City of Fresno

Cannabis
Administrative
Prosecutor Program
2023-24
(CAPP)

Cannabis Administrative Prosecutor Program (CAPP)

• City of Fresno entered a Memorandum of Understanding (MOU) with the Office of the Attorney General (OAG) in August 2023

 Purpose: to reduce and eliminate illegal commercial cannabis activity within the City and mitigate the environmental, social, and economic impacts of these illegal activities

• Combined efforts on behalf of multiple agencies to coordinate administrative and civil enforcement for illegal land uses

• City of Fresno was the first city in the State of California to enter this MOU with the OAG



Inspections

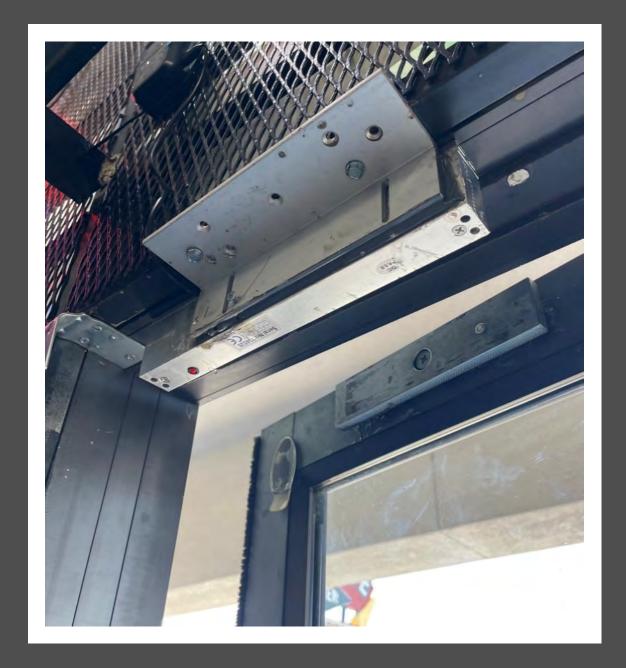
Inspections were conducted with the assistance of agencies including the Fresno Police Department (FPD), Fresno Fire Department (FFD), California Department of Tax and Fee Administration (CDTFA), California Department of Alcoholic Beverage Control (ABC), and California Department of Justice (DOJ)

- 100 inspections have been conducted within the last year
 - ➤ 67 Smoke Shops
 - ►11 Cultivations
 - ➤ 18 Markets
 - ➤ 1 Illegal Dispensary
 - ➤ 3 Miscellaneous Cases

Inspection Results

- Cannabis was located at 53/67 smoke shops that were inspected (79%)
- Multiple guns were located at 15 businesses
- <u>Illegal tobacco</u> was present at 63/67 smoke shops (94%)
- **Gambling** was observed to be a prominent issue at these locations
- 100% of inspections resulted in code violations (i.e.: commercial code violations, zoning violations, hazardous electrical, etc.)
- Multiple arrests for <u>felony charges/warrants</u> (business-related employee)



