Spice and Bath Salts Business Case:
Complying with the Spirit and Intent of Drug Laws and Regulations

David M. Boje, Ph.D.
2016 Daniels Fund Ethics Initiative Fellow
Regents Fellow
NMSU Department of Management
August 10, 2016

Summary This is a case on ethics on rule of law. It is a live case involves a current situation. The main question is how businesses can comply with the spirit and intent of laws and regulations. The problem for cities across the United States is that as soon as a city ordinance declares a particular combination of synthetic chemicals that make up Spice and Bath Salts to be illegal, the manufacturers skirt the intent of the lay by substituting a different chemical combination, not listed in a particular ordinance. One of the key stakeholders is ‘Veterans Theater’ a group of homeless and veterans working with a business professor to use ‘theater for social change’ in plays and YouTubes to bring attention to the media, and City Council about ways Spice and Bath Salt business owners are circumventing local laws and regulations against distribution and sale of illegal drugs. In the live case, news articles, videos, and plays are presented to City Council, the Police, and business community to develop a new ordinance to combat the Spice (synthetic marijuana) and Bath Salts business activity, such as selling toxic materials to children and adults. The new ordinance is still under discussion, and will be decided upon, in 2017.
Key Words: business misconduct, case pedagogy, case studies, critical thinking, ethical values, live case, Bill Daniels ethical principles

Introduction

My name is David M. Boje Ph.D. I am a storytelling change agent, and a ‘Regents’, ‘Bill Daniels Fellow’, and ‘Distinguished’ Professor at New Mexico State University, and Aalborg University awarded me their Honorary Doctorate and affiliated me with Material Storytelling Lab, Denmark. I use storytelling in live action to bring about social changes in the law and regulation of the Spice and Bath Salt ‘recreational drug’ industry. Spice is a 128 billion dollar global industry. The problem for your consideration is how to develop laws and regulations to stop the Spice and Bath Salt drug businesses is an issue for cities across America. To circumvent drug laws, Spice and Bath Salts sellers often use packaging stating, "not for human consumption.

Bath Salts
Bath salts can be ingested in a drink, snorted like Cocaine, smoked in a pipe, or injected. They are dangerous because ingredients are typically not listed on packaging, and ingredients vary widely. Use of bath salts can be detected with urine analysis.

“Synthetic cathinones are included in a group of drugs that concern public health officials called "new psychoactive substances" (NPS). NPS are unregulated psychoactive (mind-altering) substances that have become newly available on the market and are intended to copy the effects of illegal drugs. Some of these substances may have been around for years but have reentered the market in altered chemical forms or due to renewed popularity.

In Name Only
Synthetic cathinone products marketed as "bath salts" should not be confused with products such as Epsom salts that people use during bathing. These bathing products have no mind-altering ingredients” (National Institute on Drug Abuse).

“Users of bath salts have reported experiencing symptoms including headache, heart palpitations, nausea, and cold fingers. Hallucinations, paranoia, and panic attacks have also been reported, and news media have reported associations with violent behavior, heart attack, kidney failure, liver failure, suicide, an

1 National Institute on Drug Abuse
increased tolerance for pain, dehydration, and breakdown of skeletal muscle tissue ... Pharmacologically, bath salts usually contain a cathinone, typically methylenedioxypyrovalerone (MDPV), methylone or mephedrone; however, the chemical composition varies widely and products labeled with the same name may also contain derivatives of pyrovalerone or pipradrol. In Europe the main synthetic cathinone is mephedrone, whereas in the US MDPV is more common" (Bath Salts, Wikipedia).²

“Synthetic cannabinoids, called “Spice,” “K2,” and “fake weed,” contain high levels of tetrahydrocannabinol, or THC, the active ingredient in marijuana, although the THC in these dangerous designer drugs is often up to 100 times more potent than what you might find in traditional pot” (Recovery Village).³

'Fake weed' imported from China which turns users into 'zombies' triggers US-wide alarm. Police worried by dramatic surge in overdoses of the potentially lethal synthetic 'fake weed' --- South China Morning Post⁴ "Imported primarily from China, synthetic marijuana is being cited by police and public health officials for a dramatic surge in potentially lethal overdoses and drug-related offences nationwide."
"Fake weed causes extreme anxiety, paranoia, panic attacks, alienation/disassociation, psychotic episodes and hallucinations," warned k2zombiedc.com a city-run website aimed at Washington’s youth. "This behaviour has been labelled 'the zombie effect,'" it said.

---

Spice (or K2)

Spice is sold to middle school children under the name, Scooby Snax. Spice (or K2, Scubby Do, Afghan Ice, and so on) dates to 1984. “Spice is sold as “incense” or “potpourri” in local head shops, gas stations, and on the Internet, often escaping regulation due to labeling that markets the plant-based material sprayed with synthetic drugs as “not intended for human consumption.” Synthetic cathinones, called “bath salts,” are hallucinogenic drugs that may mimic LSD or ecstasy, and they are sold as “jewelry cleaner” or “plant food” (Recovery Village, IBID.)

