

COLORADO'S "MEDICAL" MARIJUANA

*Are Regulations Working or is "Medical"
Marijuana Being Diverted?*



August 2012

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COLORADO'S "MEDICAL" MARIJUANA

Are Regulations Working or is "Medical" Marijuana Being Diverted?

INTRODUCTION

In 2010, Colorado's legislature passed H.B. 10-1284, which was signed by the governor, to establish medical marijuana retail stores, cultivation sites and infusion centers to produce products and foods with marijuana. This legislation took effect July 1, 2010 with the purpose of regulating "medical" marijuana to prevent diversion for recreational use. This law has been in effect for two years and the question is "Have these regulations been effective?" During this two-year period, information has surfaced that "medical" marijuana is being diverted and that Colorado is becoming a source state for the drug. In a Rocky Mountain HIDTA (RMHIDTA) 2012 law enforcement-sensitive threat assessment, the original draft inferred that "medical" marijuana was being diverted and that Colorado was becoming a source state for marijuana. These statements were removed because they were not supported by actual data. At that time, the RMHIDTA Director made a recommendation, which was approved by the RMHIDTA Executive Board, to conduct a cursory assessment to determine whether there was any evidence that Colorado "medical" marijuana was being diverted.

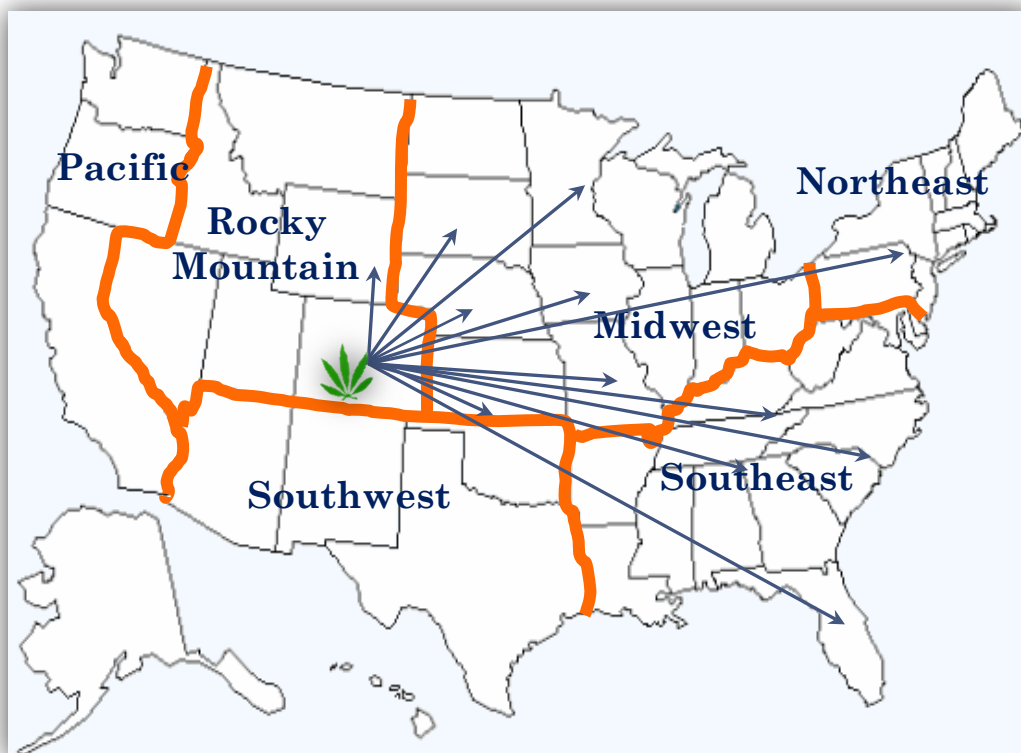
This report will provide over seventy examples from nineteen agencies during the three-week study. This is not meant to be an all-inclusive study as there is no mechanism to collect nationwide the diversion of "medical" marijuana from Colorado

PROCESS

The Rocky Mountain HIDTA Investigative Support Center (ISC) made a request to a number of law enforcement agencies to report any cases they were aware of in which Colorado "medical" marijuana was being diverted. The purpose of this inquiry was to determine if there was any evidence to support the perception that Colorado's "medical" marijuana was being diverted for recreational use. The ISC only accepted cases that were completed and a matter of public record. This excluded a number of ongoing "medical" marijuana investigations, some involving major trafficking and money laundering. This report also excluded cases that were suspected of being tied to the "medical" marijuana industry but not corroborated.

HIGHWAY INTERDICTION

Examples of "medical" marijuana discovered during traffic stops by highway patrols.



10 POUNDS OUT THE BACK DOOR OF DISPENSARY

In March 2011, Kansas Highway Patrol stopped a vehicle traveling from Glenwood Springs, Colorado to St. Louis, **MISSOURI**. During the search officers discovered 10 pounds of marijuana. The driver stated he bought the marijuana out the back door of a Colorado dispensary.

4.8 POUNDS TO NEBRASKA FROM A DENVER DISPENSARY

In November 2010, a Colorado State Trooper stopped a vehicle traveling eastbound on CO-76. A total of 4.8 pounds of high-grade marijuana was discovered in the vehicle. The driver stated that he was taking it back to **NEBRASKA** from Denver, Colorado and admitted to buying the marijuana from a dispensary.