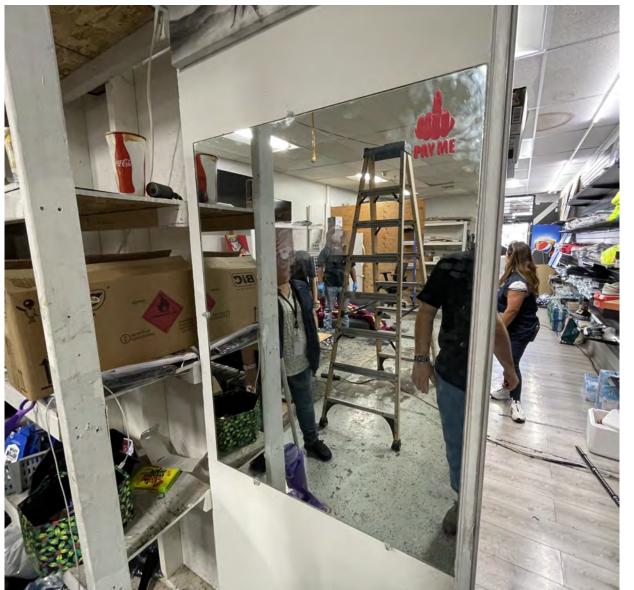




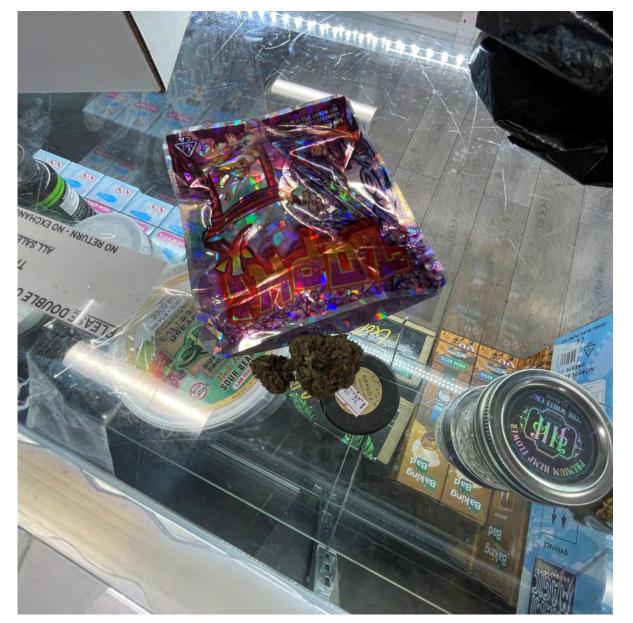








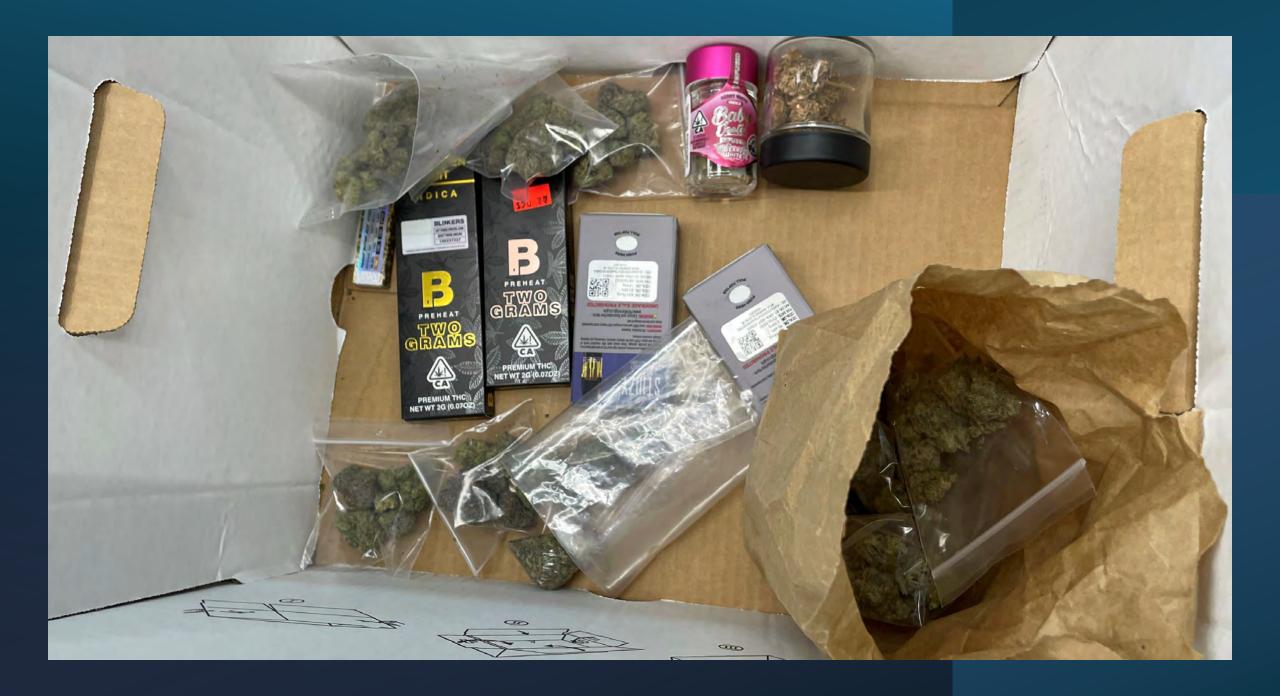




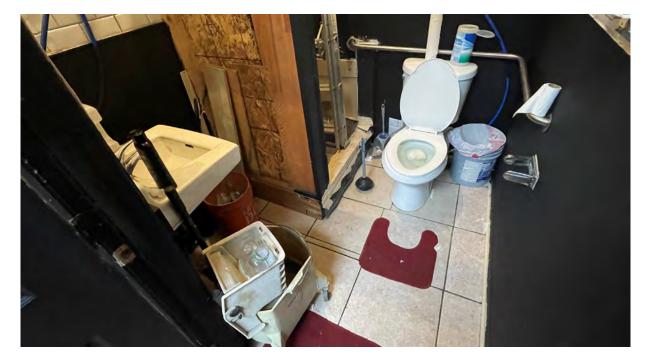




D's Smoke House 1254 W Clinton Ave (D1)





