

**CITY OF LOS ANGELES  
INTER-DEPARTMENTAL CORRESPONDENCE**

C.F. No. 18-1800-S2

Date: November 9, 2018

To: Honorable Members, Los Angeles City Council

From: Sharon M. Tso, Chief Legislative Analyst

Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **Illegal Cannabis Enforcement**

**SUMMARY**

On July 31, 2018 the Council adopted a Motion (Council File 18-1800-S2) that, among other instructions, directed the Office of the Chief Legislative Analyst (CLA) and the Office of the City Administrative Officer (CAO), with the assistance of the Department of Cannabis Regulation (DCR), Fire Department (LAFD), Police Department (LAPD), Police Commission, Department of Building and Safety (DBS), Department of City Planning, City Attorney and Mayor's Office to provide a comprehensive report on all activities for the current year with respect to illegal enforcement operations, including aggregate enforcement data and the cost of operations. The Motion states that this report may also include recommendations and funding requests to provide the most effective enforcement possible.

This report provides information from the above offices and departments, with the exception of the City Attorney's Office, which will be reporting separately. The report also provides statistics from LAPD on what enforcement actions have been undertaken this fiscal year, and recommendations for the creation of a centralized information system and establishment of a working group to coordinate and increase enforcement efforts against illegal cannabis activity in the City.

**BACKGROUND**

*Rules and Responsibilities in Enforcement against Illegal Commercial Cannabis Activity*

Currently, enforcement against illegal cannabis activity within the City is primarily the responsibility of the LAPD and the Office of the City Attorney. The DCR is responsible for licensing businesses, but has no stated role in enforcement against illegal businesses. However, DCR's role in licensing makes them a key partner to LAPD and the City Attorney in identifying illegally-operating businesses. The DBS and LAFD are responsible for

enforcing Building and Fire Code regulations for all businesses in the City, and DBS is also responsible for enforcement related to certain provisions of the City’s Cannabis Advertising ordinance (Ordinance No. 185607, Council File No. 16-0888). The Department of City Planning and Police Commission have no role in illegal cannabis enforcement efforts. The chart below outlines each department’s enforcement responsibilities:

<b>Department</b>	<b>Enforcement Role</b>
<b>Police Department</b>	Criminal enforcement against illegal cannabis activity.
<b>City Attorney’s Office</b>	Misdemeanor charges against illegal cannabis businesses.
<b>Fire Department</b>	Responsible for enforcing the City’s Fire Codes
<b>Department of Building and Safety</b>	Responsible for enforcing the City’s Building Codes and provisions of the City’s Cannabis Advertising Ordinance.
<b>Department of Cannabis Regulation</b>	No enforcement role.
<b>Police Commission</b>	No enforcement role.
<b>Department of City Planning</b>	No enforcement role.

*LAPD’s Cannabis Enforcement Process*

At the beginning of 2018, LAPD issued new cannabis enforcement guidelines to its officers which emphasize that the Department will generally focus enforcement activities on sales, transportation and cultivation of cannabis which also involve “significant criminal activity,” or complaints of illicit activity at a location. These guidelines further state that complaints which only involve a failure to obtain a license will be deferred to DCR. Each LAPD Area commander is responsible for defining what constitutes significant criminal activity in their Area.

Any complaints about illegal cannabis activity received from the public or other government organizations are forwarded to the LAPD’s Gang and Narcotics Division (GND). GND reviews this information and forwards these complaints to the Narcotics Enforcement Details (NED) in the affected Area, who are tasked with the investigation of claims.

According to the LAPD, this year the Department has executed 143 search warrants against locations used in illegal cannabis activity. There have been 435 arrests for illegal cannabis activity within the City, 185 of which were felony arrests. LAPD has recovered 67 firearms, seized \$604,899 and approximately 34,852 pounds of cannabis. The LAPD states that even though cannabis is now legal, its efforts to enforce relevant laws against illegal cannabis are more vigorous than they have been in recent years, as the Department realizes that illegal businesses have negative impacts for residents and the City. However, criminal enforcement alone is not sufficient to deal with this problem, as the misdemeanor penalties for most cannabis-related violations are not a sufficient deterrent to criminal activity.

### Options to Enhance Enforcement Efforts

The LAPD and DCR recommend the establishment of a working group with representatives from the various departments and offices with cannabis-related responsibilities. This group could set enforcement goals and prioritize targeted enforcement, while facilitating the sharing of information related to illegal businesses among all City departments. A number of departments involved in cannabis enforcement hold regular meetings on this issue, and that group could be tasked with creating a comprehensive enforcement strategy. At a minimum, this group should include the LAPD, LAFD, City Attorney, DCR, DBS, Planning, and the Department of Water and Power (DWP).

DCR also recommends that, as a business without a license is identified, the business be sent a cease and desist or warning letter and information on the licensing regime for the City of Los Angeles. Businesses who continue to operate after receiving this letter could then be subject to further enforcement efforts.

The City should also establish an information-sharing platform for reporting any complaints about cannabis businesses. DCR currently maintains the cannabis complaint portal, but LAPD, the City Attorney and other departments may receive complaints that are not shared in that system. This results in cannabis-related complaints being handled in a piecemeal fashion. A common complaint platform would allow all City departments and offices to upload complaints to be sorted through by DCR, which could then ensure that complaints related to unlicensed businesses are flagged. Complaints related to licensed businesses would be handled by DCR.

The LAPD recommends that civil actions and other enforcement mechanisms be included as part of any cannabis enforcement toolkit. The Council is currently considering a number of items related to this recommendation which may positively impact the City's ability to effectively address illegal cannabis businesses. These items include:

- Shutting off utilities for unlicensed cannabis businesses (Council File No. 14-0366-S24);
- Using the Administrative Citation Enforcement (ACE) Program for certain cannabis offenses (Council File No. 14-0366-S25);
- Enabling DBS to barricade, padlock, fence or secure unlawfully operating cannabis-related businesses (14-0366-S26); and
- Creating a new civil service classification of DBS inspectors with responsibility for non-criminal enforcement against illegal cannabis businesses (Council File No. 14-0366-S27).

The Council last considered these items on October 30, 2018, and requested a number of reports and ordinances to implement the above policies. Those reports and ordinances are currently in the process of being drafted, and will be submitted for Council consideration when complete. Adoption of some or all of these policies by Council could significantly increase the City's ability to stop illegal businesses from quickly reopening and give the City more tools to use against illegal cannabis businesses other than criminal enforcement.

## **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. DIRECT the Department of Cannabis Regulation (DCR) and the Police Department (LAPD), with the assistance of the City Attorney and the Information Technology Agency (ITA), to report on the establishment of a complaint information system, which would allow all departments and offices to easily share complaints about cannabis activity with DCR, LAPD and the City Attorney;
2. DIRECT the LAPD, Fire Department (LAFD), DCR, and Department of Building and Safety (DBS), with the assistance of City Attorney and any other relevant offices or departments, to establish a working group to manage and direct enforcement efforts against illegal cannabis businesses; and
3. DIRECT the DCR, with the assistance of the City Attorney, to report with a program to send cease and desist or warning letters to businesses suspected of engaging in illegal cannabis activity.

## **FISCAL IMPACT STATEMENT**

The recommendations have no impact on the General Fund.

SMT:jwd