



October 14, 2018

President Herb J. Wesson, Jr
President of the Los Angeles City Council
The Honorable Members of the Rules Committee
Ms. Cat Packer
200 N. Main Street
Los Angeles, CA 90012

Re: Endorsement of Enforcement Motions and Request for Targeted Enforcement
CF 14-0366-S24 – Utility Shut-Offs CF 14-0366-S25 - ACE Ticketing CF 14-0366-S26 – Building Lock-Down
CF 14-0366-S27- Cannabis Building Inspectors CF 14-0366-S5 – Cannabis

Dear President Wesson, Honorable Members of the Rules Committee and Ms. Packer:

On Friday, October 19th the Rules Committee will consider four motions to aid the City in its efforts to abate nuisances. **Our organization endorses these motions**, but would ask for the cannabis enforcement efforts these motions contemplate, to be targeted in a specific manner.

We are hopeful that these motions will be accompanied by an amendment directing all enforcement personnel and enforcement monies to prioritize closing illicit cannabis businesses located within sensitive use radiuses.

If left unaddressed these illegal establishments pose substantial dangers to children, consumers and patients, as well as the public. Additionally, lack of enforcement may substantially cripple the Social Equity Program. For the reasons stated below, we would ask that the Honorable Rules Committee direct enforcement personnel to focus on unlicensed establishments violating the City's Sensitive Use Regulations.

- Rogue entities violating sensitive use rules put children at risk. They cannot obtain banking services, frequently fail to employ licensed guard staff, and often do not have sufficient security cameras. This makes them a perfect target for violent robberies.
- Sensitive use radiuses were imposed to keep children well away from gunplay and other risks. Entities which violate these rules should be the first businesses the City closes.
- Illegal entities do not pay taxes, carry insurance or have regulatory costs. This means they create a massive and on-going amount of unfair competition.
- This has been going on for years, and those licensed by the City have been suffering from this unfair and illegal competition for so long that many are dangerously close to bankruptcy.
- Good actors who have suffered the longest, deserve the first relief. Closing rogue facilities operating too close to sensitive uses will provide that relief.



- Illicit actors cannot obtain Workmen's Compensation insurance, or liability insurance. As they do not pay payroll taxes employees cannot obtain unemployment benefits absent a state investigation. If an employee suffers a job related injury, the lack of workman's compensation insurance means a lengthy state investigation before benefits are paid.
- Labor unions, traditionally the great protectors of employee rights, cannot organize illegal businesses. This means employees in these shops have no protection from illegal or immoral employment practices and no mechanism to address grievances.
- Unlicensed facilities are not allowed, per state law, to test their products. They source from the underground, illegal market which incentivizes profits over safety, and would not hesitate to douse a grow with dangerous, illegal pesticides to save a crop. Pesticide residue can cause cancer, irreversible breathing problems and nerve damage, insanity and death.
- Patients with compromised immune systems (such as those with organ transplants) may die if they ingest or inhale cannabis containing pesticides, fungus or other contaminants.
- Social Equity candidates seeking to establish retail businesses may quickly fail. Rogue entities don't carry any of the business costs the social equity candidates will have to assume. Thus, illicit entities can offer deeply discounted products. The social equity businesses would not have an established client base as older legal businesses do, so there would be nothing to slow the slide towards insolvency.

For the reasons stated above, our organization respectfully asks that the Honorable Rules Committee recommend that enforcement efforts be concentrated on illegal entities located within sensitive use radiuses.

The City Attorney and his staff have closed over one thousand illicit entities using a clever formula which indicts landlords along with retail operators. They are to be commended for their efforts, the first sustained and successful effort the City has made. A motion directing their efforts towards the most dangerous elements remaining would be deeply appreciated by all those so deeply affected by on-going rogue activities. Entities violating laws meant to protect children, should always be at the top of the enforcement list.

Our Executive Director, Adam Spiker can be reached at (714) 654-1930 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Adam Spiker".

Adam Spiker
Executive Director
The Southern California Coalition