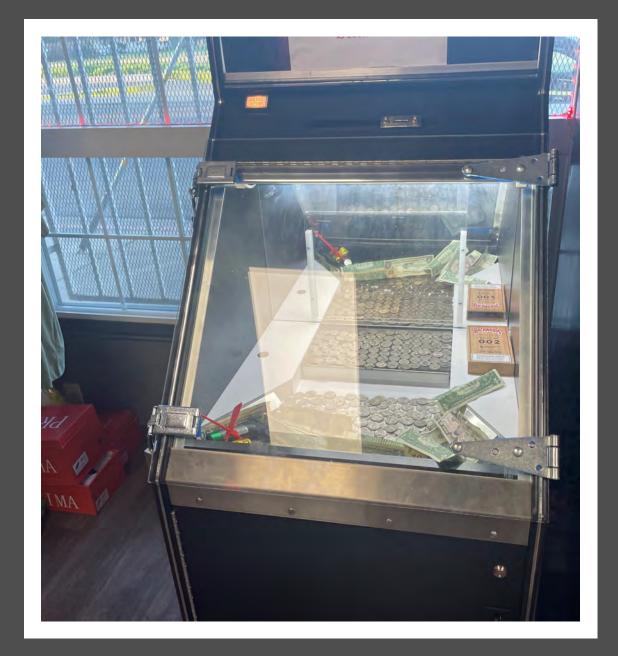




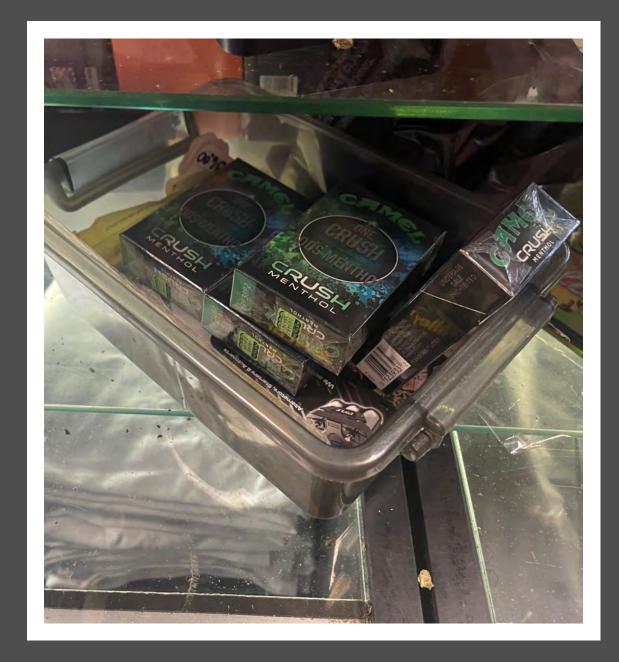


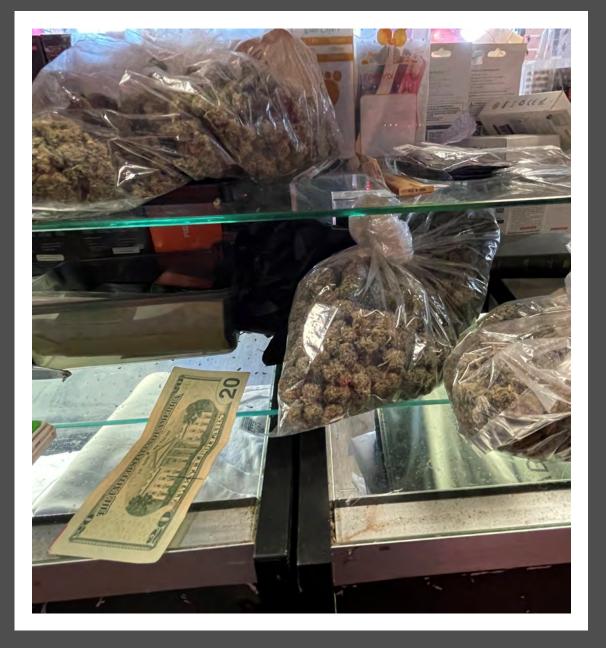


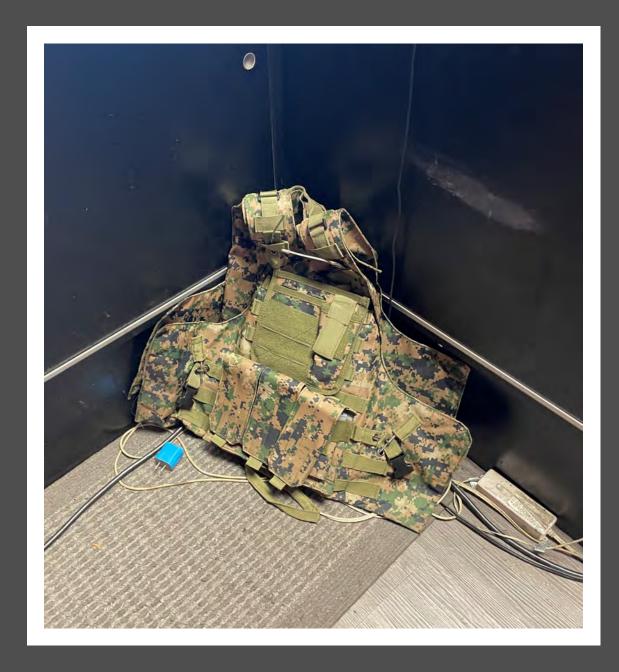


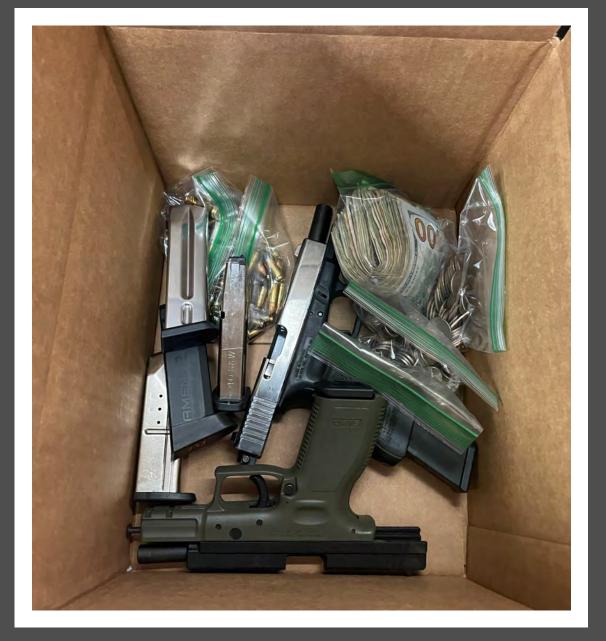










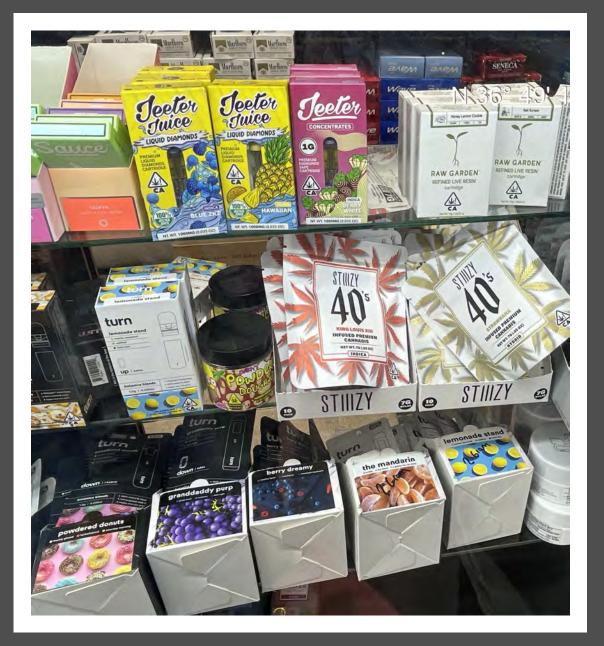


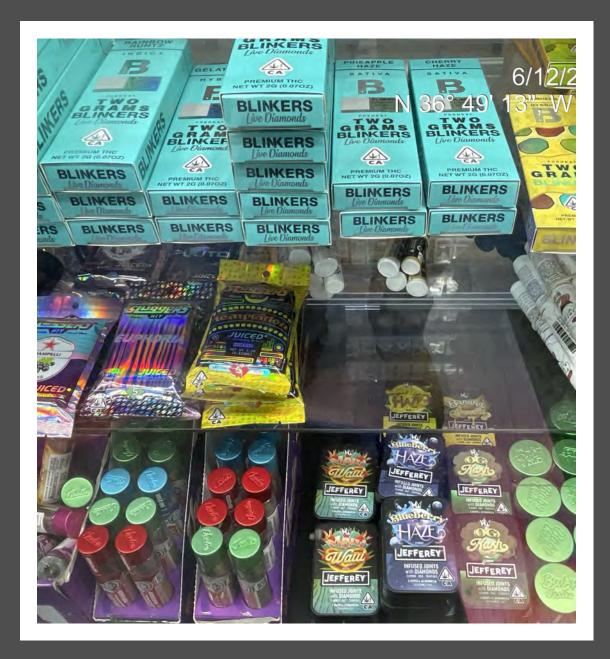


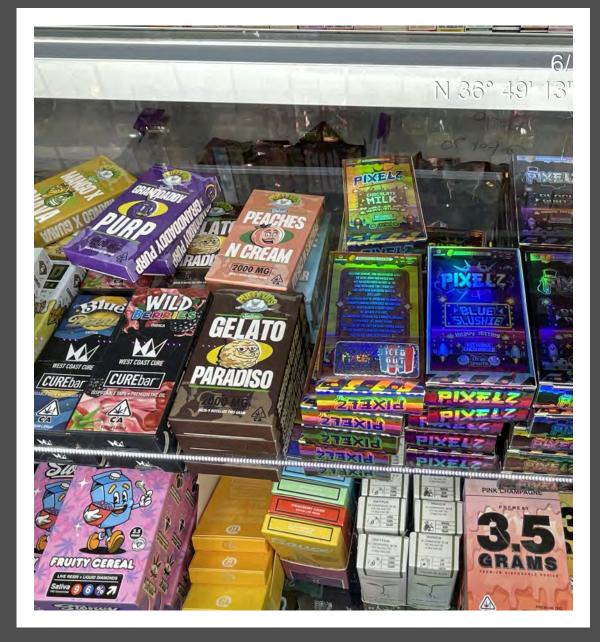




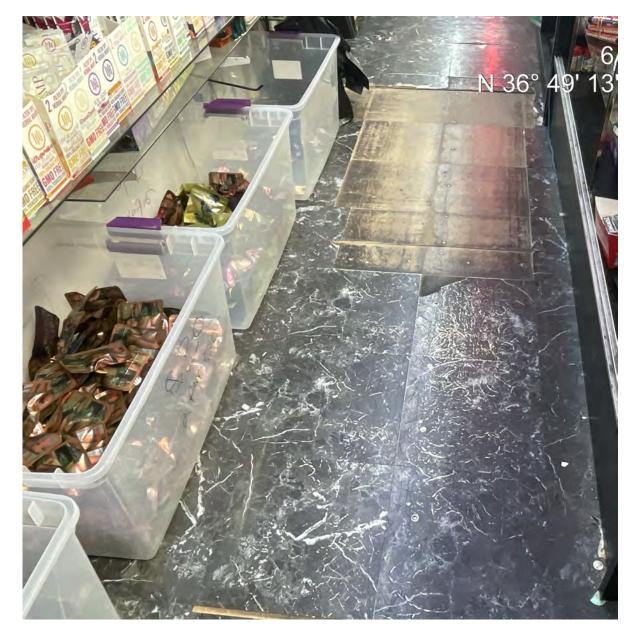




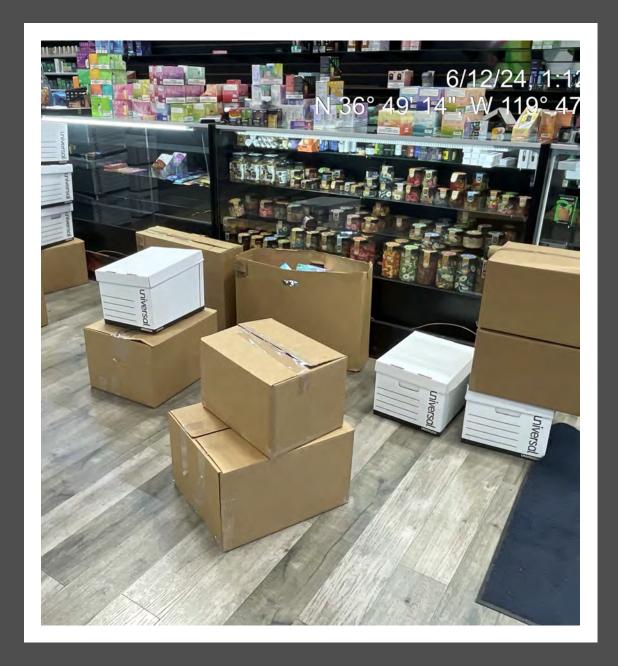














Seized Items

- Per CDTFA, this inspection resulted in the following:
 - 15 boxes seized
 - 1,249 grams of flower (2.75 lbs.)
 - 1,708 units of cannabis product (926 vape, 195 edibles, 587 pre-rolls)
 - Estimated value: \$75,558.00
- Fresno Police Department (NW Division) seized 28 boxes of illegal tobacco products:
 - 7,324 items seized
 - Estimated value of \$91,371.03

From:

Sent: Tuesday, June 18, 2024 10:30 AM

Cc: Subject: FW: The Spot Blackstone

External Email: Use caution with links and attachments

Hey

We just finished getting the totals for The Spot, 5665 N Blackstone Ave. Here's the breakdown.

1,249 grams of flower (2.75 lbs) 1,708 units of other cannabis products (926 vape, 195 edibles, 587 prerolls) \$75,558.00 estimated value

CDTFA, Investigations & Inspections Bureau, Fresno Cell: 559-





BEFORE

AFTER



Lab Results

