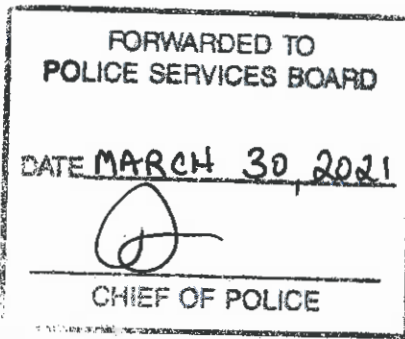


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**REPORT**  
Police Services Board

For Information

**PSB REC: MAR 17 21**

**LOG# 13-21**

**FILE CLASS: P01**

File Class: 1-02-02-03

Cross-Reference File Class: \_\_\_\_\_

DATE: March 16<sup>th</sup>, 2021

SUBJECT: **Illicit Cannabis in Peel Region**

FROM: Deputy Chief Nick Milinovich, Investigative and Emergency Services Command

**RECOMMENDATION**

IT IS RECOMMENDED THAT, this report be received by the Regional Municipality of Peel Police Services Board for information purposes.

**REPORT HIGHLIGHTS**

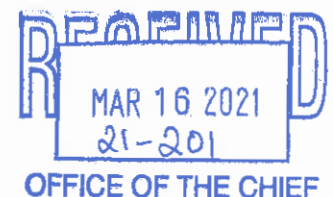
- Legal cannabis dispensaries are safer than illegal ones.
- Cannabis related driving offences are increasing.
- Management of illicit dispensaries.
- Recommended that this report be provided to PSB as an information item.

**DISCUSSION**

**1. Background:**

In October of 2018, the Federal Government legalized recreational cannabis use throughout Canada and created the Cannabis Act outlining federal laws associated to cannabis. In addition, the Ontario Government generated the Cannabis Control Act. As part of legalizing cannabis, the federal government turned to the provinces to determine how they wanted to regulate cannabis utilizing the Cannabis Act as a guide.

The Ontario Government created the online Cannabis Store to legally obtain cannabis. On April 1, 2019, the provincial government authorized the sale of cannabis by 24 private retail stores across the province, one of which was located in the City of Brampton. The provincial government has since authorized the opening of additional storefronts. To date, there are seven legal cannabis dispensaries operating within the City of Brampton. There are no legal cannabis dispensaries operating within the City of Mississauga.



This report will provide an overview of cannabis related enforcement trends, the management by law enforcement of these trends and resulting challenges. The information in this report points towards a challenging long-term enforcement position.

## **2. Trends:**

### **Legal cannabis dispensaries are safer than illegal ones.**

There is more criminal activity and criminal activity of greater violence occurring with respect to illegal dispensaries when compared to legal dispensaries. For example, two long-standing legal and illegal dispensaries were compared in the Region. An analysis of calls for service was conducted with Ganjika House located at 186 Main Street, Brampton (the longest running legal dispensary) and North Cloud Dispensary located at 2563 Hurontario Street, Mississauga (the longest running illegal dispensary). For the year of 2020, Ganjika House had 20 calls for service and of these, five (25%) of these calls resulted in a police report which included topics such as Breach of Court Order, Assault Level 1, ATM Fraud, minor Possession of a Narcotic and Uttering Threats (to an animal).

For the same period of time, the North Cloud Dispensary had 28 calls for service and 19 of these calls (68%) resulted in a police report, which included a stabbing, shooting and multiple possession of weapons occurrences. Peel Regional Police, Specialized Enforcement Bureau (SEB) executed four warrants on the premise during this timeframe and the storefront was shut down in December 2020; however, the operators transitioned to a mobile delivery service and are still in operation.

### **The number of brick-and-mortar illegal dispensaries are decreasing.**

From 2016 to 2018 the Region of Peel saw a 95% increase in illicit cannabis dispensaries. Strong enforcement and a proactive educational strategy have eliminated 75% of these illegal storefronts. Today there are less than five in the Region.