9.5 Pounds in Kansas from Different Ft. Collins, Colorado Dispensaries

In July 2011, Kansas Highway Patrol stopped a vehicle traveling from Ft. Collins, Colorado to Richmond, **VIRGINIA**. During the search of the vehicle troopers found 9.5 pounds of marijuana. The driver stated he rounded up the marijuana from different dispensaries in Ft. Collins.

AS MUCH AS HE COULD FOR MONEY HE HAD FROM A DENVER DISPENSARY

In June 2011, Kansas Highway Patrol stopped a vehicle traveling from Denver, Colorado to Gardner, **KANSAS**. Officers discovered 2 pounds of marijuana and 2 marijuana brownies during the search of the vehicle. The driver stated he walked into a dispensary in Denver and purchased as much marijuana as he could, with the amount of money he possessed.

35.8 POUNDS OF MARIJUANA EDIBLES IN NEBRASKA

In March 2010, a Nebraska State Trooper stopped a vehicle traveling on Interstate 80. The driver stated he worked in a Colorado marijuana dispensary. A cooler was found in the trunk of the vehicle with 35.8 pounds of individually packaged marijuana edibles. The packaging on the edibles read "for medicinal purposes only."

THREE DIFFERENT DISPENSARIES AS SOURCES OF MARIJUANA

In May 2011, Kansas Highway Patrol stopped a vehicle traveling from Boulder, Colorado to Wichita, **KANSAS**. During the search of the vehicle, 5 pounds of marijuana was discovered. The driver

admitted to having a Colorado marijuana card. Evidence found in the vehicle showed that the driver had purchased the marijuana from three different dispensaries.

COLORADO SPRINGS DISPENSARY MARIJUANA IN KANSAS

In 2011, a **KANSAS** Highway Patrol stop yielding 4.7 pounds of marijuana originated from a dispensary in Colorado Springs, Colorado. A search warrant was served on the Colorado Springs dispensary. The dispensary was found to be over its allotted marijuana limit by 545 plants and 26 pounds.

DISPENSARY MARIJUANA TO SOUTH DAKOTA

In February 2012, a Colorado State Trooper stopped a vehicle traveling eastbound on CO-76. Approximately 7 pounds of marijuana and 1 gram of methamphetamine were found in the vehicle. Some of the marijuana was tagged with dispensary labels. The driver was transporting the marijuana from Colorado to **SOUTH DAKOTA**.

"PRESCRIPTION" FOR 120 POUNDS IN KANSAS

In June 2010, Kansas Highway Patrol stopped a vehicle traveling from Denver, Colorado to Kansas City, **KANSAS**. The officer discovered 120 pounds of marijuana. The driver stated that the marijuana was his and that he had a "prescription" for it.

THIRTEEN POUNDS FROM A DISPENSARY TO KENTUCKY

In May 2011, Kansas Highway Patrol stopped a vehicle traveling from Denver, Colorado to Louisville, **KENTUCKY**. During the search of the vehicle, officers discovered 13 pounds of marijuana and \$1,025 in US currency. The driver stated a dispensary in Denver was selling marijuana out of the back door, as was another dispensary right down the street.

10 POUNDS FROM COLORADO TO NEW YORK

In November 2010, Missouri Highway Patrol stopped a vehicle traveling from Colorado to **NEW YORK**. Troopers discovered 10 pounds of marijuana concealed in the vehicle. Several Colorado medical marijuana documents were found in the vehicle.

PROFIT FROM 1.5 POUNDS TO TENNESSEE

In March 2011, Iowa State Patrol stopped a vehicle traveling from Longmont, Colorado to Nashville, **TENNESSEE**. During the search of the vehicle, 1.5 pounds of marijuana was found. The driver admitted to having a Colorado medical card, and was taking the marijuana to **TENNESSEE** to make a profit.

GROWN IN COLORADO – SOLD IN MISSOURI

In May 2012, Kansas Highway Patrol stopped a vehicle traveling from Denver, Colorado to St. Louis, **MISSOURI**. During the search of the vehicle, officers discovered 5 pounds of marijuana. The driver admitted he grew the marijuana on his Colorado marijuana permit and was delivering it to Missouri for cash.

SEVEN DISPENSARIES IN A WEEK

In January 2012, Nebraska State Patrol stopped a vehicle traveling from Denver, Colorado to Sioux City, **IOWA**. During the search, troopers discovered 1.75 pounds of marijuana. The driver admitted to having a Colorado medical marijuana card and visiting up to seven dispensaries throughout the week.

FORTY-THREE GEL CAPS OF MARIJUANA AND 17.5 POUNDS FROM BOULDER TO FLORIDA

In April 2011, Kansas Highway Patrol stopped a vehicle traveling from Boulder, Colorado to Vero Beach, **FLORIDA**. During the search officers discovered 17.5 pounds of marijuana, 1.85 pounds of hashish, and 43 gel caps of marijuana. The driver admitted to buying the marijuana from a dispensary in Denver.

WYOMING STOP REVEALS "MEDICAL" MARIJUANA FROM A COLORADO "STORE"

In March 2012, **WYOMING** Highway Patrol stopped a vehicle traveling westbound on Highway 30. The officer discovers 9.5 grams high-grade marijuana, 125 grams of marijuana brownies, and 1.8 grams of marijuana candy found on the passenger and in the vehicle. The passengers stated they had purchased the products from a "store" in Colorado.

8.5 POUNDS OF MARIJUANA BUTTER

In June 2010, Kansas Highway Patrol stopped a vehicle traveling from Avon, Colorado to **FLORIDA**. During the search of the vehicle 8.5 pounds of marijuana butter and 1.5 pounds of marijuana were discovered. The driver stated he had a Colorado medical marijuana card and he made the butter.