HMP-PD8-SKY-A1023

METRC Batch: METRC Sample:

Sample ID: 2301ENC1168_3775 Strain: HMP-PD8-SKY-A1023 Matrix: Concentrates & Extracts

Type: Distillate Batch#:

Collected: 02/01/2023 Received: 02/01/2023 Completed: 02/03/2023 Sample Size: 8 units;

Distributor STIIZY HEMP

Lic. #

., CA, 90001



Summary

Jannary			
Test	Date Tested	Instr. Method	Result
Batch			Pass
Cannabinoids	02/01/2023	LC-DAD	Complete
Pesticides	02/01/2023	LC-MS	Pass
Mycotoxins	02/01/2023	LC-MS	Pass
Residual Solvents	02/01/2023	HS-GC-MS	Pass
Microbial Impurities	02/02/2023	qPCR	Pass
Heavy Metals	02/02/2023	ICP-MS	Pass
Foreign Matter	02/01/2023	Visual Inspection	Pass

Cannabinoids Method: SOP EL-CANNABINOIDS

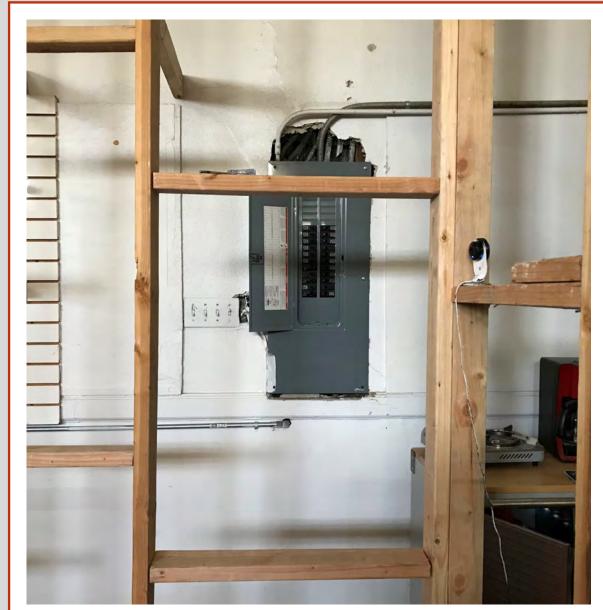
N	D
Total	THO

0.352 % Total CBD

77.581 % Total Cannabinoids

Iolai Inc		TOTAL CBD		iolai Carmabinolus	
Analytes	LOD	LOQ	Result	Result	
1000	mg/g	mg/g	9/0	mg/g	
THCa	0.245	0.743	ND	ND	
Δ9-THC	0.263	0.796	ND	ND	
Δ8-THC	0.290	0.880	76.984	769.84	
THCVa	0.283	0.858	ND	ND	
THCV	0.293	0.887	ND	ND	
CBDa	0.257	0.780	ND	ND	
CBD	0.248	0.751	0.352	3.52■	
CBN	0.234	0.708	0.245	2.45■	
CBGa	0.279	0.847	ND	ND	
CBG	0.258	0.780	ND	ND	
CBCa	0.228	0.690	ND	ND	
CBC	0.268	0.811	ND	ND	
Total THC			ND	ND	
Total CBD			0.352	3.52	
Total Cannabinoids			77.581	775.81	
Sum of Cannabinoids			77.581	775.81	