John Huffman, the professor, who invented Spice, in-order-to get around Clemson University's Institutional Review Board rejection of his Marijuana study, which was approved when he invented 'Spice’ and then did publish the actual authentic recipe in a journal article.

Professor Huffman developed 450 synthetic cannabinoid compounds to mimic the effects of marijuana. The compounds target endocannabinoid receptors. One in nine teens try spice. 2000 veterans have been discharged for using spice. The Spice Epidemic is beyond the combined budgets of all the cities and the entire state of New Mexico. Cities, the Police, and even Department of Health are driving SpiceHeads to Las Vegas, New Mexico, and then after very short sort of treatment, they are driven to one of the few cities with a mission or a shelter, who might accept

5 HBO YouTube on Bath Salts
https://www.youtube.com/watch?v=cLD3AKoyV5Q
to treat a SpiceHead (heavy user). History of Addiction and the Concept of Prohibition and Profit from Addiction.  

Easy access and the misperception that Spice is “natural” and safe have likely contributed to these high rates of use” (Teens.drugabuse.gov).  

Synthetic Marijuana (Spice, K2, Fake Weed) is now second highest recreational drug for high schoolers. It is popular among people on parole or working in companies using drug testing, since unlike marijuana, it does not show up in the testing results.

FACT: The average age of synthetic marijuana users is 13 (Department of Health).  

---


7 Teens.drugabuse.gov website https://teens.drugabuse.gov/drug-facts/spice

FACT: 1 in 9 High School students try Spice (K2, Fake Weed)

FACT: Parolees use synthetic marijuana to fool the tests for drug use June, had suddenly and dramatically spiked" (Times Leader).

FACT: PCP often is applied to a leafy material such as mint, parsley, oregano, or marijuana, so users can smoke it, according to NIDA's website (DrugAbuse.com).

FACT: Synthetic Weed Is Ravaging New Mexico's Homeless Population. "You don't have to feel emotions or pain and all those kinds of things. The majority of these shelters don't have programs for these guys, they don't have activities, so this is what they do all day"(Vice.com).

FACT: In 48 hour period, in Sept 2015, in Las Cruces, there were 17 overdoses, and two died, but the hospitals lack the testing equipment to tell if its Fake Pot.

FACT: Fake weed also known as K2/Spice, legal bud, and synthetic marijuana is an herbal mixture that contains dried, shredded plant material and harmful chemical additives.

Veterans Theater
I have been working with a group of veterans, homeless, and homeless veterans to develop a theater for social change 501 c (3) non-profit corporation, called ‘Veterans Theater’ (http://veteranstheater.com). How Veterans Theater emerged? Veterans Theater works with other local homeless and veterans groups to bring this problem to attention of the City and University. My purpose here is to develop the case, for pedagogical use, by showing how to combat unethical business practices with public participation and the rule of law. We do this by putting on plays and making videos.

10 www.drugabuse.gov.
11 Vice.com http://www.vice.com/read/synthetic-weed-is-a-scurge-on-brooklyns-homeless-population-727
• **Veterans are Dying Waiting for VA Appointments** April 30, 2015, at Center for the Performing Arts, NMSU main campus, Las Cruces
• **A Day in the Life of Homeless Veterans** August 4, 2015 at Good Samaritan Auditorium, Las Cruces
• **Early Christmas: The Spice of Death** December 2, 2015 at Rio Grande Theater, Las Cruces
• **The Health Crisis in New Mexico**, a play at the Social Work Convention, Albuquerque, February 24, 2016
• **Labels**, a play about bullying at Alma d’Artes Theater, Court Ave. Las Cruces, scheduled for two showing on December 16, 2016.

Our focus is to shift the blame from the victims to the business distributors.

**SYNTHETIC DRUGS IS BIG BUSINESS**

As we said above, Spice is a 128 billion dollar global industry. Hundreds of entrepreneurial businesses are formed worldwide to manufacture Spice and Bath Salts. For example: “Police arrest three designer drug dealers and legal highs worth $1.8 million in the city of Barysau to the east of Minsk. Barysau police paid attention to three local inhabitants several weeks ago. Two men were 22 years old and one – 23. They were selling spice. Minsk police and Almaz members detained the drug dealers. The fourth member of their group, 19-year-old unemployed inhabitant of Barysau, was detained a few days later. The police found 10 kilos of spice and almost 9 kilos of pure reagents during searches. The drug dealers also sold spice in Moscow with the help of social networks. Russian policemen confiscated 6.5 kilos of spice belonging to the detained. The confiscated drugs can be divided into over 150 thousand fixes costing about $1.8 million” (Euroradio News).13

A Phoenix Example: “Greenlight Distribution—involved "spice," a synthetic drug meant to mimic the effects of marijuana. Sayegh, 42, remains the owner of the two Phoenix-area smoke shops It's all Goodz. He was arrested April 28, and is one of five named in a case that centers on the now-defunct Greenlight Distribution. In its two years in business, prosecutors say the company made nearly $5 million by selling spice and "bath salts," another type of synthetic drug. The case’s April 26 filing coincided with another indictment involving Phoenix-based companies Consortium Distribution and Revolution Distribution. Although Robert W. Towery is

---

the only defendant listed in this case, business records show Sayegh once was a part owner of Revolution” (Greenlight Distribution).

