

A Few Examples of Interdictions

150 Pounds of Colorado Marijuana Destined for Missouri: In December of 2015, a Kansas Highway Patrol trooper stopped a tractor trailer traveling eastbound on I-70 through Kansas. Upon further investigation, 150 pounds of hydroponic-grade marijuana was discovered in the load. The marijuana was from Denver, Colorado and was headed to **Missouri**.

100 Pounds of Colorado Marijuana: In December 2015, Wichita drug task force seized 100 pounds of Colorado marijuana being transported in a Cadillac Escalade bound for **Tampa, Florida**. The three Cuban males from Florida claimed they did not know who the drugs belonged to but found it in a dumpster.

Marijuana as a Christmas Present: On December 22, 2015, an Oklahoma Highway Patrol trooper stopped a vehicle traveling eastbound along I-40. When questioned about a Christmas present in the vehicle, the driver became nervous and provided an improbable reason for the package. A service dog performed an “air sniff” on the vehicle and its contents, indicating on the Christmas present only. Inside the package was approximately 3 pounds of hydroponic marijuana and 40 small containers of THC wax. The male driver was traveling from Colorado Springs, Colorado to **Seale, Alabama**.

Felon with a Gun: On December 22, 2015, a Nebraska State Patrol trooper stopped a vehicle with two adult males and one woman traveling from Arvada, Colorado to **Sioux Falls, South Dakota**. Upon further investigation, the occupants were found to be in possession of 4 pounds of hashish, 4 pounds of marijuana and a .40 caliber Glock firearm. Both males were arrested for possession with intent to deliver and possession of a firearm while committing a felony. The woman was released. One of the males was from Colorado and one from South Dakota.

Edibles and Wax to Oklahoma: In July of 2016, a Kansas Highway Patrol trooper stopped a vehicle for traffic violations. Subsequent to the stop, the trooper discovered 5 pounds of marijuana, 5 pounds of marijuana-infused edibles and 69 grams of THC wax inside the vehicle. This vehicle, registered in Oklahoma, was coming from Denver, Colorado en route to **Oklahoma**.

11 Pounds to Kentucky: On January 8, 2015, a Colorado State Patrol officer conducted a traffic stop of a vehicle traveling from Colorado Springs, Colorado to **Kentucky** resulting in the arrest of the driver and the seizure of 11 pounds marijuana.

The marijuana was vacuum sealed and concealed in a duffel bag. It is suspected that the marijuana came from a grow operation a residence in Colorado Springs.

Two Iowa Dealers Purchase 33 Pounds of Marijuana in Colorado for \$50,000: In late October of 2015, two Iowa men were pulled over by local law enforcement in Douglas County, Nebraska. The two were heading eastbound along I-80 after departing Colorado and heading for **Fort Dodge, Iowa**. After the Douglas County deputy sheriff smelled marijuana coming from inside the vehicle, a search revealed more than 33 pounds of marijuana. The two men admitted to bringing \$50,000 with them to purchase marijuana from a Colorado source for the purpose of re-selling it in the Fort Dodge area.¹

123 Pounds of Marijuana Found in Car with Colorado Plates During Ohio Traffic Stop: On January 13, 2016, a Subaru station wagon with Colorado license plates was pulled over on I-70 between Dayton and Columbus, Ohio for following too closely. A search warrant was obtained after a drug-sniffing dog alerted to the vehicle. A total of 123 pounds of marijuana (a \$615,000 value) was discovered inside the vehicle. The two men, both Colorado residents, face charges for possession and trafficking marijuana.²

Florida to Receive 75 Pounds of Marijuana: On January 22, 2016, a Missouri State Patrol trooper stopped a rental vehicle registered in Colorado for a traffic violation. A subsequent search revealed 75 pounds of marijuana dispersed between three duffel bags located in the rear cargo area of the vehicle. The vehicle was coming from Denver, Colorado en route to **Miami, Florida**.

37 Pounds of Marijuana at a Bus Depot: On November 20, 2015, a Kansas City, Missouri Police Department Interdiction Squad officer located a suspicious bag at a commercial bus depot. A subsequent search revealed 37.4 pounds of marijuana inside the bag. The baggage was coming from Denver, Colorado en route to **Knoxville, Tennessee**.

Speeding to Texas: In August of 2015, Texas Highway Patrol pulled over a driver for speeding while the subject was traveling southbound along US Route 81 near Rhome, Texas. Upon further investigation, 25.5 pounds of marijuana was being transported in the vehicle. The vehicle was from Texas, and the driver was traveling from Denver, Colorado to **Dallas, Texas**.