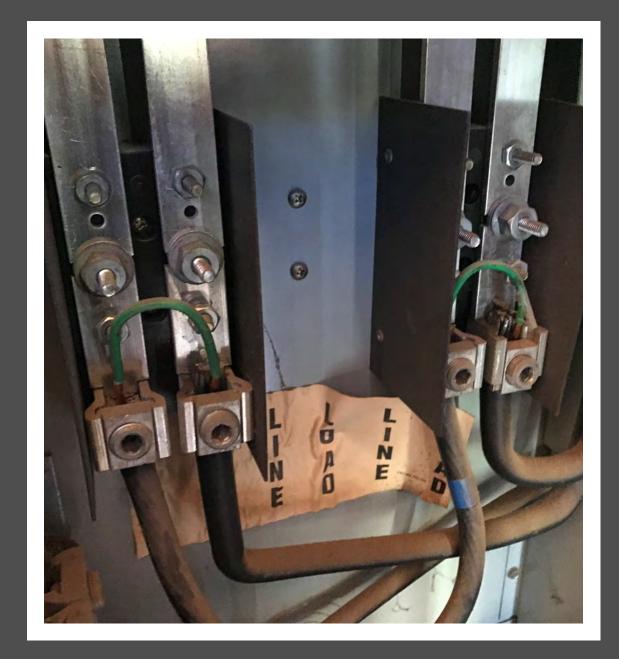


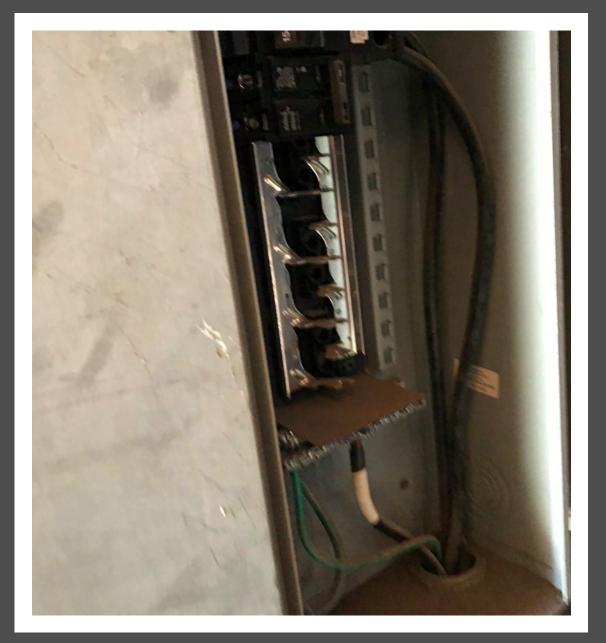






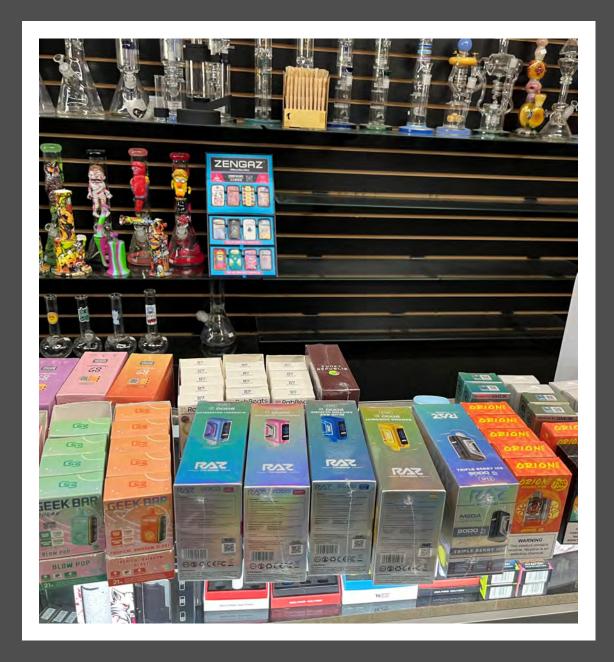


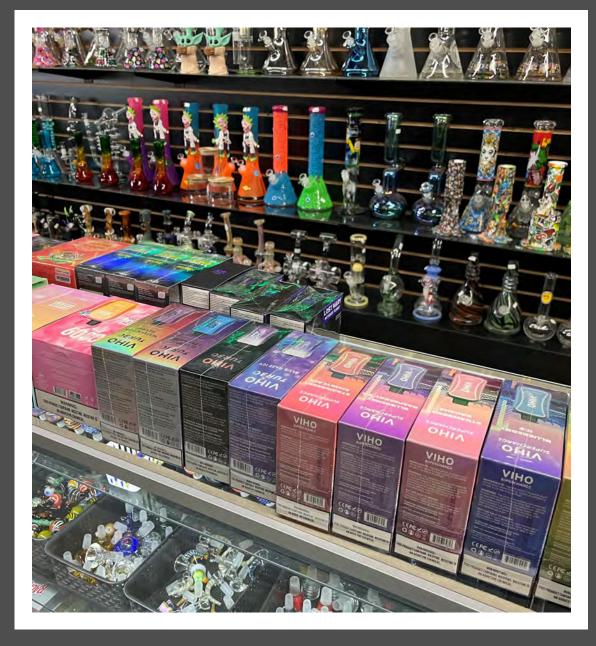










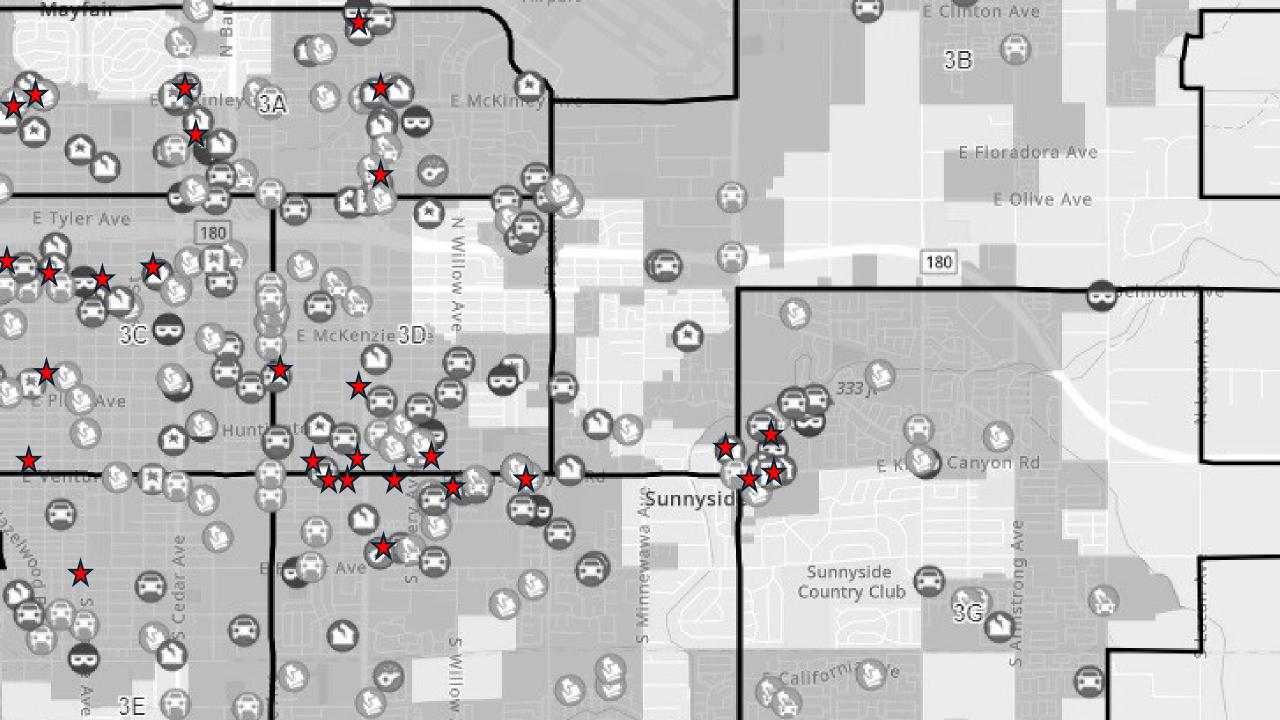




Inspectors' Overview of Smoke Shops

In addition to the violations depicted in the photos, we also identified the following:

- ➤ Public nuisance violations
- >Zoning violations
- ➤ Unpermitted signage
- ➤ Minors (-21) tending to a smoke shop
- Sale of other drugs such as hallucinogenic mushrooms, Diazepam (Valium), and Sildenafil (Viagra)



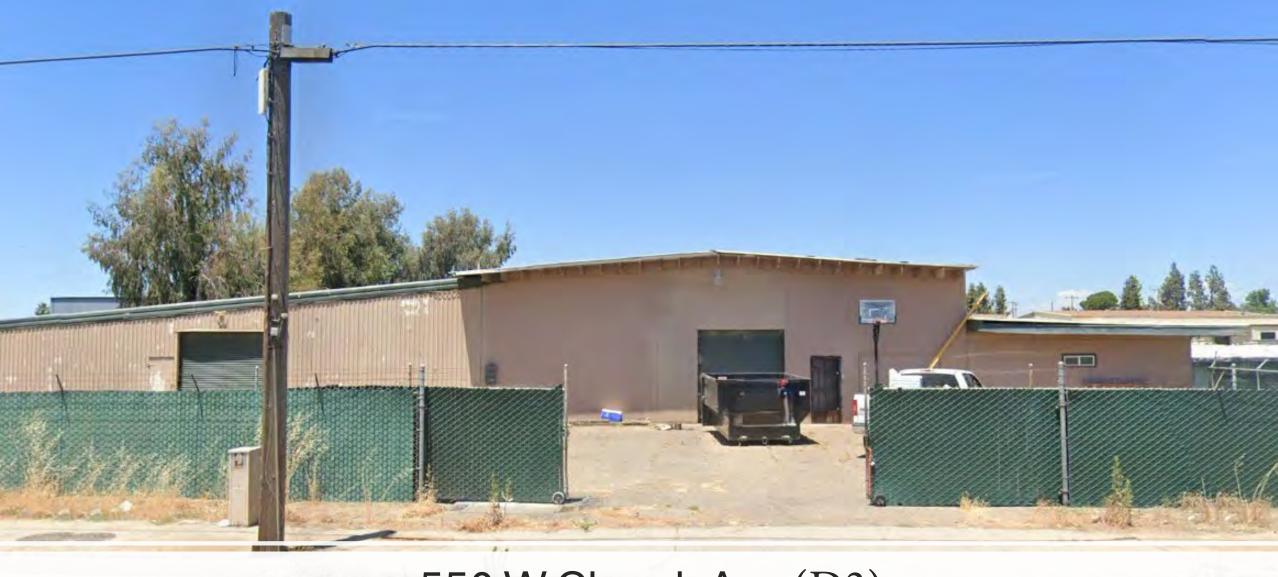




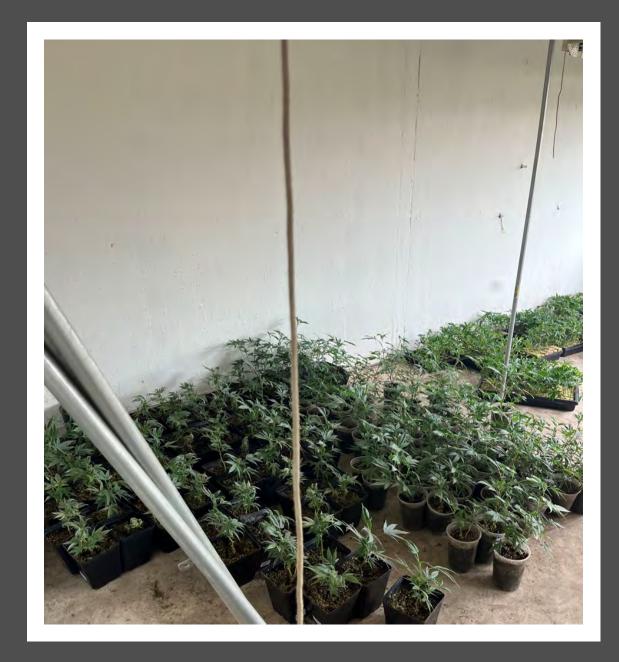


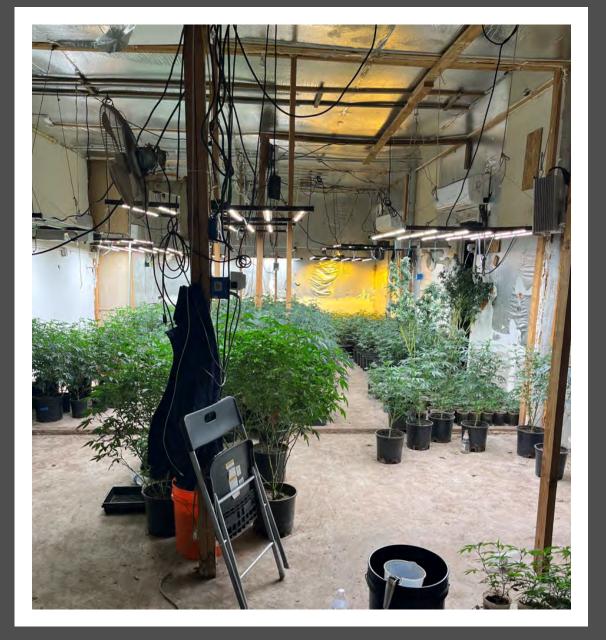


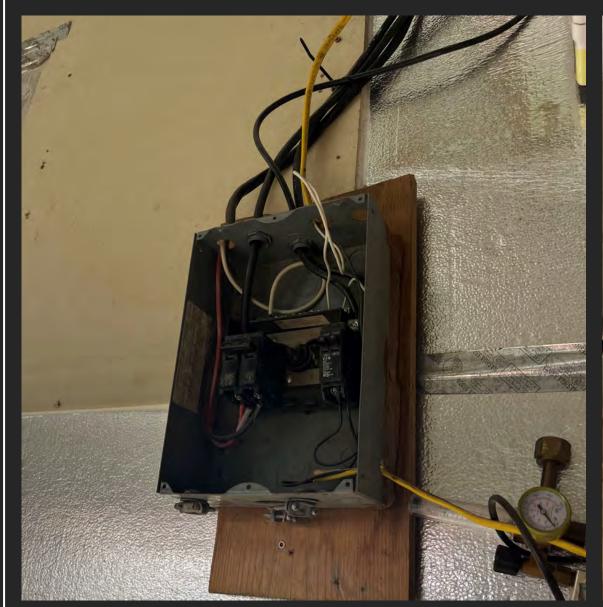




550 W Church Ave (D3)















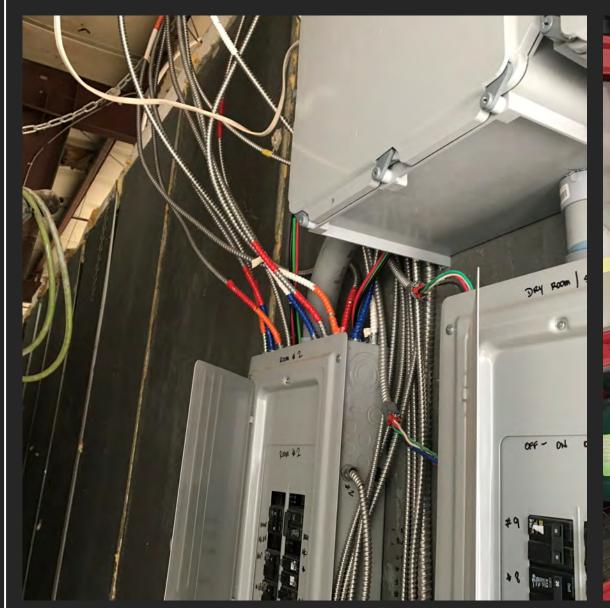