The unethical business practices include hiring chemists in a kind of ‘Breaking Bad’-way to develop chemical mixes of synthetic cannabinoids that have not yet been declared illegal by federal or state laws.

The Spice epidemic in Las Cruces, New Mexico began to get play in the news (Willis, for Sun News, Oct 3, 2015). “American Medical Response, the ambulance company that serves Doña Ana County, stated that it had responded to 219 overdoses, though not specifically Spice overdoses, between Jan. 8 and Aug. 15 of this year — an average of one overdose per day. Between Aug. 16 and September 30, paramedics responded to 58 overdoses, an average of 1.26 per day.”

“Symptoms of overdose include increased agitation, muscle spasms, increased heart rate or decreased alertness. People using Spice can also experience general excitability, psychosis or suicidal thoughts. It can also lead to heart and kidney failure as well as diminished brain function, according to Borunda.

“Those are all the telltale signs that make us begin to suspect it may be Spice-related,” Borunda said. “But because it doesn’t show up in drug tests, we typically learn through conversations with the patient, or with family members.”' However, the Army Times (2014) and Navy Labs (2014) say they are close to developing a hand-held Spice testing device, and other kinds of Spice tests.16

“David Boje is a professor in the management department in New Mexico State University’s College of Business. Through his volunteerism in the veteran community, he became aware of the drug.

14 Greenlight Distribution company busted
15 Spice whirl: The rise of a last-resort drug
Damien Willis, Las Cruces Sun-News 9:20 p.m. MDT October 3, 2015
16 http://www.stripes.com/army-says-it-s-close-to-finalizing-handheld-spice-detector-1.291002 see Navy Labs test for Spice
While working with homeless veterans in Las Cruces, he realized that an epidemic was afoot. This stuff is more addictive than heroin — from what we’ve seen,” Boje said. “The danger is that all of it is untested by USDA or the FDA — you don’t know what you’re getting. They call it herbal incense and the package states that it’s not for human consumption, so it doesn’t have to be regulated.”

Boje said that, through his research, he has learned that 1 in 9 kids have tried Spice. Boje is also an organizer and story researcher for Veterans Theater in Las Cruces. The group of local veterans, many of whom were at one time homeless, produce and perform plays about veterans issues. The group is currently rehearsing a play about the dangers of Spice. They will offer a free performance of the play, “Early Christmas,” on Dec. 2 at the Rio Grande Theatre.

He recently heard that a local smoke shop was selling Spice to customers who used a certain code word. With help from a friend, Boje recorded an undercover video of himself buying Spice, and posted it to YouTube to show how accessible the drug is. For a large package, he paid $10.

“When you have high demand, huge product flow, and a totally unregulated product that people are abusing, you have a dangerous situation,” he said.”

In one week there were 16 overdoses and two deaths here in Las Cruces, New Mexico (Willis, for Sun New, Jan 13, 2015).17 “Too many in law enforcement, it seems like an impossible problem to tackle — like rolling a boulder up a mountain. And the idea of legislating a solution is bleak.” “Spice sent me to the hospital five times,” said Andrea Broekhoff, a former Spice addict. “I started using it because I wanted to quit smoking weed. I was looking for a safe and legal alternative to weed. I have alcoholics in my family, but I sell myself as someone who knows better.”

At first it was fun, she said. Everything seemed okay.

“When I started spacing out and losing time. My boyfriend would come into the room, and I would just be sitting there with my mouth open,” Broekhoff said. “He’d call me ‘Drooly Julie.’”

Her boyfriend, Bryan Roberts, said he didn’t know what to do with her. “I’d get home, and she’d be like a shell sitting there, looking off into space,” Roberts said. “She’d pass out in the middle of a sentence.” Though Roberts never smoked it, before he knew it, he was going to the smoke shop three or four times a week for his girlfriend.”

———

17 Spice: Uncontrolled substance killing residents, dividing communities
LAS CRUCES – TO MANY IN LAW ENFORCEMENT, IT SEEMS IMPOSSIBLE — LIKE ROLLING A BOULDER UP A MOUNTAIN. http://www.lcsun-news.com/story/news/2016/01/30/spice-uncontrolled-substance-killing-residents/79579596/
Damien Willis, Las Cruces Sun-News LAS CRUCES – Jan 13, 2015
“At nearly every level, the Spice problem is hard to police and hard to prosecute. “Because possession up to eight ounces is a misdemeanor offense, the District Attorney’s office does not prosecute the majority of Spice-related cases,” said Patrick Hayes, a spokesman for the Third Judicial District Attorney’s Office. Instead, most possession cases are prosecuted by the arresting officer in Municipal Court. Locally, there is no ordinance that specifically bans Spice. Instead, officers are forced to prosecute Spice possession under Sec. 19-342 of the municipal code, which was written to target the abuse of inhalants such as glue or paint.”