Marijuana Seeds Destined for the East Coast: On March 14, 2016, a Missouri State Highway Patrol trooper stopped a vehicle registered in Colorado for a traffic violation. A subsequent search revealed 70 marijuana seeds, 2 ounces of marijuana, 3 vials of THC

oil and 40 ml of psilocybin mushrooms spores hidden inside a locked safe in the trunk of the vehicle. The vehicle was coming from Boulder, Colorado en route to **Sterling, Virginia**.

New York Jet-Setters: In August of 2015, an Iowa State Patrol trooper pulled-over a vehicle traveling eastbound on I-80 while following another vehicle too-closely. During the investigation, it was discovered that the subjects in the vehicle had flown from New York to Denver and were now driving back to **New York** in a rental car. The subjects provided consent to search the vehicle. When the search was performed, officers found 55 syringes containing cannabis oil, 10 containers of THC containing gummies, and approximately 6 pounds of THC infused edibles.

Marijuana and THC Wax Found in Autotransport: In February of 2016, a Kansas Highway Patrol trooper stopped a vehicle registered in Massachusetts for a traffic violation. A subsequent search revealed 41 pounds of marijuana and 2.5 pounds of THC wax was concealed in duffle bags located in the trunk of the vehicle being hauled by the tractor trailer. The vehicle was coming from Denver, Colorado en route to **Massachusetts**.

15 Pounds of Colorado Marijuana to Florida: In August of 2016, a 27-year-old man was arrested in Colorado Springs, Colorado on suspicion of attempting to transport 15 pounds of marijuana to **Florida**. When police contacted the suspect, he was drunk, had \$28,000 U.S. currency, 3 grams of cocaine and a pistol.³

Marijuana by Train: In November 2015, Kansas City Police Interdiction Squad arrested a 62-year-old Colorado woman traveling on an Amtrak train from Boncarbo, Colorado to **St. Louis, Missouri**. In her suitcases were several vacuum-sealed packages containing 5 pounds of high-grade marijuana and 50 grams of THC wax.

A Few Examples of Investigations

NOTE: THE EXAMPLES BELOW ARE ONLY A SMALL SAMPLE OF THE MANY INVESTIGATIONS INVOLVING COLORADO MARIJUANA CITED BY VARIOUS DRUG UNITS.

Increase in Organized Crime: “Since 2014, there has been a notable increase in organized networks of sophisticated residential grows in Colorado that are orchestrated and operated by drug trafficking organizations. These organizations currently operate hundreds of large-scale home grows throughout Colorado. Harvested marijuana is

shipped or transported out of Colorado to markets in the Midwest and East Coast. Home grows have significantly increased illicit production of marijuana in Colorado.”⁴

Organized Crime Comes to Colorado to Cash in on Illegal Marijuana Home

Grows: “On March 31, [2016] sheriff’s deputies from the Special Investigations Narcotics Section raided a single-family home that was in the process of being converted into a ‘grow house’. Authorities discovered 127 marijuana plants, over \$100,000 in growing equipment, and two Cuban nationals.” In the following weeks four more individuals were arrested in regards to similar cases. Like the first two, all of the individuals had similar backgrounds, were Cuban nationals, were transforming residential homes into elaborate marijuana grow operations, and all were recent transplants to Colorado. According to DEA Assistant Special Agent in Charge Kevin Merrill, “It’s not just Cubans. We have Vietnamese-based organizations, Russian organized people. But we have seen a large influx of Cubans coming here. And we believe that all the organizations are here because we have a perceived lack of enforcement.”

Colorado Springs Mayor John Suthers, who previously served 10 years as attorney general of Colorado, “...calls ‘the total nightmare’ scenario a byproduct of the state’s recent legalization of first medicinal, and later recreational, marijuana. People from out of town or even foreign countries move to Colorado and ‘buy or lease houses by the hundreds if not thousands’,” explains Suthers. This type of criminal activity is undermining a key argument used for legalizing marijuana in the first place, which is to eliminate the black market. These new Colorado residents are converting residential homes to industrial grow operations and then “...transporting it out of state to marijuana markets nationally and internationally.”⁵

Diversification of Colorado Marijuana Violates Both State and Federal Laws:

Organized crime elements with out-of-state ties increasingly are using Colorado homes to grow large amounts of marijuana illegally for transport and sale across the nation. “Anytime there’s money to be made, crime comes with it,” said Huerfano County (Colorado) Sheriff Bruce Newman. “There’s a lot of law enforcement activity focused on this,” said John Walsh, Colorado’s U.S. attorney. “These operations violate federal law but also state law.”