### **The number of mobile illegal dispensaries are increasing.**

From 2018 to 2019, there was a 21% increase in illegal mobile cannabis dispensaries in the Region. These illegal mobile dispensaries are cannabis dealers who deliver marijuana to a customer's location, rather than incur the overhead and associated costs of a retail store location. The numbers of illegal cannabis dispensaries are continuing to grow with approximately 100 to 150 mobile dispensaries currently operating within the Region of Peel.

### **Cannabis related driving offences are increasing.**

Between 2018 – 2020, there has been an 86% increase in the number of Impaired by Cannabis charges laid. These statistics are outlined in the chart below and are a measure of the negative impact that cannabis is having on general public safety when the drug is combined with operating a motor vehicle. (\*86% increase refers to last entry on chart below. Specific Substance - Impaired by Cannabis Charges)

Charge	2018	2019	2020	2021	TOTAL
<b>253(1)(a)</b>	<b>20</b>	<b>2</b>	<b>1</b>		<b>23</b>
Care or Control While Impaired by Drugs	9	1	1		11
Operating while impaired (alcohol and drugs)	1	1			2
Operating While Impaired by Drugs	10				10
<b>254(5)</b>	<b>1</b>				<b>1</b>
Failure to Provide Blood, Oral Fluid, Urine Sample - Drugs	1				1
<b>320.14(1)(a)</b>	<b>3</b>	<b>113</b>	<b>155</b>	<b>22</b>	<b>293</b>
Operation While Impaired - Alcohol and Drugs		26	12	2	40
Operation While Impaired - Drugs	3	87	143	20	253
<b>320.14(1)(c)</b>			<b>3</b>	<b>1</b>	<b>4</b>
Operation While Impaired - Blood Drug Concentration			3	1	4
<b>320.14(2)</b>		<b>1</b>			<b>1</b>
Operation While Impaired Causing Bodily Harm (Drugs)		1			1
<b>320.14(3)</b>			<b>4</b>		<b>4</b>
Operation While Impaired Causing Death (Drugs)			4		4
<b>320.15(1)</b>		<b>7</b>	<b>17</b>	<b>3</b>	<b>27</b>
Failure or Refusal to Comply With Demand (alcohol and drugs)		2	2		4
Failure or Refusal to Comply With Demand (Drugs)		5	15	3	23
<b>TOTAL</b>	<b>24</b>	<b>123</b>	<b>180</b>	<b>26</b>	<b>353</b>

Specific Substance	2018	2019	2020	2021	TOTAL
Impaired by Cannabis charges	6	36	44	2	88

### 3. Management of Illicit Dispensaries:

#### Data Tracking

The Specialized Enforcement Bureau (SEB) maintains a Cannabis Enforcement Tracking Log, which compiles a list of Crime Stopper Tips and community complaints with respect to illicit storefront and mobile dispensaries operating within the Region.

#### Education

When cannabis was legalized in 2018, the SEB Narcotics Team focused on educating the public and those operating these illicit storefronts, including property owners. Unfortunately, this technique was not successful in decreasing the numbers of illicit cannabis dispensaries and SEB transitioned their efforts towards enforcement.

#### Enforcement

##### History

When the Cannabis Control Act was first enacted, a section of the Act authorized any police officer to enter a premise, which they believed on reasonable grounds was operating as an illegal cannabis dispensary. This authority allowed the police to seize any marihuana found in plain view and charge those responsible accordingly. This section of the Act has since been

repealed and now a Judicial Authorization (search warrant) is required to enter and legally search and seize any illicit dispensary.

#### *Techniques*

As a result of these changes, the enforcement of illegal cannabis dispensaries requires several techniques beginning with hours of surveillance on storefronts and on persons responsible for operating the dispensary. Further evidence is required to support the authorization of a search warrant. When a warrant is sought, a team of officers is required for surveillance prior to the execution of the warrant. A search team and/or full tactical support is required depending on the threat level, level of fortification and a risk assessment must be completed to identify organized crime associated to the premise. Police are required to deal with customers located within the premise, who may or may not be charged. Those found operating the dispensary are charged accordingly. Finally, an extensive search of the premise is conducted for evidence in support of both Federal and Provincial charges.

