers deserve to be presented with a meaningful opportunity to decide for themselves whether to make a donation,” Miller said. “Here, online customers going through the checkout process for the archive subscription were unexpectedly presented with a request to donate to a charity, Global Way Makers. If they just clicked past the request, a pre-checked box was treated as authorization to charge the consumer’s credit card an extra \$2 a month as a donation to Global Way Makers.”

The consent judgment requires the defendants to pay \$100,000, primarily for refunds to consumers who were unwittingly charged for donations they did not intend to make. The defendants have provided payment records which will be used to make the refunds, but Miller also encouraged anyone who was charged for donations and wants a refund to contact the Consumer Protection Division.

Both defendants deny wrongdoing through the agreement and, according to Miller, cooperated in resolving the case.

For more information or to file a complaint, contact the Consumer Protection Division through the Attorney General’s website at www.iowaattorneygeneral.gov or email directly to consumer@iowa.gov. Consumers can also call the Consumer Protection Division at 515-281-5926, or outside the Des Moines area, toll free, at 888-777-4590.

Checks on the way to 1,400 in NC for faulty foreclosures by SunTrust

Settlement won by AG Cooper includes cash payments of \$2 million, \$21.5 million in other relief for NC consumers

Raleigh: Cash payments of nearly \$2 million are on the way to approximately 1,400 North Carolina mortgage borrowers who were wrongly foreclosed on by SunTrust, Attorney General Roy Cooper said Friday.

“This is welcome relief for North Carolina families who suffered foreclosures done wrong,” Cooper said.

Eligible North Carolina consumers who had mortgages serviced by SunTrust, lost their homes to foreclosure between January 1, 2008 and December 31, 2013, and applied for relief by the June 4, 2015 deadline should receive their payment in early December. Checks of approximately \$1,330 each are being mailed to 1,454 affected borrowers in North Carolina starting Friday.

Consumer relief

The cash payments are part of an estimated \$23.5 million in relief for North Carolina consumers that also includes loan modifications and lien forgiveness under a settlement with SunTrust that Cooper won last year. Under the settlement, SunTrust has so far forgiven approximately \$2.8 million in first liens, extinguished approximately \$1.8 million in second liens, and forgiven

approximately \$2 million in first and second liens to facilitate short sale transactions for North Carolina homeowners.

The help for North Carolinians is part of a \$550 million national settlement involving 49 states, the District of Columbia, and several federal officials.

Under the settlement, payments go to consumers who lost their homes to foreclosure due to alleged misconduct by SunTrust that resulted in premature or unauthorized foreclosures, violations of homeowners' protections, and the use of deceptive documents and affidavits. SunTrust is also required to adhere to tougher standards to prevent future foreclosure abuses like robo-signing, improper documentation, and misplaced mortgage and foreclosure paperwork.

Consumers who have questions can contact the settlement administrator toll-free at 1-866-590-8532 or by email at settlementadministrator@nationalSunTrustsettlement.com. Eligible consumers who believe they did not receive a scheduled mailing should contact the settlement administrator directly.

Reforming mortgage servicing and foreclosure practices

Cooper's settlement with SunTrust is based on the National Mortgage Settlement, which he negotiated in 2012 with five major mortgage servicers: Ally/GMAC, Bank of America, Citi, JPMorgan Chase and Wells Fargo. As a result, North Carolina received \$338 million for housing counselors, legal help, fraud detection and prosecution, and an additional \$33.57 million in cash payments to victims of foreclosure. Last year, Cooper also negotiated a settlement with Ocwen Financial Corporation, worth \$2.1 billion nationwide and \$26 million in North Carolina.

"Through these agreements we're holding banks accountable for past problems and preventing future ones," Cooper said.

Attorney General Settles With Motor Vehicle Advertiser And Issues Motor Vehicle Advertising Warning

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The Vermont Attorney General's Office entered into an Assurance of Discontinuance with Aspen Marketing Services, LLC after the Attorney General's investigation revealed that over 81,000 letters Aspen sent on behalf of five GM motor vehicle dealers misrepresented that the consumers had been specially selected to participate in an exclusive motor vehicle buyback program.

"Vermont consumers were lured to dealerships in the mistaken belief that they were among a select group of people who were getting a special deal when that was not the case," said Attorney General Bill Sorrell. "This type of advertising runs afoul of Vermont's law against deception and will not be tolerated. This case is intended to serve as a warning to any motor vehicle dealer or advertiser who uses such tactics in the future."

The letters sent to consumers misrepresented that certain car dealers had been selected as a "host location" for a "unique Buyback Event," and that the dealers were in "desperate need" of their particular vehicles to "fulfill special used vehicle requests." Consumers were told that "due to the nature of the event," they must bring the letter to be admitted because the Buyback event would "not be advertised to the general public."