In the past, many of these illicit operations gravitated to rural areas of Colorado; however this trend has shifted to criminals renting or buying homes and quickly converting the homes to begin cultivating hundreds, or even thousands, of plants.

“Law enforcement flexed its muscle Thursday [April 14, 2016] morning by raiding about 30 locations — many of them homes — between El Paso County and the north Denver area as part of an operation targeting a pot trafficking organization.” In each of the eight cases the county sheriff’s office discovered that the residents were not only

from out of state, but many had international ties. “Their plan is to send it out of state,” said Pueblo County Sheriff Kirk Taylor. “That’s well-documented.”

“They can kind of hide in plain sight,” said Barbra Roach, special agent in charge of the Drug Enforcement Administration’s (DEA) Denver division. “They don’t try to abide by the law in any way. For a while, they were going into warehouses. Now they are just going into homes.” “Roach said the unintended consequences of the illicit grows can be vast, from fires to water pollution to devaluing rental property.”

Walsh said “The DEA has been working with local police departments and sheriff’s offices to address the problem. He pointed to an operation last year that targeted 20 people in southern Colorado’s Fremont and Custer counties accused of harvesting marijuana at eight properties and shipping it to Florida via UPS. Federal agents and local police confiscated 28 guns, more than \$25,000 and 50 pounds of processed marijuana as part of that case.”⁶

Drug Traffickers Hiding in Plain Sight: In April 2016, a multi-state investigation into the illegal distribution of marijuana outside Colorado resulted in police and federal agents arresting more than 40 people and seized piles of pot plants. “Officers searched about 30 properties during the raids, which spanned from the Denver area south to Colorado Springs.”

“The case involved people who moved to Colorado from Texas specifically to grow marijuana that would be illegally exported.”

“Authorities described the case as the latest example of drug traffickers seeking safe haven in the state’s flourishing marijuana industry in order to ship the drug out of state, where it can sell for more than double what it would in Colorado.”

“Traffickers hide among the state’s sanctioned warehouses and farms, but also in neighborhoods where concerned neighbors sometimes tip police, authorities say.”⁷

Criminal Organization Coordinated Marijuana to North Carolina: In January 2016, a member of a criminal organization coordinated a delivery of marijuana with the driver of a tractor trailer at a truck stop in Denver. The driver of the tractor trailer was stopped in Kansas in route to North Carolina with 27 pounds of marijuana hidden in the tractor’s cab.⁸

Interstate Drug Trafficking Organization: In April 2015, an interstate marijuana trafficking organization headed by a Denver-based trafficker identified ten to fifteen marijuana grow houses in the Denver and Colorado Springs metro areas. This drug trafficking organization utilized several rental properties for their marijuana-grow operations. The organization grew marijuana in Colorado and then distributed their finished product to customers in other states that included North Carolina, Georgia and

Texas. The marijuana was transported to the other states by tractor trailer, personal vehicles and other mail service.⁸

City of Pueblo Cracking Down: Pueblo authorities were notified by concerned citizens regarding illegal marijuana home grows. Between March and August 2016, authorities targeted various illegal home grows. Search warrants for over 30 residential homes were executed. First responders entered homes that were overrun with marijuana plants and various grow equipment, worth well over \$450,000 in value, throughout the house. The homes were primarily occupied by growers for the sole purpose of cultivating marijuana and exporting the finished products for profit. Approximately 82 pounds of prepackaged marijuana ready for distribution was seized during this timeframe. In some cases, there were children living in these toxic environments. Several of these homes were declared condemned by the health department for excessive mold and unsafe electrical work. In some cases, high-volume THC extraction labs were located. To date, 41 arrests have been made. Parties arrested were primarily from Florida, Cuba, Russia and Vietnam. Over 7,250 plants were seized from various Pueblo neighborhoods.⁹

\$620,000 and Over 2,000 Marijuana Plants: In June 2015, numerous agencies investigated a multi-faceted marijuana cultivation and drug trafficking organization. This enterprise grew marijuana in numerous warehouses and residences in the greater Denver metro area, then shipped the marijuana to Texas, Kansas, Ohio, New York and Nebraska for retail distribution. Money laundering was identified when members of the drug trafficking organization used businesses and financial institutions to launder the illegal drug proceeds. A coordinated take down of the organization occurred at 11 marijuana grow warehouses, 21 residences, 15 bank accounts and 4 safe deposit boxes. "As a result agents and detectives seized \$620,000 cash; 2,139 marijuana plants; 438 pounds of finished marijuana; 20 vehicles; one boat; two jet skis; one snowmobile; approximately 600 grow lights and 600 ballasts; jewelry with an estimated value of over \$100,000; silver coins and silver bullion. Arrests were not made at this time as the investigation is ongoing. It is anticipated that indictments and arrests will occur in the coming months."¹⁰