4973 E Lansing Way (D4)



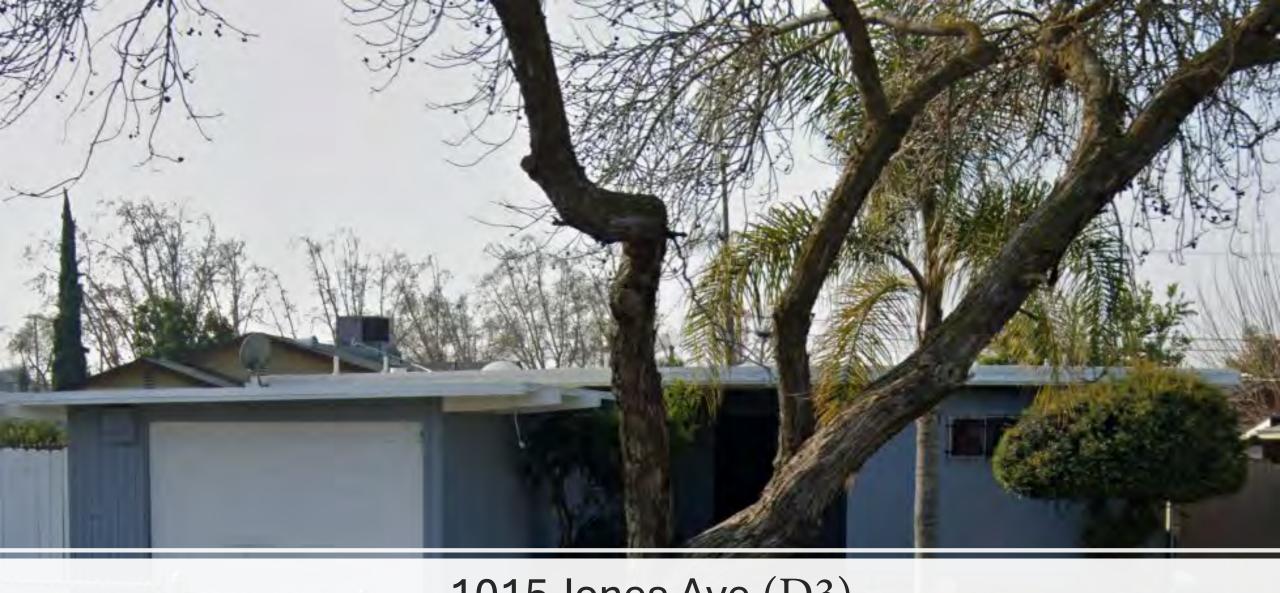








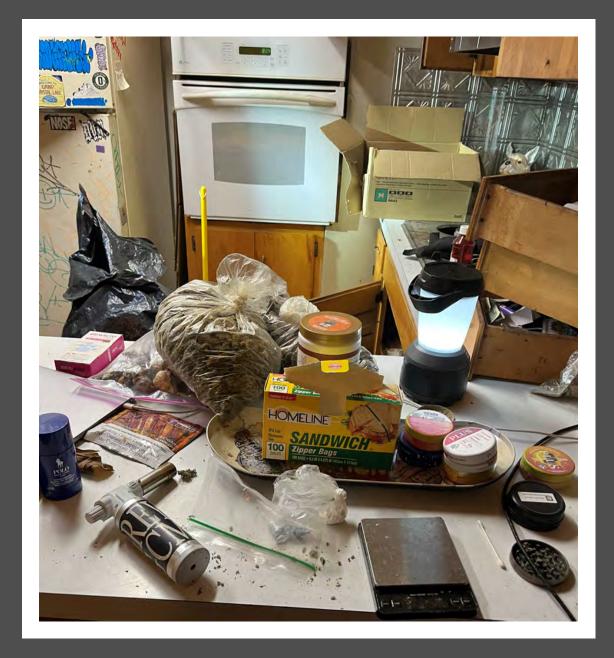


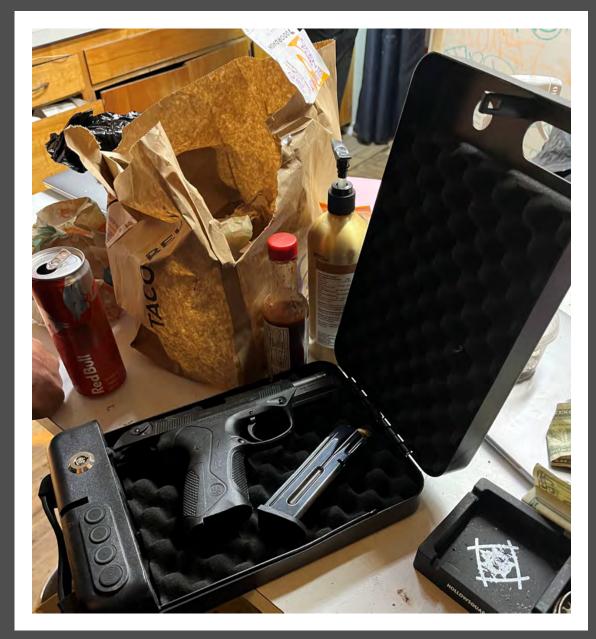


1015 Jones Ave (D3)









Cultivation Impact on our Community

Environment

- Misuse of highly toxic and banned pesticides
- Use of hazardous chemicals (risk of chemical exposure to those abating)
- Over-consumption of electricity that is often-times stolen
- Large concentrations of hazardous waste draining into Fresno's wastewater

