

# U.S. officials investigating Oregon marijuana operation

**Andrew Selsky**  
Associated Press

SALEM, Ore. (AP) — Federal officials are investigating a marijuana processing facility in Oregon after an explosion there injured a man who was previously convicted in a money laundering operation linked to pot-trafficking.

The probe is a fairly rare instance in which U.S. officials are investigating a marijuana case in a state where pot is legal. Federal enforcement of U.S. laws that ban possession and distribution of marijuana is restricted by the U.S. Justice Department, but is permitted when marijuana is being distributed to other states and in a few other situations.

Police in Cottage Grove, a town of 10,000, called on the U.S. Drug Enforcement Administration for help after fire officials found hundreds of marijuana plants growing inside the building where the explosion occurred on Nov. 16. The explosion burned a man who was on parole after serving a 90-day sentence in the money laundering operation, *The Register-Guard*, a

newspaper in the nearby city of Eugene, reported.

"We have a large amount of marijuana grows," Capt. Doug Skaggs of the Cottage Grove Police Department said in a telephone interview. "We're not different than everyone else (in Oregon)."

Skaggs said that due to manpower issues, the police department often liaises with the DEA.

A report by The Associated Press in August showed that large amounts of marijuana are being smuggled out of Oregon, although what percent of the tons grown in the state is trafficked is hotly debated. Local law enforcement in Oregon is often too strapped for personnel and funds, and is busy with other investigations and mindful of restrictions against searches without cause, to figure out which grows are registered and legal and which are illegal.

When DEA agent Sean Cummings got a warrant the day after the explosion and searched the building, he found 728 growing pot plants, 544 kilograms (1,200 pounds) of marijuana, and marijuana

extracts, according to federal court documents. That address was not authorized by Oregon authorities to grow or process marijuana, the court documents say.

Eric Scully, who was burned on the face and hands in the explosion which was apparently caused by combustible materials used to make marijuana oil, had been on parole after accepting a plea agreement in federal court last year. Investigators say he had shipped marijuana grown in Oregon via the mail to states where it remains illegal. Cottage Grove is also next to Interstate 5, a major drug-trafficking route.

Scully and two co-defendants in that money-laundering case earned over \$1 million, authorities alleged. A coffee kiosk, Blac Sheep Coffee, that Scully owned was used to launder the proceeds.

U.S. Attorney Billy Williams had recommended imprisonment of 21 months, followed by three years of supervised release. In the end, Scully got 90 days, had to pay restitution of \$4,800 and forfeited several rifles and pistols and four expensive Swiss watches, among

other items.

After the illegal grow operation was discovered last month, local prosecutors declined to pursue the matter, according to the federal documents. The district attorney's office in Lane County, where Cottage Grove is located, did not immediately return a call from AP.

Kevin Sonoff, spokesman for the U.S. Attorney's office in Portland, said he cannot comment on active investigations.

Williams, the U.S. attorney, told AP in an interview earlier this year that he wanted local jurisdictions to request help from his office, which has prosecutors who specialize in drug cases, to "work in partnerships with us to address these issues of overproduction and diversion."

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# FISH ...

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During the late summer months of August and September Wright said that the lake's water begins to heat up because of the lakes relative shallowness. The temperature increase typically results in an annual blue-green algae bloom during which time people are instructed not to swim in the lake due to algae's potentially neurotoxic effect on humans. However, this year the Parks Department issued no such warning. "We did see some blooms starting but not to the degree that we've seen in previous years," Wright concluded.

Wright reported that the dam is very close to completion and expects that Lakeshore Drive will be reopened sometime this week. Additionally, Wright said that the pedestrian bridge over by Eagle Loop, which was torn out two to three years ago, is also nearing completion.

With the dam nearly finished, the Parks Department is considering other projects. Because the lake is constantly being filled up with dirt and other sediment from the streams that flow into it, the most popular request from members of the community is to dredge out the lake so as to restore its depth. Dredging the lake, which was something done every year possibly up to the late 90s, will prevent the overabundance of lake weeds and help to prevent blue-green algae blooms.

"We would love to deepen the lake..." Wright said, "but in order to do that, as you can imagine, there's a lot of different entities that have to give us permits..." Because the Parks Department is entirely self-funded and doesn't have a lot of money for improvements, Wright is investigating whether or not grant money could be acquired to pay for the project.

# BAN ...

Continued from A-1

Although the production of cannabis is banned on RR properties 5 acres or less, the ordinance now has provisions for a variance process which would, in theory, grant banned RR permission to cultivate commercial cannabis should they be able to prove on a case by case basis that they wouldn't interfere with neighbors. The specific rules for such a variance process have not yet been determined and would have to be constructed by the commissioners after the passage of the ordinance. "I was determined to come here today and challenge the five acre minimum portion but the reason I have not done that is because I believe the variance process will meet that need," Morgan said.

Farm & Agricultural Rights Management (FARM), which is a group of Josephine County cannabis farmer's intent on fighting the ordinance should it be approved, was not so optimistic. "The variance process is a sham," FARM's land use lawyer Ross Day said, "You guys are saying that the variance process applies. It doesn't. You're misrepresenting what a variance

is and how it acts." Day further added that if the ordinance passes he's been instructed by his clients to immediately file an appeal with the Land Use Board of Appeals and informed the commissioners that they will also suffer several lawsuits in the circuit court.

Because the ordinance requires cannabis production sites on RR land to submit to annual inspections, it may be, in its current form, violating Section 42 of Measure 91. "State has exclusive right to tax marijuana. No county or city of this state shall impose any fee or tax, including occupation taxes, privilege taxes and inspection fees, in connection with the purchase, sale, production, processing, transportation and delivery of marijuana items." Morgan however disputes this claim. "The State legislators have changed most of the marijuana regulations since measure 91 passage. The current state law overrides the measure. Also, other businesses in rural residential zones have to have home occupation permits that are renewable annually. This is consistent with that." According to the Josephine County Community Development Fee document, the county intends to charge \$20 a plant, to a maximum of \$200 on RR parcels 1 acre and less, \$400 on parcels less than 10 acres

and \$500 on properties greater than 10 acres.

Finally, the ordinance mandates that all cannabis production sites on RR land, along with all structures associated with cannabis production, must be setback 100 feet from all property lines. Legally permitted structures already in existence and in violation of the setback will be grandfathered in. Cannabis production buildings under the proposed ordinance must be fitted with a carbon filtration system or other equivalent odor control system. Furthermore, work at the site will only be permitted from dawn to dusk and sustained noise from mechanical equipment at night would not be able to exceed 30 decibels as measured at the site's property lines. Thirty decibels is equivalent to the volume of a whisper.

Morgan said that her primary reasons for delaying the passage of the ordinance was to review the proposed rules on noise and to talk with county legal. After the footage was twice reviewed, public commenters appeared to be at an almost even split, with those against the ban in a slight majority.

To read the ordinance in full, it can be found on the Josephine County webpage under the Board of County Commissioners tab.



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