5 Tons of Illegal Marijuana: As of March 2016, Pueblo County authorities have conducted 17 illegal marijuana home grow eradication operations resulting in 25 arrests and over 5,100 illegal marijuana plant seizures from the home grows.¹¹

It Wasn't Supported to Work This Way: Authorities were notified of a possible illegal grow operation by a local vigilante in Pueblo, CO just days before 127 marijuana plants, over \$100,000 in growing equipment, and two Cuban nationals were discovered

by sheriff's deputies. The single family home that was occupied by 28-year-old Adriel Trujillo Daniel and 41-year-old Leosbel Ledesma Quintana was in the process of being converted into a "grow" house. Over the course of the next few weeks, authorities discovered several other instances of Cuban transplants moving to Colorado in order to set up illegal marijuana grow houses.

"We have quite a bit of evidence" to believe they are member of "Cuban cartels," Pueblo Sheriff Kirk Taylor stated in an interview.

Local, state, and federal officials believe it's not just isolated to Pueblo. "It's across the entire state of Colorado," DEA assistant special agent in charge Kevin Merrill says. "It's just basically taken over the state, these residential grows."

It is what Colorado Springs Mayor John Suthers calls "the total nightmare" scenario, a byproduct of the state's recent legalization of first medicinal, and later recreational, marijuana.

People from out of town or even foreign countries move to Colorado and "buy or lease houses by the hundreds if not thousands," explains Suthers, who previously served 10 years as attorney general of the state.¹²

Seven Men Indicted for Illegal Marijuana Home Grows: In March 2016, Southern Colorado DEA Drug Task Forces secured search warrants and raided five homes in Pueblo West. Some of these illegal home grow operations are located directly across the street from each other. Authorities seized 1,879 marijuana plants, butane hash oil lab equipment, 16 pounds of processed marijuana and nine hand guns and shotguns. Seven men have been indicted in Denver U.S. District Court on 13 counts of illegal marijuana production and distribution to Florida.¹³

Anticipate Hundreds of Marijuana Busts: In March 2016, Colorado Springs Mayor John Suthers will be targeting unregistered, commercial-sized operations run by out-of-state residents, mainly from Florida and with ties to cartels. "Florida's proximity to Cuba has increasingly made it an entry point for drug cartels looking to penetrate markets in the U.S., officials say. 'If you look at who is being busted in Pueblo and who will be busted in Colorado Springs over the summer, you can tell: These are organized crime,' Suthers said."

The Denver Drug Enforcement Agency agents said they have identified at least 186 large-scale marijuana grows operating in Colorado Springs and trafficking products to the Midwest and East Coast.

"Since March 31, the Pueblo County Sheriff's Office and DEA agents have raided 23 illegal grows and arrested 35 people. Of those arrests, 26 people have been from out of state, all but one with ties to Florida. At least six residents were Cuban nationals, the sheriff's office said."

Tim Scott, resident agent in charge for DEA's Colorado Springs Bureau told the City Council in April, "You have to understand what Colorado is. Afghanistan is the source country for heroin. Venezuela and Columbia are source countries for cocaine. Mexico is the source country for methamphetamines. You [Colorado] are the source state for marijuana."¹⁴

Georgia Couple Traveling with Infant Trafficking Colorado Marijuana: In February 2016, a couple and their infant traveled in a vehicle from Georgia to Colorado Springs to purchase marijuana. During their time in Colorado Springs, the couple made multiple cash deposits at several banks totaling about \$20,000, which was payment for marijuana. The couple later met in Colorado Springs with a courier who delivered to them three suitcases filled with marijuana. The couple was later stopped in Kansas en route to Georgia with 32 pounds of marijuana contained in the suitcases.¹⁵

Floridians Moving to Colorado for Drug Trafficking: In June 2016, DEA's Grand Junction, Colorado Office seized 675 illegal marijuana plants, 3 guns and 3 ounces of cocaine from 5 different residential rental properties in Mesa and Delta counties Colorado. Turns out the group of Cuban nationals rented the homes for the sole purpose of setting up illegal marijuana home grows. These individuals obtained doctor recommendations to grow or to possess up to 99 plants for personal use when in reality this marijuana was being shipped to Florida and New Jersey. "...despite having doctor recommendations to use marijuana for chronic pain, there was no items located during the search warrants that indicated any of the defendants were using any marijuana at all."¹⁶