“We need to stop blaming the victims of these synthetics, and start going after the true perpetrators — which are the businesses that are concocting these formulas that are uncertified by the FDA or USDA,” said David Boje, a professor in New Mexico State University’s College of Business. Boje is an organizer of Veterans’ Theater, a local theater troupe comprised of homeless and once-homeless vets. The group recently performed “Early Christmas,” a play on the dangers of Spice, and its effects on military personnel and the homeless population.

“One way to target businesses is to start revoking the business licenses of the retail establishments, the companies that are mixing the product together, and the chemical importers. There’s a whole network that needs to be targeted,” Boje said.

**Interventions** We at Veterans Theater did a special several YouTube videos and several theater events to bring public awareness to the business practices. The first video was a sting operation. We began the plays on the New Mexico State University campus, then branched out into several performances in the city of Las Cruces, and one in Albuquerque at the annual Social Work conference. This is a rehearsal in March 2015, at a local ice cream parlor, open microphone night.

---

18 YouTube Video, ‘Spice Head Falls Out’ directed by James Sassak, with David M Boje and Grace Ann Rosile of College of Business playing roles. David as smoke shop business owner and as spice head that overdoses, and Grace Ann as paramedic.. Ernest Ramey, president of Veterans Theater plays a middle man dealer between manufacturer and the smoke shop. It was filmed and edited by NMSU student (Jessi Sanchez) in Dr. Boje’s Mgt375V Sustainability Development course [https://www.youtube.com/watch?v=RNU_t01BeGs&feature=youtu.be](https://www.youtube.com/watch?v=RNU_t01BeGs&feature=youtu.be)

19 Veterans Theater ‘Spice Buy’ YouTube Video Published on Sep 11, 2015 on YouTube [https://www.youtube.com/watch?v=fWtF3t1Bgqs](https://www.youtube.com/watch?v=fWtF3t1Bgqs)
Rehearsal at Ice Cream Parlor, Open Mic, to raise money to pay for theater time on NMSU campus.\textsuperscript{20}

Money raised in donations in each play, went to finance the next one, pay for props, transportation, theater rental, and rehearsal space. Students in a Management Course on Sustainability and a Social Work class in HSS, collaborated to work with homeless veterans, raising money to pay the theater costs at NMSU, and the costs of putting on the production. Money raised will help the veterans develop more plays, and speak up about their issues to a paying audience.

We will focus on SPICE, which has led to veterans being dishonorably discharged, and homeless veterans who struggle to keep SPICE out of CAMP HOPE.

\textsuperscript{20} \url{https://www.youtube.com/watch?v=DVw49dNWjYE&feature=youtu.be} posted March 22, 2015.
Adam Hernandez's mother, Ruth Rivas from El Paso is attending. Her son, while in the Navy used SPICE and committed suicide.

"I am just so happy to see that someone has finally taken notice of the deadly impact spice is having on our active military and veterans." - Ruth Rivas http://spiceisnotnice.org

The Sting Operation – Getting Evidence To Alert the Media and City Council

We are Veterans Theater http://veteranstheater.com
We did a buy of SPICE (k2) 2 days after the police raided the place, and supposedly shut down the spice trade. But here it is. Use of SPICE (aka K2) has skyrocketed. Some 450 synthetic (fake) cannabinoid compounds are sold by business, many here in the USA. Smoking spice leads to very aggressive, angry behavior, to vomiting stomach pain, severe anxiety, and too often death. Smoking spice is like playing Russian roulette.

VETERAN THEATER’S SPICE MENACE DOCUDRAMA

The film highlights the impact of 128 billion dollar Spice (synthetic marijuana & bath salt) industry on Las Cruces residents (average user age is 13), and its a business practice that is ethically and morally unsustainable. As a result of the Film, and Slides presentations by Dr. Boje and by the Police, the City Council is going to write a “Synthetic Intoxicants Ordinance” (“Synthetic intoxicant” means bath salts or spice) to be presented in May 7th working session of City Council.
Figure 1: James Sassak (left) playing dealer, David Boje (center) playing manufacturer of Spice products, and Ernest Ramey (right) playing a dealer.

The ‘Spice Head Falls Out film’, and slide show, were presented at City Council of Las Cruces New Mexico on 28 March 2016 at noon to 1pm in a working session.21 The Chief of Police for Las Cruces reported successfully prosecuting and convicting a business owner to 18 months for selling This is an unethical business practice that does not belong in society (El Paso Times article 4:41 p.m. MDT March 26, 2016).22

“A Las Cruces jury found an El Paso man guilty of attempting to distribute spice, a fourth-degree felony.

This is the first distribution of spice case prosecuted by the District Attorney’s Office in Doña Ana County, officials said. Spice is often referred to as synthetic marijuana, although its effects can be different.

The jury found William Langbehn, 26, guilty of attempting to distribute Thursday.