SELLING "MEDICAL" MARIJUANA TO FRIENDS IN MINNESOTA

In July 2010, SOUTH DAKOTA Highway Patrol stopped a vehicle traveling from St. Cloud, Minnesota to Ft. Collins, Colorado. During the search, officers discovered 1.2 oz. of marijuana, 1 gram of hashish, and \$1,185 in US currency. The driver admitted to having a Colorado medical marijuana registry card, taking the marijuana to St. Cloud, **MINNESOTA** and selling it to his friends.

MARIJUANA IN IOWA FROM BOULDER, COLORADO CARDHOLDER

In August 2011, Iowa State Patrol stopped a vehicle traveling from Boulder, Colorado to Des Moines, **IOWA**. During the search, officers discovered two bags of "medical" marijuana in the trunk and one bag in the rear driver's door panel. The driver had a Colorado medical marijuana card.

WYOMING RESIDENT WITH COLORADO "MEDICAL" MARIJUANA

In July 2011, following a high-speed chase involving the Wyoming Highway Patrol, the officer discovered seven mason jars and two small baggies of high-grade marijuana. The driver admitted to purchasing the marijuana from a Colorado dispensary. The driver was from **WYOMING**.

DRUG DEALER WITH COLORADO AND CALIFORNIA CARDS LIVES IN OHIO

In January 2011, Kansas Highway Patrol stopped a vehicle traveling from Los Angeles, California to St. Louis, **MISSOURI**. During the search of the motor home, troopers discover 65 pounds of marijuana and 2.5 pounds of hashish. The subject admitted to running drugs, had a criminal history, and also possessed medical marijuana cards from both Colorado and California. The subject stated that he lives in Columbus, Ohio.

TWO "PATIENTS" TAKE MINIVAN TO MINNESOTA

In March 2011, Minnesota Highway Patrol stopped a vehicle traveling from Colorado to Minnesota. The officer found ½ pound of marijuana. The driver and passenger both admitted to having Colorado medical marijuana cards and they were bringing the marijuana back to **MINNESOTA**.

Medical Marijuana Centers ("Dispensary")

Some examples of diversion involving medical marijuana centers

200 POUNDS OF "MEDICAL" MARIJUANA PURCHASED FROM DISPENSARY

In 2011, the West Metro Drug Task Force (WMDTF) investigated a Denver area dispensary for the shipment of "medical" marijuana outside of the state of Colorado. An undercover officer, who claimed to be from PENNSYLVANIA, arranged a deal with the owners of the dispensary to purchase 200 pounds of marijuana for distribution outside of Colorado.

HUNDREDS OF POUNDS OF "MEDICAL" MARIJUANA SHIPPED TO EAST COAST

In 2011, the Northern Colorado Drug Task Force (NCDTF) initiated a case involving multiple shipments of high-grade marijuana being shipped through a parcel service from Ft. Collins, Colorado to VIRGINIA. The marijuana source was determined to be an employee of a local parcel service. It was estimated that more than 300 pounds of marijuana had been shipped to VIRGINIA by the parcel service employee over the period of a few months.

During the course of this investigation, it was determined that additional marijuana sources living in Boulder and Denver, Colorado were shipping marijuana grown for medical purposes to other states utilizing this same parcel service employee. These states included ARIZONA, FLORIDA, GEORGIA, PENNSYLVANIA and VIRGINIA. The Boulder and Denver sources had confirmed ties to local dispensaries in those respective cities. The "medical" marijuana being shipped out of state was being sold for approximately \$4,200 per pound and retailed for around \$5,000 per pound on the East Coast. Investigators noted that "medical" marijuana retails for about \$3,500 per pound locally in Colorado.

STOLEN RIFLE TRADED FOR "MEDICAL" MARIJUANA

In December of 2010, Bureau of Alcohol Tobacco and Firearms (ATF) agents received information that an individual had traded a stolen rifle in exchange for "medical" marijuana at a dispensary in Colorado Springs, Colorado. During the investigation it was learned that a juvenile had stolen the rifle during a burglary and given the stolen gun to his father so that he could exchange it for marijuana. The juvenile said that he drove with his father, who had a medical marijuana license, to the dispensary where his father then

traded the gun for 1/8 of an ounce of marijuana. When his father got back into the vehicle he then gave the juvenile the marijuana. At the time of the transaction the suspect did not know that the gun was stolen.

IMPAIRED DRIVER CITES EASE OF GETTING DISPENSARY MARIJUANA

In April 2012, the Thornton Police Department contacted a driver who admitted to smoking marijuana and driving. She failed voluntary roadside tests and was arrested. During the search of her vehicle, officers found 3 ounces of marijuana with dispensary stickers on it. In an interview with the North Metro Task Force (NMTF) the suspect admitted she does not have a medical marijuana card and that she stands in front of dispensaries and asks people to buy her marijuana. The suspect admits she has done this multiple times and has never gone away empty handed. Officers asked her why she started going to dispensaries. She stated the quality of the marijuana is better, but that the main issue was availability. She has never had to wait for more than two hours to get a couple ounces of marijuana. However, when she was buying from other sources, she sometimes would wait and never get what she wanted. The ease and certainty of buying marijuana has made using dispensaries well worth it. She said she has been smoking marijuana for approximately eight years, but has just recently started getting marijuana from dispensaries.