2,700 Pot Plants Seized: In July 2015, Delta County (Colorado) Sheriff's Office served a search warrant on an illegal marijuana home grow. Authorities seized 2,700 pot plants. Sheriff Mckee said the agencies were worried that the marijuana was being processed with the intent to distribute, which is banned in Delta County. "Two people were investigated, but charges or citations have yet to be issued."¹⁷

Drugs, Guns and Money: "Throughout 2015, DEA Denver and counterparts in Larimer and Douglas counties investigated a network of marijuana grows operated by an out-of-state drug trafficking organization. The marijuana was going to Chicago and to Florida. In August, September, and December, state search warrants resulted in the seizures of over 1,800 plants, over 100 pounds of processed marijuana, almost \$1 million in assets, and 45 firearms, many of which were military-style automatic rifles."¹⁸

Home Grow Owner Kills to Protect His Illegal Marijuana: In March 2016, three individuals attempted to burglarize an illegal home grow containing 400 marijuana

plants. The Florida residents occupying the home shot and killed one of the three. The residents have been arrested on charges linked to the marijuana operation. Huerfano County Sheriff Newman attributes this incident to the influx of Florida residents moving to Colorado to illegally grow marijuana and taking it back to their states.¹⁹

Licensed Marijuana Store Source for Diversion?: In July 2016, an eye witness reports a young man enter a medical marijuana dispensary and order one pound of marijuana. This was well beyond the legal limit for possession and for distribution at any single transaction. The customer argued with the clerk about price and they agreed on a price of \$2,500. The young man walked happily out the front door of the medical marijuana dispensary with one entire pound of marijuana in his hand.²⁰

Residents Harassed by Marijuana Growers: “In September 2015, the DEA Colorado Springs Resident Office investigated a network of marijuana grow houses in southern Colorado. At least nine marijuana grows houses were operated by members of a Florida-based drug trafficking organization who had recently relocated to Colorado to produce large amounts of marijuana for their customers along the East Coast. During the investigation, one of the grow houses was destroyed by fire, and neighbors were repeatedly intimidated and harassed by the growers. In September 2015, the execution of search warrants at the grow sites resulted in the seizure of over 1,000 marijuana plants, 50 pounds of harvested marijuana, and 28 firearms”.²¹

Money Laundering Schemes: “The financial system is often exploited by marijuana traffickers based in Colorado and their customers in other states. A myriad of money laundering schemes are used to integrate marijuana cash into the financial system. Most recently, there is widespread use of funnel accounts. Cash from marijuana purchases is deposited into the sources’ bank accounts at branches throughout the Midwestern and eastern U.S. Within a day or two, the money is withdrawn at ATMs in Colorado or transferred to additional accounts. Reporting by banks documents millions of dollars in cash deposits related to out-of-state marijuana sales on a monthly basis.”²¹

12-Pound Seizure Leads to a Large-Scale Drug Trafficking Operation: In February 2016, Texas State Patrol conducted a traffic stop resulting in 12 pounds of high grade marijuana being seized in route from Colorado destined for Florida. This led to the identification of 5 homes in Pueblo, Colorado that were actively cultivating marijuana with the intent to transport to Florida. In March 2016, search warrants were executed at the five properties resulting in the seizure of 2 active BHO extraction labs, 1,895 marijuana plants, approximately 17 pounds of processed marijuana and a small amount of marijuana “shatter.” In addition, approximately \$75,000 worth of marijuana grow equipment, approximately \$2,000.00 USC and 9 firearms were seized from the

properties. Seven defendants were arrested on various charges to include possession with intent to manufacture or distribute marijuana.²²

Comments

Kansas Attempting to Prove Colorado Marijuana is Wreaking Havoc on the State:

As of January of 2016, Derek Schmidt, Kansas Attorney General, is in the process of gathering evidence related to the illegal export of marijuana from the neighboring state of Colorado. The Kansas Office of the Attorney General has recently announced that it is sending surveys to prosecutors and law enforcement officials within the state. The underlying purpose of the efforts to collect information on the negative effect of Colorado marijuana is geared towards supporting a lawsuit filed with the U.S. Supreme Court by Oklahoma and Nebraska. Currently, criminal justice information systems are not tracking the origin of marijuana encountered by Kansas law enforcement.

“There are numerous and persistent anecdotal accounts of marijuana acquired in Colorado and illegally transported into Kansas causing harm here,” Schmidt is quoted as saying. “But because of technology limits, the confirming data is elusive. Since Colorado’s experiment with legalization is affecting Kansas, we need to know more about what is actually happening here so policymakers can make informed decisions.”²³

Nebraska Resources Inundated by Colorado Marijuana: “Nebraska Sheriff Adam Hayward says his resources have been stretched thin as more marijuana legally purchased in Colorado crosses into Nebraska.”