In October, Langbehn was pulled over by a deputy with the Doña Ana County’s Sheriff’s Office. During the traffic stop, a deputy found out that Langbehn was driving on a suspended license and told him that his vehicle would be towed.

While searching Langbehn’s truck, the deputy found 174 packets of spice with an estimated street value of $850.

21 Slide Show presented to City Council28 March 2016
http://davidboje.com/Veterans_Theater/Slides for City Council Presentation by Veterans Theater.pptx
22 El Paso Times article 4:41 p.m. MDT March 26, 2016
In district court Thursday, prosecutors argued before Chief District Judge Fernando Macias that Langbehn planned to distribute the spice due to the large amount. After two hours of deliberation, the jury reached a guilty verdict. Langbehn was taken into custody and is waiting to be sentenced. He faces up to 18 months in prison.”

The problem is arresting a courier does not put a dent in the Spice and Bath Salts drug business.

**More Interventions Took Place**

**Veterans Theater for Social Change, the need for a Spice and Bath Salts Ordinance**

Overview Stop the Spice Trade: A Veterans Theater Live Street Performance and Intervention – blog by David M. Boje, Ph.D. Sep 12 2015.

December 2nd 2015 Veterans Theater put on a play at Rio Grande Theater, downtown Las Cruces.

Reporting on the theater production (Cook for the Bulletin, 1 Feb, 2016). “Veterans Theatre was the brainchild of Dr. David Boje, a storyteller and distinguished professor in the New Mexico State University Business College.

“Boje was leading a healing through storytelling class at an Oak Street apartment complex that serves as transitional housing for veterans in Las Cruces in 2014. When the class ended, Boje said,

---

23 Veterans Theater Blog on Spice

24 “New Las Cruces theater group gives voice to veterans, homeless” By Mike Cook, Las Cruces Bulletin, 5 February, 2016
he and participating veterans asked, “What can we do now with storytelling?” And Veterans Theatre was born.

“With a combination of veterans and Camp Hope residents as actors and writers, the group performs what Boje calls the “theatre of the oppressed, theatre for social and economic change.”

“A lot of it is ad lib. A lot of it is improvised,” Smith said.

“The stories come from those guys,” said Boje, a United States Army veteran who served in Vietnam in 1969 and 1970 and is a member of American Legion Post 10 of Las Cruces and Vietnam Veterans of America.” One “scene tackles the synthetic drug spice. In researching the topic, Boje and other group members even made an undercover visit to a local smoke shop where spice was being illegally sold, Boje said.

Spice is “a chemical attack on society,” said Camp Hope CEO and Veterans Theatre member James Sassak.”

Feb 25 2016 play VETERANS THEATER is putting on for the Social Work Conference meeting in Albuquerque, New Mexico your donations are appreciated.

The Feb 25 2016 program:

Intro Susie Q (actors enter the stage)

Act I Viva Las Vegas (Mental Health Psychiatric Ward in Las Vegas, NM)

Act II Veterans Waiting to Die at the VA in El Paso

Act III Corporate Board Meeting (Drug Company) selling meds to the military and the VA

Act IV Spice Head Falls Out (Social Work Session) - Spice is synthetic Weed and is sprayed with chemicals imported from China that can kill

Following each act we will interact with the National Association of Social Workers audience to highlight areas meaningful to their profession.

Results

As a result of the film, and slides presentations by Dr. Boje, the City Council is going to write a “Synthetic Intoxicants Ordinance” (“Synthetic intoxicant” means bath salts or spice) to be presented in May 7th, 2016 working session of City Council.
Professor Boje suggested an Ordinance similar to Hobbs (2016, National Alliance for Model State Drug Laws (NAMSDL), City Ordinances - Synthetic Substances see pp. 404-408, reprinted Append A, below) where the business license can be suspended for selling Synthetic Intoxicants. The Hobbs law is called the “Synthetic Intoxicant Ordinance”. It does not specify any particular chemical components. According to the Hobbs ordinance, “Spice” means “a synthetic cannabinoid as defined by NMSA 1978, § 30-31-6 (2011), substances added to the definition of a synthetic cannabinoid by State regulation, including, but not limited to, 16.19.20 NMAC, Section 65 as amended from time to time, and the substances defined as a synthetic cannabinoid pursuant to Hobbs Municipal Code 9.28.010 A.” Further, “Spice typically appears as a packaged dried plant product or leaves, and is sold at gas stations, liquor stores, convenience stores, smoke shops and other outlets. While Spice sometimes has a label warning against human consumption, that is its intended use.“

The Hobbs Ordinance goes after the business owner (& employees) who stock and sell Spice and or Bath Salts, intended for intoxicant consumption. A suspected business is shut down for seven days, and owner pays for the expense of testing of each potential synthetic product being sold on the premises. The business license can be suspended for selling Synthetic Intoxicants, business is shut down for 7 days, and owner pays for the expensive testing of each potential synthetic product being sold on the premises. Las Cruces Police reported successfully prosecuting and convicting a business owner to 18 months for selling Spice.