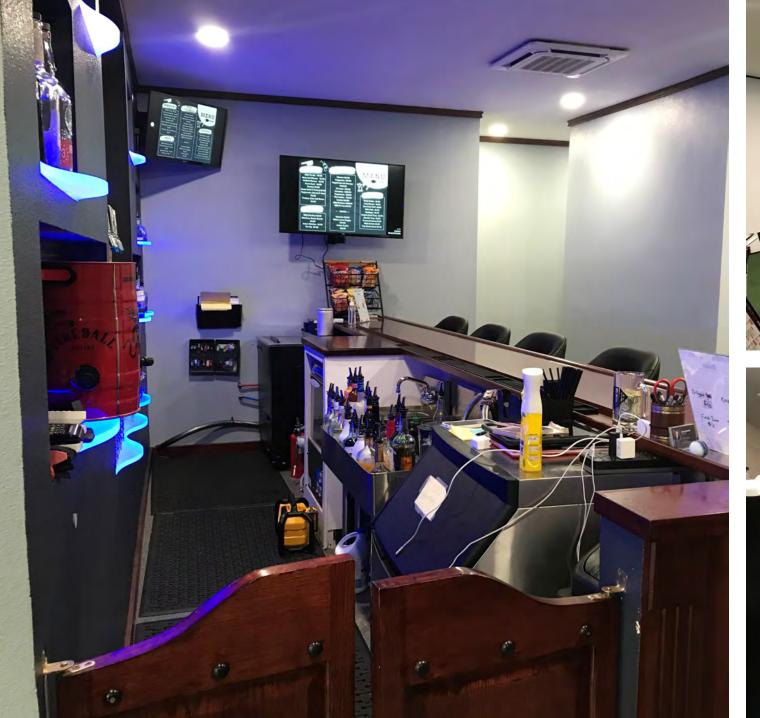
Criminal

- Involvement of human traffickingillegal immigrants working off boarder crossing debts
- Association with groups of organized crime
- Large sums of money are enticing to prospective participants
- Weapons used to guard cash and product
- Large contributor to rampant and unregulated Black Market

Unlicensed Dispensary (AOA Private Golf Club) (D4)

Joint investigation (CAPP & DCC) resulting in DCC authored warrant. This business was located in a commercial district without any permits or licenses from the following agencies:

- ➤ City of Fresno
- > Fresno County Public Health
- ➤ Alcoholic Beverage Control
- ➤ California Department of Cannabis Control
- ➤ California Department of Tax and Fee Administration
- Health and Safety Codes, Commercial Codes, and Zoning Code Violations
- Approximately 65.4 lbs. of cannabis flower seized
- RX labels used on cannabis packaging









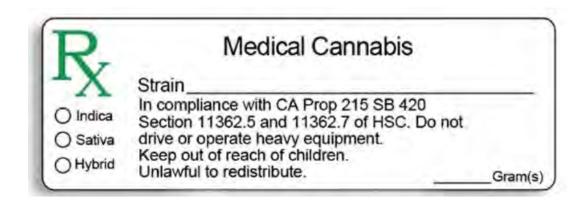








AOA





Citation Example

Citations \$5,235,050.00

Administrative Billing \$16,195.78



If you have questions regarding this citation, please contact the inspector listed below. You must call to schedule an appointment if you wish to speak with the inspector in person.

FIRST ADMINISTRATIVE CITATION

1. Inspection Date: 3-1-2024

2. Location of Violation: 1015 Jones AVE

Time: 7:00 PM

Citation Number: E24-02048.1

APN:467-273-06

3. The following Fresno Municipal Code (FMC) Sections were violated at the date and time noted above:

There is illegal manuana cultivation on this property.

(FMC §§ 10-605(i), 10-605(i), 12-2104, 12-2105, 15-104(A)(2), 15-6304.)

4. The following action is necessary on your part to correct the violation(s):

Immediately discontinue all illegal marijuana cultivation and immediately abate by destroying all illegally cultivated marijuana plants from the property, and dispose of marijuana plants in a lawful manner.

Note: The administrative citation penalty for each and every marijuana plant cultivated in violation of Fresno Municipal Code Section 12-2105 shall be One Thousand Dollars (\$1,000) per plant, plus One Hundred Dollars (\$100) per plant per day the plant remains unabated past April 1, 2024.

Note: Any property upon which this violation is found is subject to immediate abatement by the City and will be charged abatement, actual, administrative, and enforcement costs.

5. A fine/penalty of \$558,000.00 has been imposed. Payment method may be by cash, money order, or check, payable to the "City of Fresno, Code Enforcement Division", 2600 Fresno Street, Room 3076, Fresno, CA 93721-3605. Please write the citation number on the check or money order.

Please pay within 30 days. No further invoice will be sent.

Total Amount Due: \$558,000.00

Payment Due By: April 27, 2024

- CONTINUED FAILURE TO COMPLY MAY RESULT IN FURTHER CITATIONS WITH INCREASED AND ADDITIONAL PENALTIES FOR THE SAME VIOLATION(S) ON A DAILY BASIS AND/OR FURTHER LEGAL ACTION. A responsible party shall be guilty of a separate offense for each and every day during any portion of which any violation of any provision of the FMCis committed, continued, or permitted, and shall be punished accordingly. (FMC 1-304(d).)
- 7. COLLECTIONS: Should you fail to pay these charges in full within 30 days, the City may seek collection in any or all of the following ways: (1) by a collection agency as a personal obligation; (2) as a lien attached to the subject property; (3) as a special assessment on the subject property; and/or (4) by the City Attorney's Office through judicial action. (FMC 1-501 et seq). Before a special assessment is placed on your property, an administrative hearing officer will confirm the costs by a public hearing. You will be issued a notice of the hearing at least fifteen days prior to the date of the hearing and will be allowed to file an objection.
- LATE FEES: If you fail to pay these charges within 30 days, a late fee of 1.5% or a minimum of \$1.00 will be assessed to your outstanding balance.
- 9. APPEAL: You have the right to contest this citation by filing an appeal within eighteen (18) days from the date this citation was mailed (noted below). You may file the appeal with the Hearing Officer at the Office of the City Manager, City of Fresno, 2600 Fresno Street, Room 2064, Fresno, CA 93721. To schedule an appeal, contact 559-621-8000. There is an Administrative Hearing Fee of \$35 for residential units up to two, \$55 for three or more units and \$75 for commercial units. Please bring or send a check or money order with the request for appeal. You will be billed accordingly if payment is not included with your request for appeal.

What we have been noticing...

- Rebranding of smoke shops into market and/or clothing stores
- Verified gang members associated with several of these businesses
- Increased cannabis pop-up events
- Large amounts of cash at these businesses







Example of Smoke Shop Transition

(D7)



Continued Success of the CAPP Program

WHAT HAS BEEN DONE

- Three inspectors have completed 100 inspections, multiple reinspections, and continuous follow-ups within the last year, along with handling regular compliance cases
- 67 of the 140 initially canvased smoke shops have been inspected.
- 14 smoke shops have closed since the start of this program

WHAT IS NEEDED

- Increased manpower- additional inspectors would allow Code to complete more inspections in a more effective manner
- Additional training would keep inspectors well-rounded and up-to-date on any upcoming trends relating to cannabis
- Pending upcoming Smoke Shop Ordinance, contracting with a 3rd party laboratory for narcotics testing