Potential pot customers will see a handmade sign in retail dispensaries: “It is illegal to take marijuana out of the state.” But this does not stop individuals from breaking the law. Since legalization, Nebraska law enforcement across the border is busier than ever, as eastward drivers attempt to leave Colorado with their pot products. In January of this year, Nebraska authorities booked 23 possession of marijuana cases coming from Colorado. Licensed dispensary products such as joints to psychedelic glass pipes to edibles, such as cannabis-infused gummy bears, chips and cookies are the items being purchased in Colorado and immediately become illegal contraband once it crosses over to Nebraska.

“Sheriff Hayward says most drivers who are caught with weed are pulled over for basic traffic violations like speeding or failing to signal a lane change.”

“During a recent traffic stop, Sheriff Hayward confiscated four large plastic bags with six pounds of marijuana. The driver, who Hayward said purchased the cannabis from a Colorado dispensary and planned to sell it in Nebraska, was convicted on felony charges.”²⁴

Sources

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SECTION 8: *Diversion by Parcel*

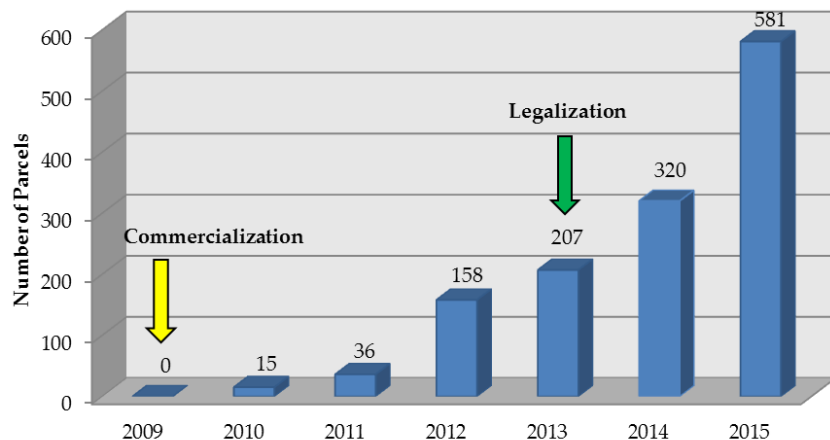
Some Findings

- Seizures of Colorado marijuana in the U.S. mail has **increased 427 percent** from an average of 70 parcels (2010-2012) to 369 parcels (2013-2015) in the three-year average that recreational marijuana has been legal.
- Seizures of Colorado marijuana in the U.S. mail has **increased 471 percent** from an average of 129 pounds (2010-2012) to 736 pounds (2013-2015) in the three-year average that recreational marijuana has been legal.

Data

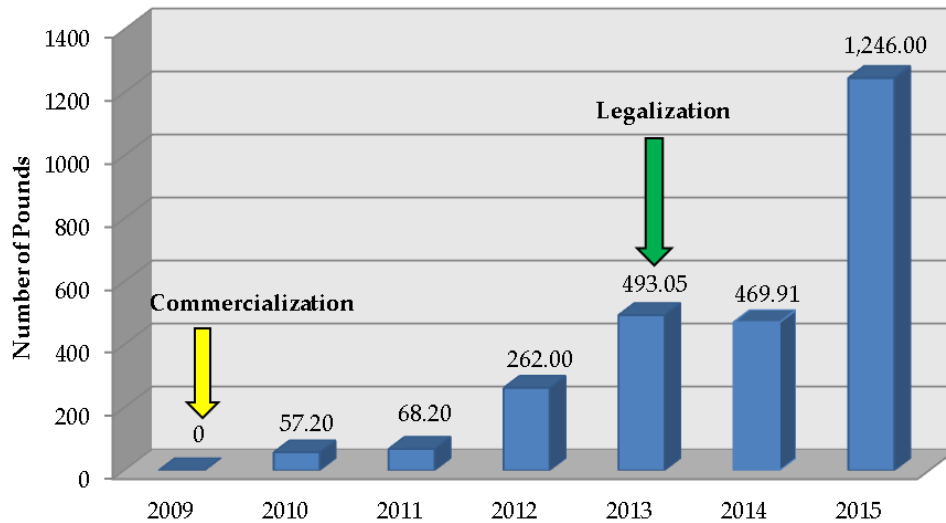
NOTE: THESE FIGURES ONLY REFLECT PACKAGES SEIZED; THEY DO NOT INCLUDE PACKAGES OF COLORADO MARIJUANA THAT WERE MAILED AND REACHED THE INTENDED DESTINATION. INTERDICTION EXPERTS BELIEVE THE PACKAGES SEIZED WERE JUST THE "TIP OF THE ICEBERG."