Questions for Students in the Case Analysis

1. List the stakeholders in the case (and try to identify an important “right” of each stakeholder).

2. List and describe alternative courses of action that may be taken and determine the likely consequences of each proposed action for each stakeholder.

3. What problems is the proprietary nature of some of these ingredients in Corexit likely to pose?

4. Is the Spice producer justified in keeping these ingredients secret?

5. As a City Council member, whose interests should you be representing?

---

6. As a Veterans Theater producer of plays and videos, what are the major factors and concerns you need to consider and communicate to the public?

7. What recommendation would you make to City Council, and why? Be sure to justify your answer.

8. Discuss the role that YouTube technology played in creating the special circumstances of the case?

Ethics Analysis Questions

9. Use Bill Daniels Ethics and Integrity Principle to analyze this case? Identify the primary “ethical dilemma (or questions)” in the case? Bill Daniels Ethics and Integrity, states, “An extremely honest and fair businessman, his decisions were always based on what he felt was right, not what he thought was best for himself or his company. This attitude and way of doing business earned Bill Daniels incredible respect and loyalty throughout the business world.”

10. Use Bill Daniels Respect for People Principle to analyze the case? The Respect for People Principle states, “Bill was a compassionate person and showed genuine interest in the lives of others. He treated all people with equal respect and dignity, and never considered himself to be “above” anyone. Bill was a good friend, and never hesitated to help those in need. He recognized that people make mistakes, and was known for giving second chances. Bill believed in the power of the individual, and inspired and challenged people to see their potential. He always made a point of offering praise, encouragement, and congratulations” (IBID, Bill Daniels Ethical principles).

11. Use Bill Daniels Free Enterprise System Principle to analyze the case? Belief in the free enterprise system? Free Enterprise System Principle States: “Bill was a champion of the American free enterprise system. He believed in the free market, and felt business should be governed by the laws of supply and demand — not strangled by burdensome government interference or regulation. Bill believed in competition because it encourages continuous improvement to deliver the best products and services to those who want them” (IBID, Bill Daniels Ethical principles). Explain, what laws and regulations are needed (or not) in the Free Enterprise System.

12. From a teleological (utilitarian or consequentialism) perspective which action is morally right? “Teleological ethics, (teleological from Greek telos, “end”; logos, “science”), theory of morality that derives duty

---

26 Bill Daniels Ethics principles [http://www.danielsfund.org/About-Us/Bills-Values.asp]
or moral obligation from what is good or desirable as an end to be achieved.”

27 Explain the consequences important in this case.

13. From a deontological perspective which action is morally right?
   “Deontological ethics, in philosophy, ethical theories that place special
   emphasis on the relationship between duty and the morality of human
   actions. The term deontology is derived from the Greek deon, “duty,”
   and logos, “science.” 28 Explain what acts are morally good or bad, irrespective
   of their consequences.

14. Describe your normative recommendation in this case? How things ought to
   be? E.g. Apply Bill Daniels ‘Commitment to Excellence’ principle to the case?
   Commitment to excellence, sates ”Bill had a commitment to excellence, and
   applied that standard to everything he did. He was an exceptional
   communicator, highly organized, and dedicated to delivering services and
   products of the highest quality. It was important to Bill — personally and for
   his companies — to convey quality and professionalism through image and
   action. He set a high standard for the personal appearance of his associates
   and his offices, expected publications and correspondence to be flawless, and
   insisted that customer service be exceptional” (IBID, Bill Daniels Ethics
   principles).

15. Make three recommendations. What is the basis of your recommendation
   (teleological, normative principles, or deontological)?

16. What are the critical thinking issues in the case (what information did you
   use to make your analysis and evaluation of the business situation of Bath
   Salt and Spice manufacturers and distributors? What research did you
   actually do in making decisions about business enterprise issues in the case?)

---

27 Teleological Ethics [https://www.britannica.com/topic/teleological-ethics](https://www.britannica.com/topic/teleological-ethics)
28 Deontological Ethics [https://www.britannica.com/topic/deontological-ethics](https://www.britannica.com/topic/deontological-ethics)
References and Links to Drug Information


Appendix A: Hobbs Spice Ordinance, from pp. 404-407, National Alliance for Model State Drug Laws (NAMSDL), City Ordinances - Synthetic Substances

Hobbs, NM CITY OF HOBBS ORDINANCE NO. 1057 ORDINANCE REGULATING THE DISTRIBUTION AND SALE OF THC-LIKE SYNTHETIC SUBSTANCES, COMMONLY CALLED SPICE, AND SUBSTITUTED CATHINONES, COMMONLY CALLED BATH SALTS BY BUSINESSES OPERATING WITHIN THE CITY BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO that Chapter 5.50 is added to the Hobbs Municipal Code, to read as follows: Chapter 5.50 SYNTHETIC INTOXICANTS 5.50.010 Short Title.