UNDERCOVER OFFICER PURCHASES COCAINE AND MARIJUANA AT DISPENSARY

In November of 2010, and again in September of 2011, a Two Rivers Drug Enforcement Team (TRIDENT) officer purchased 10 grams of marijuana and 13 grams of cocaine from a subject in a Carbondale, Colorado dispensary. The task force had received information that the dispensary was selling "medical" marijuana, and other drugs, to individuals whom did not possess a medical card. The undercover officer was able to purchase marijuana without a medical card.

DISPENSARY SOURCE FOR ANOTHER DISPENSARY

In April 2011, North Metro Task Force (NMTF) served a search warrant on an apartment in Commerce City, Colorado. Investigators found seven marijuana plants, 3.2 pounds of marijuana and five guns (an AK47, shotguns, and handguns) along with \$4,700 cash. Investigation revealed that the individuals living in the residence were selling marijuana from one dispensary to another dispensary. One of the residents admitted he sold the marijuana "under the table" to other dispensaries for a profit. He would buy the excess marijuana at one dispensary for a low price and then sell it to another dispensary for a profit.

WYOMING POLYDRUG DEALER AND "MEDICAL" MARIJUANA

In 2011, the Northeast Enforcement Team (NEET) from Wyoming arrested a drug dealer who was obtaining LSD, cocaine, ecstasy, heroin and marijuana in Colorado then transporting it back to Sheridan, WYOMING for resale. Subsequent interviews with his associates indicated that the dealer, or his source of supply, was obtaining the marijuana from a dispensary in Denver, Colorado.

DISTRIBUTION OF COLORADO "MEDICAL" MARIJUANA IN WYOMING

In 2012, the Northeast Enforcement Team (NEET) in Wyoming arrested an individual involved in the distribution of marijuana in Gillette, WYOMING. He admitted to obtaining approximately 68 ounces of marijuana during a two-month period from a Ft. Collins, Colorado source who was legally allowed to grow marijuana for dispensaries in Colorado.

EAST COAST TRAFFICKERS OPERATING UNDER PRETENSE OF COLORADO "MEDICAL" MARIJUANA BUSINESS

A Drug Enforcement Administration (DEA) investigation revealed an EAST COAST-based marijuana trafficker distributing marijuana grown in Colorado by registered medical marijuana businesses. Reporting identified other EAST COAST marijuana traffickers who had, or were planning to, relocate to Colorado to operate under the pretense of "medical" marijuana.

CRAIGSLIST® "DISPENSARIES"

The Denver Police Department has had numerous robberies of people selling marijuana on Craigslist®. Although subjects advertise on the site as "Amendment 20 compliant", investigators are finding that they are in violation of state law. Investigators have conducted over thirty transactions from Craigslist® purchasing "medical" marijuana and weren't turned down for not having their medical marijuana cards. These transactions typically led to a marijuana grow operation at the suspect's residence.

- Denver Police Officers responded to a Craigslist® ad for "medical" marijuana and began buying from the suspect without mentioning or showing any medical marijuana card. During the arrest, the suspect was armed with a 40-caliber handgun. A search revealed over 10 pounds of dried marijuana and large marijuana grow operation in the residence. The suspect stated, "I was just getting greedy."
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- Denver Police responded to a Craigslist® ad for "medical" marijuana and began buying the marijuana from the suspect without mentioning or showing any medical marijuana card. During the arrest of the suspect, a loaded 357 magnum handgun was found on the passenger seat of his vehicle, as well as other illegal drugs and two ski masks.
- Denver investigators responded to a Craigslist® ad for medical marijuana plants. They began buying plants from the suspect without mentioning or showing a medical marijuana card. Two search warrants were subsequently served. Over 1,000 marijuana plants were recovered as well as over \$10,000 in cash.

FELON GROWS FOR WIFE DISPENSARY OWNER

Commerce City Code Enforcement Officers received information about a strong odor of marijuana from a warehouse in Commerce City, Colorado. A search warrant was executed and 670 marijuana plants were found. At that time it was illegal to grow marijuana in Commerce City to supply a dispensary. North Metro Task Force (NMTF) officers contacted the individual renting the warehouse. He stated that he had moved to Colorado from Chicago in February 2011 and began growing marijuana. He was not the owner of a dispensary, but was an employee who grew the marijuana. He admitted that his wife was the actual dispensary owner, since he could not be the owner due to an excluding felony conviction history.

WYOMING COUPLE SELLS COLORADO "MEDICAL" MARIJUANA

In September of 2011, the Wyoming Northeast Enforcement Team (NEET) interviewed a married couple for transporting Colorado's "medical" marijuana to **WYOMING**. They admitted making three trips to Colorado and obtained, in total, approximately a pound of marijuana. They bought the product from a dealer who acquired the marijuana from a dispensary. On one occasion, one of the individuals actually accompanied the dealer to the medical marijuana dispensary. They would then transport the product to Sheridan, Wyoming where it was sold.

ILLEGAL GROW IN PARTIALLY-ABANDONED MEDICAL OFFICE BUILDING SOURCING DISPENSARY

In October 2011, the North Metro Task Force (NMTF) arrested several individuals for cultivation after they were found to be growing 963 plants in a partially-abandoned medical office building in Westminster, Colorado. Because seven out of the nine suites in the building were vacant, the landlord

created a "medical marijuana addendum" to the lease. A suspect claiming to be the owner of a legal dispensary in Edgewater, Colorado moved into the building and utilized the seven vacant suites to grow the 963 plants, without an off-premise grow license. He admitted that he was sourcing his legal dispensary from the illegal grow in Westminster. A dispensary employee was in one suite tending to grows when the search warrants were served.