Parcels Containing Marijuana Mailed from Colorado to Another State



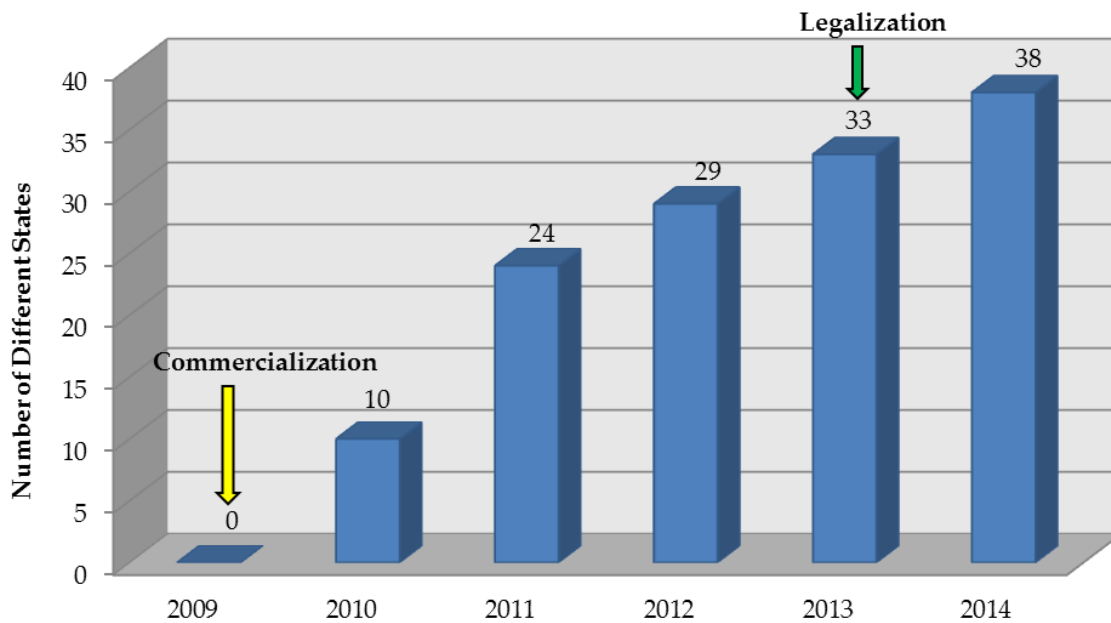
SOURCE: United States Postal Inspection Service, Prohibited Mailing of Narcotics

Pounds of Colorado Marijuana Seized by the U.S. Postal Inspection Service



SOURCE: United States Postal Inspection Service, Prohibited Mailing of Narcotics

Number of States Destined to Receive Marijuana Mailed from Colorado



SOURCE: United States Postal Inspection Service – Prohibited Mailing of Narcotics

Private Parcel Companies

- ❖ **There are courier delivery service companies, with locations throughout the country, from which Colorado marijuana destined for other states have been seized. Unlike the U.S. Postal Service, a central data system does not exist for these various private couriers.**

An inquiry of some HIDTAs related to the random seizure of Colorado marijuana in their region through parcel services other than the U.S. Postal Service:

Appalachia: 14 packages of marijuana weighing a total of 80 pounds with a third of the packages destined for Florida.

Chicago: 24 packages of bulk marijuana, concentrate, and edibles weighing a total of 10.5 pounds.

Gulf Coast: 85 packages of bulk marijuana, concentrates, and edibles weighing a total of 97 pounds with 31 different states identified as the destinations.

Houston: 7 packages of bulk marijuana and concentrates weighing a total of 8 pounds.

Midwest: 8 packages with various forms of marijuana headed to Missouri weighing a total of 8 pounds.

Ohio: 18 packages of bulk marijuana and edibles weighing a total of 21 pounds.

Washington/Baltimore: 12 packages with marijuana weighing a total of 4 pounds.