This chapter may be cited as the “Synthetic Intoxicant Ordinance.” 5.50.020 Purpose and Intent. A. A product commonly referred to as “spice” is sold by local businesses. Spice typically appears as a packaged dried plant product or leaves, and is sold at gas stations, liquor stores, convenience stores, smoke shops and other outlets. While Spice sometimes has a label warning against human consumption, that is its intended use. Businesses that sell Spice openly solicit the product by claiming that, when smoked, Spice causes a marijuana-like high. Spice is a green leafy product sprayed with synthetic substances that mimic the effects of marijuana when smoked. Spice is marketed under numerous brand names. B. The use of substituted cathinones, commonly called “bath salts”, has significantly increased throughout the United States and the United States Drug Enforcement Administration (DEA) used its emergency scheduling authority to temporarily control Mephedrone, Methylenedioxypyrovalerone (MDPV), Methylone, and other chemical compounds found in “bath salts” finding that ingestion of these substances can cause serious injury and death. C. Spice and bath salts are synthetic intoxicants that endanger the health and safety of the public. While distribution of these products is a violation of both State law and City ordinance, the available penalties do not appear to adequately deter vendors because the profitability from the sale of these products may outweigh the risks associated with prosecution. Manufacturers and vendors of synthetic intoxicants change the names, labeling, or chemical composition of the products to avoid prosecution. Businesses that distribute synthetic intoxicants create a public nuisance in the City as defined by State law and City ordinances.

5.50.030 Definitions. For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section: “Bath salts” means the substances defined by NMSA 1978 § 30-31-6 (C)(20)-(25), the addition of substances by State regulation, including, but not limited to, 16.19.20 NMAC, Section 65 as amended from time to time, and the substances defined as a

---

© 2013 Research is current as of October 18, 2013. In order to ensure that the information contained herein is as current as possible, research is conducted using both nationwide legal database software and individual state legislative websites. Please contact Heather Gray at (703) 836-6100, ext. 114 or hgray@namsdl.org with any additional updates or information that may be relevant to this document. This document is intended for educational purposes only and does not constitute legal advice or opinion. Headquarters Office: THE NATIONAL ALLIANCE FOR MODEL STATE DRUG LAWS 215 Lincoln Ave. Suite 201, Santa Fe, NM 87501.
synthetic stimulant pursuant to Hobbs Municipal Code 9.28.010 A. “Business” means the premises, whether it be a main business location or an outlet, branch or other location thereof, temporary or otherwise, to which the public is expressly or impliedly invited for the purpose of transacting business. The term “business” includes the sales persons on site. “Business day” means regular business hours Monday through Sunday. The day the business receives a cease and desist order and notice of violation does not count as a business day. If the business has irregular hours or the hours are not posted, a business day shall be the next twenty-four hour time period after receipt of a cease and desist order and notice of violation. “Business operator” means the person or persons on site at the business in actual or apparent control of the business during business hours. “Business registration” means the privilege to register to do business and the registration of a business under Chapter 5.04 of the Hobbs Municipal Code. “Cease and Desist Order and Notice of Violation” means documentation delivered to the business operator ordering the business closed for inspection and testing. “Person” means an individual, proprietorship, partnership, corporation, association, or other legal entity. “Police officer” means a sworn member of the Hobbs Police Department, the Lea County Sheriff’s Office, or the New Mexico State Police. “Sales person” means any agent or independent contractor of the business employed or engaged to transact business with the public on the premises. “Spice” means a synthetic cannabinoid as defined by NMSA 1978, § 30-31-6 (2011), substances added to the definition of a synthetic cannabinoid by State regulation, including, but not limited to, 16.19.20 NMAC, Section 65 as amended from time to time, and the substances defined as a synthetic cannabinoid pursuant to Hobbs Municipal Code 9.28.010 A.

“Business” means the premises, whether it be a main business location or an outlet, branch or other location thereof, temporary or otherwise, to which the public is expressly or impliedly invited for the purpose of transacting business. The term “business” includes the sales persons on site. “Business day” means regular business hours Monday through Sunday. The day the business receives a cease and desist order and notice of violation does not count as a business day. If the business has irregular hours or the hours are not posted, a business day shall be the next twenty-four hour time period after receipt of a cease and desist order and notice of violation. “Business operator” means the person or persons on site at the business in actual or apparent control of the business during business hours. “Business registration” means the privilege to register to do business and the registration of a business under Chapter 5.04 of the Hobbs Municipal Code. “Cease and Desist Order and Notice of Violation” means documentation delivered to the business operator ordering the business closed for inspection and testing. “Person” means an individual, proprietorship, partnership, corporation, association, or other legal entity. “Police officer” means a sworn member of the Hobbs Police Department, the Lea County Sheriff’s Office, or the New Mexico State Police. “Sales person” means any agent or independent contractor of the business employed or engaged to transact business with the public on the premises. “Spice” means a synthetic cannabinoid as defined by NMSA 1978, § 30-31-6 (2011), substances added to the definition of a synthetic cannabinoid by State regulation, including, but not limited
to, 16.19.20 NMAC, Section 65 as amended from time to time, and the substances defined as a synthetic cannabinoid pursuant to Hobbs Municipal Code 9.28.010 A.