LICENSED PATIENTS

Examples of some cases involving diversion of "medical" marijuana by licensed patients

BOYFRIEND GIVES "MEDICAL" MARIJUANA EDIBLES TO 14-YEAR-OLD

In March 2010, a 14-year-old male student at a local Westminster middle school was arrested by the school resource officer for selling various marijuana-infused edibles to other students. The student said he received these items from his sister's 22-year-old boyfriend.

North Metro Task Force (NMTF) detectives contacted the boyfriend. He admitted that he was a registered medical marijuana patient and purchased some infused marijuana products from a dispensary. He said he received a few additional samples of edibles for free. He further admitted to giving these items to his girlfriend's 14-year-old brother

"PATIENT" SELLS MEDICAL MARIJUANA TO UNDERCOVER AGENT

In June 2012, North Metro Task Force (NMTF) served a search warrant at a mobile home in Broomfield, Colorado. Multiple undercover marijuana purchases were made from the three individuals living at the location. One subject claimed to be a medical marijuana patient. Multiple receipts for marijuana purchases from two different medical marijuana dispensaries in Northglenn, Colorado were located. Their marijuana supply was noted to be from the two dispensaries.

PATIENT SHIPS MARIJUANA TO VERMONT

Detectives from the Boulder County Drug Task Force (BCDTF), along with U.S. Postal Inspectors intercepted an inbound package to a Boulder, Colorado resident. A search warrant was obtained for the

package and a large amount of cash was found. The investigation determined that the resident had a patient registry card and an active marijuana growing operation with 146 mature plants. The suspect admitted to having shipped marijuana to **VERMONT** on multiple occasions. Detectives seized an additional six pounds of marijuana that was ready to be shipped.

"MEDICAL" MARIJUANA AND COCAINE

Two Rivers Drug Enforcement Team (TRIDENT) investigators seized 1.5 pounds of marijuana in a package being shipped to **WASHINGTON, DC**. The two suspects were medical marijuana cardholders who admitted sending marijuana out of state to a "friend." A search warrant resulted in cocaine being seized and a marijuana grow operation larger than allowed by state law being found.

HIDDEN HATCH LEADS TO 160 MARIJUANA PLANTS

In 2011/2012 Denver Police Department Narcotics Unit received a report regarding a home invasion. When officers responded to the residence they found a small marijuana grow that had the appropriate medical marijuana paperwork to support it. The residents claimed that they had no idea why they were robbed and that nothing was taken during the incident. However, further investigation revealed a hidden entry leading to a location in the residence where over 160 growing marijuana plants were discovered.

GIRLFRIEND "PATIENT" SUPPLIES BOYFRIEND DEALER

In 2011, the Western Colorado Drug Task Force (WCDTF) investigated a case in which a "medical marijuana patient" bought medical marijuana from a dispensary and provided it to her boyfriend. The "patient" admitted that she bought the marijuana from a dispensary and then provided it to her boyfriend so that he could sell it. She also admitted to officers that she knew it was illegal to sell her "medical" marijuana. Her boyfriend, who was neither a patient nor a caregiver at the time, was found to be in possession of approximately 4 ounces of marijuana.

"PATIENTS" ADMIT TO SELLING MARIJUANA TO "KIDS"

North Metro Task Force (NMTF) was given information regarding a convenience store in Thornton, Colorado where individuals were allegedly selling marijuana to teens. A search warrant was executed and \$20,000 dollars in cash and ¼ pound of marijuana were located. Two adult males, who were

the sons of the storeowner, admitted to selling marijuana to kids that they knew. Both adult males were medical marijuana cardholders.

PATIENT'S MARIJUANA SHIPPED OUT OF STATE

Two Rivers Drug Enforcement Team (TRIDENT) investigators seized 170 ounces of "spice" and over 6 ounces of marijuana in a package being shipped to **WISCONSIN**. The suspect was a medical marijuana cardholder who was cultivating and then shipping marijuana out of state.

COLLEGE STUDENT SELLS "MEDICAL" MARIJUANA OUT OF STATE

Drug Enforcement Administration - Denver (DEA) reported that in 2011 a college student admitted to transporting marijuana purchased from Colorado dispensaries to an out-of-state market. The student obtained a medical marijuana patient card, and within weeks, had made multiple trips to his hometown to sell the marijuana. The student purchased two ounces of marijuana per day, the legal limit, and was able to double his money by his sales in the out-of-state market.

6-YEAR-OLD HELPING IN MARIJUANA GROW

In 2011/2012 Denver Police Department Narcotics Unit received information regarding a large marijuana grow in a garage. Information received was that the suspect was having his 6-year-old son mix the fertilizer for the marijuana grow operation and water the plants. A search warrant revealed over 100 plants. The suspect had a medical marijuana card for only six of the plants. Children's toys were discovered among the growing marijuana plants.

BARBERSHOP DISPENSARY?

In May of 2011, North Metro Task Force (NMTF) investigated allegations concerning a barbershop in Thornton, Colorado. The owner of the barbershop, a medical marijuana patient, bought marijuana from a dispensary and sold the marijuana, as well as prescription pills, to an undercover officer. A search warrant served on the barbershop revealed marijuana, still in dispensary packaging, laid out for sale on a table in the back of the business.

