



Online Illicit Cannabis Sales Fact Sheet Calgary Police Service



Issue

Since the legalization of cannabis, members of the Calgary Police Service (CPS) have been investigating and shutting down illegal marijuana grow operations in communities around the city. At the same time, they have been seizing the website domains of online illicit cannabis sellers operating in contravention of the *Cannabis Act*. The CPS has two cases before the court involving online illicit cannabis websites.

Background

The CPS Drug unit has two teams. Members of each team work on regular drug investigations and participate as members of the Substance and Fentanyl Evaluation (SAFE) team. The Calgary Police SAFE team consists of members who focus on cannabis grows, clandestine laboratories, and various fentanyl and other drug exposures. All members of the Drug unit tackle various crimes including cannabis online illicit sales and physical on-street crimes. There is currently no one in the CPS specifically dedicated to monitoring online illicit cannabis sales; however, they do investigate cases brought to their attention.

The CPS typically becomes aware of illicit websites through a Crime Stoppers tip or when a member of the CPS Cyber team advises them of

Public Safety Canada in collaboration with its federal/provincial/territorial (FPT) partners has developed a Short-Term Action Plan (Action Plan) to disrupt online illicit cannabis sales. The Action Plan focuses on five areas of intervention including information sharing and collaborative approaches among partners; information resources to support enforcement of cannabis legislation and regulations; data collection and monitoring; outreach with search engines, social media platforms, website registries and payment platform; and education and awareness for consumers. This fact sheet is an example of the information resources being developed to highlight the promising practices taken by law enforcement agencies in addressing online illicit cannabis sales.

a site that may need to be reviewed. In September 2019, they also started cooperating with Canada Post when a postal inspector started flagging illicit shipments coming into the city. **Between September and December 2019, 17 files were generated by the CPS Drug unit from Canada Post seizures with each seizure ranging from one to four packages.**

Upon further investigation of these illicit shipments, it was found that the majority originated in British Columbia and were linked to online illicit cannabis sources. The packages contained large amount of cannabis, shatter, and various other derivatives.

Approach

The CPS has been using the controlled delivery investigative technique to identify the origin of the illicit packages and the intended recipients. Without physical surveillance, it becomes very difficult to identify the person behind the illicit website.

If a known person is identified during a cannabis investigation, their information is sent to Health Canada to confirm if they have a Medical Cannabis License for themselves or for their residence. If a person is identified at the conclusion of an investigation, the same approach applies and confirmation from Health Canada is obtained prior to laying the appropriate charges under the *Cannabis Act*.

Should the CPS identify a specific website that is selling illicit cannabis and charges are laid, the CPS Cyber team will write an Order to have the subject's website shut down. On some occasions, the face of the website will remain on the web and will read that it now is property of the CPS. In cases where the website owner can be identified and is located in the City of Calgary, a search warrant may be executed on their property to obtain further evidence of the offences.

Commonly, owners of illicit websites are found to be individuals who create their own websites. When registering their websites, they frequently provide false information as they are not asked to prove their identity. They tend to be very forthcoming with the information about how they do their business, but not about the source(s) of their supply.

Butane Hash Oil (BHO)

a.k.a.: **shatter**, wax cannabis, honeycomb)

A potent, yellowish substance created using solvents to extract the active ingredients in cannabis (including THC and CBD). This substance is typically used in vaporizers.

Using the controlled delivery technique, the CPS identifies the origin of the illicit packages and the intended recipients.



Image: illicit cannabis products seized from a Canada Post shipment are wrapped in evidence bags.

Challenges

CPS noted they lack clarity on how to enforce breaches involving medical cannabis licenses when it comes to:

- individuals with medical licenses from the old program who are grandfathered into the new program; and
- individuals who obtain production licenses in one province and possession licenses in a city where they reside.

Attention has also been drawn to individuals in possession of multiple licenses where no tracking of these license is being monitored. Recently the CPS has encountered a female who had her name connected to over 100 cannabis permits throughout the Calgary Metropolitan Region without being red-flagged.

Another big challenge is not having enough capacity to investigate all the cases that come across their desk. Due to the rapid use of other street drugs such as fentanyl and methamphetamine, cannabis files are usually prioritized lower in the case load. In most cases, the police officers do not have time to go into greater depth and only complete information reports to make a record of the information for future follow-ups.

Results

The CPS has seized three websites to date and there are currently two cases before the courts involving these websites with the third still being under investigation.

One case involved an investigation that began in March 2019 in relation to an online drug trafficking investigation. With assistance from the CPS Cyber team, the CPS Drug unit was able to identify one person and an associated address linked to an online cannabis website. One person was arrested and charged, and police located a cannabis manufacturing lab and business at their residence. Evidence for the online illicit cannabis business was seized as well as \$40,749 in cannabis and extracts.

The CPS Cyber unit issued an Order to have the website shut down.

In the second case before the courts, the CPS laid charges in January 2020, against three people and three companies that were involved in the illicit cannabis manufacturing and online distribution. The police



Image: a box of illicit cannabis products seized from a Canada Post shipment.

The CPS has two cases before the courts involving online illicit cannabis websites

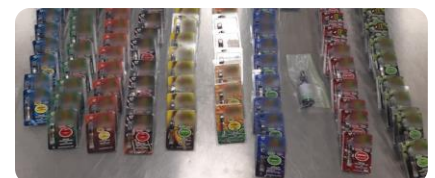


Image: a large seizure of illicit cannabis products are displayed on a table.

located the illegal cannabis operation inside the apartment where they discovered an estimated \$163,000 worth of cannabis products.

A further case involves an investigation launched by police, with the assistance of the city's Business Licensing and Development Inspection Services, and in consultation with Alberta Gaming, Liquor and Cannabis (AGLC).

Next Steps

Moving forward, the CPS is planning on laying more charges against illicit online sellers. To date, the focus has been on educating the public about the regulations and, as people become more aware, they will be increasingly held accountable for illicit actions.

Lessons Learned

It would be extremely valuable to establish partnerships with private organizations such as security-based companies, law enforcement agencies internationally and others who could bring different experiences and perspectives from which police could benefit.

Cyber Summit

The CPS Cyber team organizes the Calgary Cyber Summit (CyberSummitYYC.ca) where they bring representatives from the private and public sectors, universities, and international organizations to discuss a range of issues that benefit all investigators and not just the cyber domain. The next event is being planned for 2022.

The fourth
Calgary Cyber
Summit is planned
for 2022

Overview of the Cannabis Legislation in Alberta

In Alberta, the Alberta Gaming, Liquor and Cannabis website albertacannabis.org is the only legal online retailer of recreational cannabis in the province. Recreational cannabis purchased from outside of Alberta is not legal cannabis.

A list of legal cannabis retailers in Alberta can be found here: <https://aglc.ca/cannabis/retail-cannabis/cannabis-licensee-search>

Under the provincial *Gaming, Liquor and Cannabis Act*, a business convicted of selling cannabis without a license is liable to a fine of up to \$50,000, and individuals involved in the sale of illegal cannabis can be fined up to \$10,000 and/or face imprisonment of up to six months.

Under the federal *Cannabis Act*, individuals selling or distributing illicit cannabis face up to 14 years imprisonment, and individuals in possession of illicit cannabis face imprisonment of up to five years or a fine of up to \$5,000.

Contact

For more information about the CPS techniques to address online illicit cannabis sales please contact:

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The Alberta Gaming,
Liquor and Cannabis
website

albertacannabis.org

is the only legal online
retailer of recreational
cannabis in the
province.