Based on information obtained by the Attorney General, the mailing list for the letters was compiled using the names and addresses of actual or prospective customers provided to Aspen by the motor vehicle dealers, and mailing lists of Vermont motor vehicle customers purchased by Aspen on behalf of the dealers. Aspen has agreed to pay the State \$109,000 and to stop sending, preparing or assisting anyone else in preparing similar marketing pieces in the future.

Cannabis growers pressure the grid Industry could soon buy up to \$11B per year in electricity

By Jonathan Thompson
High Country News

The issue is pressing enough that it got its own session – “The Straight Dope on Energy & the Marijuana Industry” – at the Nov. 11 annual meeting of the National Association of Regulatory Utility Commissioners in Austin, Texas.

Attendees learned that Xcel Energy, which serves most of urban Colorado, sells some 300 gigawatt hours of electricity to pot growers per year, or enough to power some 35,000 homes. The U.S. marijuana-growing industry could soon buy as much as \$11 billion per year in electricity.

One study estimates that it takes as much energy to produce 18 pints of beer as it does just one joint. The data are alarming, and will only get more so as legalization spreads. But legalization, if approached correctly, also opens doors of opportunity. The biggest guzzlers of electricity also hold the most potential for realizing gains via efficiency.

Back in 2011, a California energy and environmental systems analyst, Evan Mills, published a paper quantifying the carbon footprint of indoor cannabis production. That footprint, he discovered, was huge. His findings included:

While the U.S. pharmaceutical sector uses \$1 billion/year in energy, indoor cannabis cultivation uses \$6 billion.

Indoor cannabis production consumes 3 percent of California’s total electricity, 9 percent of its household electricity and 1 percent of total U.S. electricity (equivalent to 2 million U.S. homes per year).

U.S. cannabis production results in 15 million tons of greenhouse-gas emissions per year, or the same as emitted by 3 million cars.

Cannabis production uses eight times as much energy per square foot as other commercial buildings, and 18 times more than an average home.

Mills’ paper generated a flurry of media coverage, much of it sensationalist, which was then used to point out that pot smokers are hypocritical (based on the wrong assumption that pot smokers are environmentalists).

Some pundits even used the findings – along with some dubious math – to justify other carbon-intensive activities, such as mining Alberta’s tar sands.

But Mills wasn't picking on pot, per se. He was focused only on indoor cultivation. And he made sure to point out that a lot of marijuana's energy use is actually energy waste. Many growers, for example, use diesel generators to power their operations to avoid suspicious electric bills. They grow in places where there are no windows, without the benefit of sunlight, relying entirely on artificial lighting (which is extremely bright and energy intensive). When greenhouses are used, they tend to be of bad and inefficient design.

Most of this wastefulness occurs not because dope farmers are gluttonous slobs, but because they need to stay hidden in order to stay out of jail. So by simply legalizing and legitimizing the trade, some states have taken the first step in taking a bite out of cannabis' energy footprint.

For one thing, legalization allows farmers to move their crops outdoors, where it takes no more energy to grow a pot plant than it does a carrot or tomato. It allows them to ditch the dirty, wasteful generators and hook up to the grid. (And to actually pay for the power they use: Electricity theft by pot producers is said to total as much as \$100 million per year). And it allows utilities and farmers to work together on maximizing efficiency.

The Northwest Power and Conservation Council, for example, has found that huge savings could be realized if farmers switched to efficient greenhouses and to LED lighting, and their yields would increase.

In his paper, Mills suggests implementing energy-efficient incentives as well as energy-conscious construction codes for grow operations. There's also tremendous potential for using all the pot growers on a single grid together as a demand response resource.

Demand response works like this: Demand on the grid spikes, perhaps because everyone turns on their energy-sucking flat screen televisions to watch the football game all at once. The utility needs to meet that demand by putting more power into the grid. The conventional way of doing this is to fire up a power plant, usually natural gas-fired, which is expensive and polluting.

But in demand response, the new power needs are met by curtailing the power use of a bunch of customers by, say, telling their hot water heaters to shut down for an hour or so, via smart meters. This has the same effect as injecting more power into the grid, to meet the increased demand. In other words, the consumers, collectively, become a sort of backup power plant.

A more rudimentary form of demand response is for the utilities to coordinate with the growers to shut down the power-sucking devices during peak load hours, such as when everyone else is cranking their air-conditioners, and turn them on during off-peak hours, like in the middle of the night. If the growers are on time-of-use electricity rates, that would be the most cost-effective way to go, anyway.

Unfortunately, many utilities are slow to seize the opportunities legalization presents. Xcel Energy's representative at the Austin meeting said that the company has been wary of working with growers on efficiency because it might look like the firm is promoting drug production.

And the Bonneville Power Administration, the massive federal utility in the Pacific Northwest, doesn't allow any of its efficiency incentives to go to cannabis cultivators, because growing marijuana is still against federal law.

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