MEDICAL MARIJUANA CARDHOLDER SELLS MARIJUANA TO FRIENDS

In April 2011, Commerce City Police arrested a male for driving under the influence. He had 2.7 ounces of marijuana that was packaged in individual containers for re-sale. The driver admitted to having

just obtained his medical marijuana card eighteen days prior to the stop. He also admitted that he buys marijuana from dispensaries and then sells it to his friends who don't have medical marijuana cards.

"MEDICAL" MARIJUANA MAILED TO TEXAS

In June 2012, an officer from a South Texas HIDTA Task Force in San Antonio seized a postal package containing 2-½ ounces of high grade marijuana. The marijuana was specifically labeled and noted to only be sold from a particular dispensary in Boulder, Colorado. The intended recipient stated that he had received shipments of marijuana in the past and that he did not possess a medical marijuana card. The investigation has revealed that a medical cardholder in Colorado purchases the medical marijuana and then sends it to the recipient in **TEXAS**.

PROBATIONER WITH CARD AND 200 MARIJUANA PLANTS

In 2011/2012 Denver Police Department Narcotics Unit served a search warrant and discovered a hidden staircase to the attic where the suspect was growing over 200 marijuana plants. Other narcotics were also seized at the residence. The suspect was on probation but had a medical marijuana card, allowing him to grow six plants.

"MEDICAL" GROW MARIJUANA MAILED EAST

Boulder County Sheriff's Deputies contacted a suspicious vehicle. During the roadside interview, the deputy determined the suspect was moving a marijuana growing operation from one residence to another. The suspect held a registry card. Through the investigation detectives determined that the suspect was also mailing pounds of marijuana to the **EAST COAST**.

CHILDREN BRING MARIJUANA GROWN IN PARENTS BACKYARD TO MIDDLE SCHOOL

In September 2011, North Metro Task Force (NMTF) investigated claims that one student brought marijuana to his middle school. The investigation revealed that the parents of one of the students were growing "medical" marijuana freely outside of their home. The father was a medical marijuana patient.

PARCELS TO TEXAS

Two Rivers Drug Enforcement Team (TRIDENT) investigators seized approximately a half ounce of marijuana in a package being shipped to **TEXAS** by a medical marijuana cardholder. This suspect was shipping marijuana and marijuana edibles to friends in **TEXAS**.

In another case, investigators seized close to 4 ounces of marijuana in a package being shipped to **Texas**. The suspect had a friend with a medical marijuana card who purchased the marijuana for him from a dispensary.

"AS NECESSARY" DOCTOR RECOMMENDATION

In March 2011, Drug Enforcement Administration (DEA) agents in South Dakota arrested a marijuana dealer that had previously lived in Greeley, Colorado. During interviews he stated that he was allowed to cultivate marijuana using a medical marijuana card obtained from Colorado. He also spoke about wording which was very unspecific "as necessary", and therefore it allowed him to grow a limitless number of plants in his cultivation operation. The subject had a two-stage growing operation in Colorado and then would transport the cultivated marijuana from his grow to **SOUTH DAKOTA** for distribution for \$3,800 - \$4,000/pound.

"PATIENT" SELLS MARIJUANA OUT OF STATE

The Boulder County Drug Task Force (BCDTF), along with US Postal Inspectors intercepted an inbound package to an Erie, Colorado resident. A search warrant was obtained for the package and \$10,980.00 was found. A controlled delivery operation was conducted and detectives located a marijuana growing operation, 15 plants and 143 clones. The resident had a patient registry card and admitted to out-of-state sales of some of his marijuana.

PARCEL TO FLORIDA

Two Rivers Drug Enforcement Team (TRIDENT) investigators seized a little over 2 ounces of marijuana in a package being shipped to **FLORIDA**. The suspect had a friend with a medical marijuana card who purchased the marijuana for him at a dispensary.

LICENSED CAREGIVERS

Examples of some cases in which caregivers divert "medical" marijuana

MULTI-STATE "MEDICAL" MARIJUANA TRAFFICKING ORGANIZATION DISMANTLED

In September of 2010, the Northern Colorado Drug Task Force (NCDTF) investigated an organization suspected of distribution of marijuana grown under the guise of "medical" marijuana to multiple non-medical marijuana customers in **COLORADO, NEW MEXICO, MISSOURI** and **ARKANSAS**. The marijuana was being sold locally for \$3,500/pound and sold for as much as \$7,000/pound in Arkansas.

A Ft. Collins, Colorado resident, claiming to be a caregiver for 300 medical marijuana patients in Colorado, sponsored seminars where potential patients paid to meet with marijuana-friendly doctors who, in turn, would recommend and sign medical marijuana paperwork. These patients would then often list this grower as their designated caregiver, allowing for more marijuana plants to be grown.

During the course of this investigation, six additional suspects tied to the Ft. Collins caregiver were identified. The caregiver made multiple copies of her own medical marijuana patient lists and provided these men with photocopies to give their numerous Denver metro area marijuana grows the appearance of legitimacy. The marijuana harvested from these numerous grows was sold on the black market to customers in various states.

At the completion of this investigation, nine people were indicted by the Colorado Attorney General's Office. Multiple search warrants were served and more than 110 pounds of processed marijuana was recovered (\$375,000 worth) along with 687 marijuana plants and \$175,000 in cash.

It was discovered that a very small percentage of the marijuana grown in this case was actually being sold to Colorado medical marijuana patients. Most of this marijuana was sold in pound and multi-pound quantities to anyone willing to pay for it.