“Synthetic intoxicant” means bath salts or spice.
“Transfer of ownership or control of a business” means:
1. The sale, lease, or sublease of the business;
2. The transfer of securities that constitute a controlling interest in the business, whether by sale, exchange, or similar means; or
3. The establishment of a trust, gift, or other similar legal device that transfers the ownership or control of the business, except for transfer by bequest or other operation of law upon the death of the person possessing the ownership or control.

5.50.040 Violation.
It is a violation of the Synthetic Intoxicant Ordinance for a business to manufacture, stock, sell, distribute, dispense, possess, purchase, advertise for sale, publicly display for sale, give, trade, offer to sell, order, or offer to order a synthetic intoxicant.

5.50.050 Enforcement.
A. If a police officer has probable cause to believe a violation has occurred, the police officer shall obtain a sample of the substance believed to be a synthetic intoxicant. The sample shall be tested by methods commonly utilized by law enforcement labs or private labs to determine whether a substance is a synthetic intoxicant. If the test determines that the substance is a synthetic intoxicant, the police officer, upon approval of the City of Hobbs Legal Department, shall issue and deliver a Cease and Desist Order and Notice of Violation upon the business operator and seize the entire inventory of the synthetic intoxicant from the business. The Cease and Desist Order and Notice of Violation shall be filed with the City Clerk. When the Cease and Desist Order and Notice of Violation is delivered to the business, if the police officer has probable cause to believe that the synthetic intoxicant has been relabeled, repackaged or incorporated into other substances, those substances shall also be seized and tested. If the test is negative as to the relabeled, repackaged or incorporated substances, the inventory shall be returned to the business. The transfer of ownership or control of the business does not avoid these seizure authorized by this paragraph.

B. Upon receipt of the Cease and Desist Order and Notice of Violation by the business operator, the business shall immediately allow and not interfere with the seizure of the inventory which is a synthetic intoxicant or is reasonably believed to be a synthetic intoxicant that has been relabeled, repackaged or incorporated into other substances. The business shall also close and cease transacting business for seven business days after the Cease and Desist Order and Notice of Violation is assessed. During the seven day closure, a police officer, in cooperation with other agencies if required, shall inspect the premises, find and seize any remaining synthetic intoxicants or precursor chemicals or materials on site. The transfer of ownership or control of the business does not avoid the process authorized by this paragraph. No inventory, merchandise, personal property, chattel property or other
property shall be received by or taken off the business premises during closure unless authorized by a police officer. Upon expiration of the mandatory seven day closure, the business shall not be allowed to transact business until the business owner has reimbursed the City for the costs of testing all samples taken from that business which were determined through laboratory testing to be synthetic intoxicants. C. If a Business is assessed a second Cease and Desist Order and Notice of Violation within five years of a first Cease and Desist Order and Notice of Violation, the Business shall cease conducting business in the City and will be barred from Business Registration for a period of one year from the date the second Cease and Desist Order and Notice of Violation is assessed. The business owner shall also be required to reimburse the City for the costs of testing all samples taken from that business which were determined through laboratory testing to be synthetic intoxicants. The transfer of ownership or control of the business does not avoid the operation of this paragraph. D. The City of Hobbs shall have the authority to seek an injunction to compel compliance with the Synthetic Intoxicant Ordinance on grounds that the business is causing irreparable harm to the community by distributing synthetic intoxicants. E. Any action taken by the City of Hobbs against any person or business pursuant to the Synthetic Intoxicant Ordinance shall not prevent the City from also pursuing criminal charges against that person or business for any violation of Chapter 9.28 of the Hobbs Municipal Code. 5.50.060 Appeal. A. Upon delivery of a Cease and Desist Order and Notice of Violation, the business has ten days from the day the Cease and Desist Order and Notice of Violation was delivered to appeal to the Lea County District Court. B. A copy of the appeal must also be submitted to the City Clerk within ten days from the day the Cease and Desist Order and Notice of Violation was delivered. C. The filing of an appeal will not postpone or delay any actions taken by the City against the business pursuant to Section 5.50.050 of this ordinance. D. The failure of a business to file an appeal with the Lea County District Court within 10 days from the day the Cease and Desist Order and Notice of Violation was delivered constitutes a waiver of the business’s right to appeal and will be considered an implied agreement by the business as to all actions taken by the City of Hobbs pursuant to this ordinance.

PASSED, ADOPTED AND APPROVED this 3rd day of December, 2012. /s/ Sam D. Cobb SAM D. COBB, Mayor /s/ Jan Fletcher JAN FLETCHER, City Clerk
Appendix B: More on Bath Salts
Learn More about Bath Salts, and synthetic cathinones, visit:

https://www.drugabuse.gov/drugs-abuse/commonly-abused-drugs-charts

https://www.drugabuse.gov/drugs-abuse/commonly-abused-drugs-charts