#### **4. Challenges:**

##### *Limited Federal and Provincial Enforcement Powers*

Due to the limited provisions within the Cannabis Act and Cannabis Control Act that aid in shutting down these dispensaries, SEB Investigators are finding that once the enforcement is completed, these illicit dispensaries will often re-open immediately after police vacate the area. When interim closure orders are initiated against the illegal dispensary and police change the locks, operators have locksmiths attend, change the locks back and reopen for business. This is cyclical as there are currently no provisions within either the Federal and/or Provincial legislation that allow police to enforce the interim closure of the premise. Therefore, the investigation is initiated once again and yet another search warrant would be required to gain entry. Despite these challenges, since October 17, 2018, 822 charges have been laid under the Cannabis Control Act and under Federal legislation 361 charges have been laid and 32 search warrants have been executed under the Cannabis Act.

##### *Penalties are not deterrents*

##### *Legislation: Cannabis Control Act*

According to the Cannabis Control Act (CCA), any individual who contravenes section 6 (sale of cannabis) or section 13 (knowingly permit premise to be used in relation to prohibited activity) on a first conviction, is subject to a fine of at least \$10,000 and not more than \$250,000 or a term of imprisonment of not more than two years less a day, or both. Typically, for the employees of an illicit dispensary, when charged under section 6 of the CCA, they are generally receiving fines at court anywhere from \$75 to \$500. These fines vary depending on their role in the dispensary and how many previous convictions they have. Property owners have received fines of approximately \$1000 to \$2000. On average, enforcement has revealed that these illegal dispensaries can make up to \$35,000 per day in operation. The penalties being assessed hardly put a dent into these one-day earnings and act as no deterrent to stop the illegal activity.

##### *Legislation: Cannabis Act Canada*

This legislation offers an opportunity to lay federal charges for Cannabis Act violations. The SEB has previously charged under this Federal legislation however, these charges were reduced at the Public Prosecution Services Canada (PPSC) level and sent back down to the

provincial court level to be dealt with. Currently there are federal charges from the last enforcement of an illicit dispensary at PPSC. Investigators have been liaising with PPSC on this matter however; it is unknown what the suspected outcome will be. Dropping federal charges to the provincial level is also not a deterrent to stop illegal activity.

#### Lack of funding for enforcement

The Region of Peel received \$944,450 in funding from the Ontario Cannabis Legalization Implementation Fund. In 2019, Peel Regional Police received \$472,225 in funding to offset \$1.6 million in expenses incurred in 2018 and 2019. Staff were recently advised that there is still \$367,000 in unallocated funding remaining in that fund. Discussions are underway with Region of Peel staff to have this funding allocated to Peel Regional Police to further offset PRP's expenses.

Investigative costs exceed these resources. For example, to dismantle the North Cloud Dispensary mentioned above, six search warrants were conducted each costing approximately \$20,000. In addition, two weeks of Paid Duty officers were required to maintain security after the last search warrant to ensure the occupants did not change the locks again and reopen for business. These paid duties totaled approximately \$83,240.64. The total cost of investigating the North Cloud Dispensary was approximately \$203,240.64. To understand this number compared to the 2019 monies indicated, the cost to dismantle one illegal dispensary was 45% above the total additional funding amount that was approved for SEB enforcement in 2019 and it is 43% of the money that the Provincial Cannabis Fund gave to the PRP in 2019.

## CONCLUSION

Cannabis related crime poses a public safety risk particularly through illegal dispensary activities and driving offences. While legislation exists, it contains limited enforcement powers, which drive up the costs of conducting investigations. Combined with low funding and increasingly mobile criminal dispensary methods; these all indicate an ongoing challenge to law enforcement in this area.

#### **Approved for Submission:**

  
 Nick Milinovich - Deputy Chief,  
 Investigative and Emergency Services Command

*For further information regarding this report, please contact Inspector Todd Custance #1742 at extension 3515 or via email at [todd.custance@peelpolice.ca](mailto:todd.custance@peelpolice.ca)*

*Authored by: Det. Paul MacLeod #2192 & Sgt. Sheamus Neher #3186*