BOULDER "MEDICAL" MARIJUANA SHIPPED TO VERMONT

Boulder County Drug Task Force (BCDTF) detectives investigated a marijuana growing operation in a home located in Boulder, Colorado. The suspect, who was a caregiver, had a marijuana-growing operation and possessed the proper documentation to support the number of plants and finished product he had on hand. However, an incoming package to the residence was intercepted and contained \$7,200 that the suspect admitted was for payment for 2-pounds of marijuana that he had shipped to a resident in VERMONT.

DISPENSARY "PATIENT" SELLS 50 PERCENT OF HIS DISPENSARY MARIJUANA TO JUVENILES

On May 31, 2012, North Metro Task Force (NMTF) executed a residential search warrant in Thornton, Colorado where a 19-year-old male had been selling marijuana. The suspect admitted to selling marijuana for approximately two years, but had recently "grown" his business after getting his medical marijuana card. He stated that he gets the marijuana he sells from a dispensary in the Denver Metro area.

The suspect said he purchases approximately 5-6 ounces of marijuana per week (1-2 ounces at a time, three times per week.) He stated that he sells about 60% of the product to his customers and smokes/"shares" the other 40%. With these amounts he receives a rough profit of about 30%.

He admitted to three to four drug sales per day, seven days a week or ninety deals per month. The suspect went on to say that about 50% of the marijuana he sells is directly to juveniles (approximately forty-five sales a month).

NMTF detectives asked the suspect how dealing with the dispensaries had changed the way that he does business. He stated that dispensary marijuana is so easy to get and is such high quality.

The dispensary owners were subsequently interviewed and told the officer there is very little they could do to monitor the purchases from individuals. They also said there is no way to determine if someone appears to be purchasing too much marijuana for any medical condition. When the officer explained that the individual would have to be smoking three marijuana cigarettes an hour for twenty-four hours a day to cover what he was purchasing, the owner said that he didn't see that as suspicious since different people need different amounts to control their pain.

CRAIGSLIST® CONTACTS FOR DIVERSION OF "MEDICAL" MARIJUANA

Boulder County Drug Task Force (BCDTF) detectives went to Craigslist® and typed in "marijuana in Boulder CO" and found multiple listings for the sale of "medical" marijuana. Detectives conducted six operations and found that all of the suspects had their marijuana registry identification card. They said they would only sell to other cardholders whom they could claim as patients. An undercover officer posed as an out-of-state visitor to Colorado who did not possess a marijuana registry card, but wanted to buy multiple pounds of marijuana. The suspects sold marijuana to the undercover officer, being aware the marijuana was going outside Colorado. The task force made six felony arrests and detectives seized 10 pounds of marijuana, one gun, \$1,400 cash and a vehicle.

CAREGIVER'S MARIJUANA TO LOUISIANA

Two Rivers Drug Enforcement Team (TRIDENT) investigators seized 123.3 grams of suspected marijuana and 28.1 grams suspected marijuana concentrate that was being shipped to **LOUISIANA**. The suspect stated that he was a medical marijuana caregiver/provider and had five or six patients. He also stated that his friend in **LOUISIANA** was not a medical marijuana patient.

CAREGIVER'S AIRPLANE SUSPECTED OF TRANSPORTING MARIJUANA TO EAST COAST

The Boulder County Drug Task Force (BCDTF) conducted an investigation of a marijuana growing and distribution operation in Erie, Colorado. Detectives located a substantial marijuana growing operation and evidence the suspect was using a single engine airplane to transport marijuana to the **EAST COAST**. The suspect held a marijuana registry card and claimed to be a "caregiver". The suspected was arrested and detectives seized 36 pounds of marijuana, \$36,000 in cash, the residence and a vehicle.

CAREGIVER DIVERTS POUNDS OF MARIJUANA TO KANSAS

In May of 2012, Northern Colorado Drug Task Force (NCDTF) was contacted by detectives in Kansas regarding a male arrested with marijuana. His source for the marijuana was identified as being from Ft. Collins, Colorado. The source delivered multi-pound quantities of marijuana to **KANSAS** three to four times per month. A subsequent investigation conducted by the NCDTF led to the arrest of the Ft. Collins source as he was delivering 8 pounds of high-grade marijuana into **KANSAS** (\$28,000 worth).

A search warrant was served at the Colorado dealer's residence. Officers seized a marijuana grow operation with over 22 pounds of processed marijuana and a small amount of MDMA. He was involved as a medical marijuana caregiver locally, allegedly providing medical marijuana to patients.

PATIENT/CAREGIVER FOUND WITH EXCESSIVE PLANTS

Boulder County Drug Task Force (BCDTF) investigated a marijuana-growing operation in a home located in Erie, Colorado. The homeowner possessed a marijuana registry identification card and also claimed to be a caregiver for two patients. He was significantly out of compliance when detectives discovered 80 growing marijuana plants and the evidence of an additional forty plants that were recently harvested.

CLANDESTINE GROWER SUPPLIES DISPENSARY

In January of 2011, North Metro Task Force (NMTF) received information regarding a large marijuana grow operation. A 330 marijuana-plant grow was found, along with 1.7 pounds of dried marijuana. It was discovered that the operator of the grow claimed 19 total patients and each of the patients had a medical marijuana recommendation for 25 plants. He acknowledged that he sold to dispensaries at wholesale prices. This grower had 296 plants and over 20 ounces of dried marijuana, above what is permissible by law.

COMMENTS

During the course of this assessment some criminal justice sources commented on the diversion of "medical" marijuana from Colorado. Some of the comments received include:

- "Drug traffickers and out-of-state opportunists are exploiting Colorado's medical marijuana laws. Recent revisions to state law have done little to prevent the involvement of criminals and individuals who use the law for financial gain."

Information reported suggests that members of known criminal groups are involved in Colorado's medical marijuana industry. These individuals are affiliated with traditional drug-trafficking organizations, as well as ethnic organized criminal organizations.

-DRUG ENFORCEMENT ADMINISTRATION – DENVER FIELD DIVISION

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- "I have interviewed many of the people that have been arrested with Colorado "legally" grown marijuana in Omaha. They all indicate that the government in Colorado looks at marijuana as virtually legal in Colorado. They indicate that marijuana and THC are very abundant and getting a medical permit is extremely easy; "anyone can get one". We have had several incidences over the past 2 years where we were able to confirm that marijuana from Colorado has been illegally sold here in Omaha. Much of this marijuana appears to have been "legally" grown in Colorado by growers that are following the laws of Colorado. Generally we see 2- to 10-pound shipments coming in to Omaha from these "legal" grows. In Omaha, NE. Colorado marijuana sells at prices 3-4 times that of our traditional Mexican grown marijuana."

-SERGEANT DAVE BIANCHI, OMAHA, NEBRASKA POLICE NARCOTICS UNIT

- "The Chicago Police Department Package Interdiction Team (PIT) is reporting that the CO "medical" marijuana industry has been making its way to Chicago via USPS, FEDEX, and UPS parcels. Compared to previous years, marijuana from Colorado is steadily becoming just as prevalent as marijuana from California and Oregon. Marijuana from CO has been arriving in bulk amounts (usually about 1-2 pound shipments). As of May 2012, the PIT has seized nearly 10,000 grams of "medical" marijuana."

-MARY B. KENNY, INVESTIGATIVE SUPPORT CENTER MANAGER, CHICAGO HIDTA

- "We received numerous complaints about illegal sales from Dispensaries but have not had the time or manpower to fully investigate. With the State Department of Revenue Medical Marijuana group losing its funding, regulation of this business is almost non-existent."

-SERGEANT ANDREW HOWARD, DENVER POLICE DEPARTMENT

- "There were 492 highway interdictions of marijuana in the St. Louis Division during 2011 with an identified point of origin. Eighty-five percent of these seizures originated in states that have legalized or decriminalized marijuana. During 2011, the number of marijuana seizures that originated in Colorado surpassed California, possibly reflecting the increasing availability of "medical" marijuana in the St. Louis Division."

-DRUG ENFORCEMENT ADMINISTRATION – ST. LOUIS FIELD DIVISION

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- "...we are experiencing a significant increase of medical marijuana being brought into Northwestern and North Central Kansas. The majority of all marijuana being purchased and or seized is medical marijuana, which is a dynamic shift from years past.... Equally as important, intelligence gathering from sources in our investigations indicates that the targets are traveling to Colorado and bringing large quantities for this area of the state back to Kansas. We have seen a shift in trafficking methods where that, medical marijuana is being sold at an increased price compared to the Mexican marijuana of the past."

*-KELLY W. RALSTON, SPECIAL AGENT IN CHARGE,
SPECIAL OPERATIONS DIVISION, KANSAS BUREAU OF INVESTIGATION*

- "During late 2011 and 2012, the DEA St. Louis Division (SLD), which consists of the states of Iowa, Kansas, Missouri, Nebraska, South Dakota, and the Southern Judicial District of Illinois, reported a significant increase in the availability of high-grade marijuana. Most of this marijuana originated in states where the sale and use of marijuana has been legalized for medical purposes. As more states legalize and/or decriminalize the use of marijuana, the impact will increase on nearby states. Increased trafficking activities, and abuse of what many individuals perceive as a safe and legal substance, will strain the resources of law enforcement, treatment professionals, and communities."

-DRUG ENFORCEMENT ADMINISTRATION – ST. LOUIS FIELD DIVISION

- "Currently, you hardly see any Canadian marijuana in Richmond, Virginia, if at all. Everything I am coming across is from either from Colorado or California. The money is out there and the "medical marijuana" industry makes it profitable for the growers in CO and CA to ship to states where the drug is illegal and in demand. It was being shipped via car/truck, UPS, USPS, FedEx and shipping containers to name a few."

*-ASSISTANT CHIEF CHRISTOPHER PREUSS,
VIRGINIA COMMONWEALTH UNIVERSITY POLICE DEPARTMENT*

- "Colorado's medical marijuana system allows for widespread exploitation and illicit marijuana distribution... Colorado is on track to become a primary source of supply for high-grade marijuana throughout the country."

-DRUG ENFORCEMENT ADMINISTRATION – DENVER FIELD DIVISION

Conclusion

This mini, three-week cursory assessment revealed that many agencies do not specifically track "medical" marijuana incidents. However, some that did report to the Intelligence Support Center (ISC) support the premise that Colorado's regulations are not working and marijuana is being diverted by patients, caregivers and dispensaries through a variety of different techniques.

The assessment also supports the premise that Colorado "medical" marijuana is being diverted inside Colorado and to other states across the country. In this brief report, twenty-three states were identified receiving Colorado's "medical" marijuana. The assessment is suspected of reporting only a small sample related to diversion of "medical" marijuana from Colorado. Based on this report, there is evidence that Colorado's regulations are not working and "medical" marijuana is being diverted for recreational purposes.

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