Some Examples

North Metro Task Force Parcel Seizures: During calendar year 2015, North Metro Drug Task Force worked closely with FedEx, UPS and USPIIS. North Metro intercepted 32 separate packages containing marijuana from Colorado that were destined to 17 different states. The combined weight of these packages exceeded 84 pounds.¹

Bad Luck in Marijuana Industry Leads to Arrest: In April 2015, a major parcel company alerted Chicago Police to a package coming from Colorado that had a strong odor of marijuana. Police obtained a search warrant and seized nearly 7 pounds of marijuana. The individual to whom the package was delivered was arrested. This individual was identified as part of the young entrepreneurs who went to Colorado about five years prior to make money in the medical marijuana industry. Apparently he moved to Colorado and grew marijuana plants in a warehouse outside of Denver. At the same time, his wife operated a small medical marijuana dispensary in Denver. Prior to this arrest in 2015, he was arrested in 2010 by Chicago Police for a parcel post package containing 40 pounds of marijuana. The individual reflected on his hard luck in the medical marijuana business and stated, “Some people in the industry have gotten lucky. Other guys like me have gotten caught in the system.”²

Medical Marijuana Store Owner to Receive \$16,000: In February 2015, three suspicious parcels were identified. A search warrant was obtained and revealed the packages contained over \$16,000 in cash. These three parcels, all coming from different locations including Idaho, Pennsylvania and Illinois, were destined for a Colorado Springs metro area medical marijuana store owner.¹

22 Pounds of Boulder (Colorado) Marijuana Sent to New Jersey: “Police arrested a 26-year-old man they say was running a pot-distribution operation out of a Lawrence [New Jersey] home after he claimed a 22-pound package of marijuana that came through the mail Wednesday. Michael Lester, who faces seven drug charges, was released on \$75,000 bail. His arrest followed a six-month investigation by Lawrence police and the Mercer County Narcotics Task Force. Police say the package had more than 300 edible marijuana products with a street value of \$9,000. During a search of the Greenfield Avenue home, police also uncovered additional edible marijuana products, marijuana extracts, hashish and oils, packaging materials, scales, packing machines, a money counter and more than \$50,000 in cash. Two vehicles were also seized as suspected narcotics proceeds, police said.” It was later determined through investigation that the marijuana came from Boulder, Colorado.⁴

Colorado Marijuana to Texas: In February 2015, a Texas man was arrested for trying to send himself marijuana and marijuana products he purchased in Pueblo, Colorado. Apparently the subject purchased the marijuana in Pueblo and then mailed it to himself in San Angelo, Texas where he resides. The package, when seized, contained 9 pounds of “high-grade marijuana” and marijuana edibles as well as cough syrups, skin patches and “wax” that had been “legally purchased” from two separate dispensaries in Pueblo. This individual was arrested in Texas.⁵

Traffic Stop Leads to Parcel Interception: In September 2015, “Federal prosecutors charged 20 people in Colorado suspected of trafficking marijuana out of state.” A traffic stop in Pennsylvania revealed 34 pounds of marijuana. “Authorities say they also followed a vehicle to a Colorado Springs UPS store and found the suspects intended to ship marijuana to Florida. Authorities say warrants conducted in the southern Colorado towns of Cotopaxi and Westcliffe led to the seizure of 1,000 marijuana plants, 50 pounds of dried marijuana, and 28 firearms.”⁶

Brownies to Florida: In March 2015, the West Metro Task Force responded to a parcel company that opened a suspicious package and found two baggies with marijuana brownies, along with a business card. The card read “Sweet Mary Jane – Merciful Chocolate.” The package was destined for Sulphur Springs, Florida.¹

Stuffed Animals with Marijuana: In June 2015, Loveland Police Department was called out on a suspicious package from a parcel company. They discovered that the package contained stuffed animals full of marijuana and weighing over 2 ounces. The package was coming from Colorado en route to Navarre, Florida.¹

Helping a Friend: In September 2014, West Metro Task Force investigators responded when a 29-year-old male attempted to send an overnight package containing miscellaneous food items and marijuana concentrate. When arrested, the individual told the investigators he was attempting to “help” a friend who lived in Hawaii.¹

Suspicious Package Contained Colorado Marijuana: In January 2016, Kansas City Missouri Police Department Interdiction Squad located a suspicious parcel at the commercial sorting hub. The package was seized and contained 10.4 pounds of Colorado marijuana. The package originated out of Lakewood, Colorado and destined for Kansas City, Missouri.⁶

K-9 Alerts on High Grade Marijuana: In November 2015 a Washington/Baltimore HIDTA interdiction team intercepted a package from Aurora, Colorado destined for Blacksburg, Virginia. A canine alerted to the package, which was subsequently found to contain approximately ½ pound of high-grade marijuana and about 1 pound of marijuana edibles.⁷

Aspen, Colorado to Neptune Beach, Florida: In March 2016, a North Florida HIDTA interdiction team seized a little over 11 pounds of high-grade marijuana sent from Aspen, Colorado to an address in Neptune Beach, Florida.⁸

Over 30 Pounds of Marijuana to the East Coast: In May 2015, an Appalachia HIDTA interdiction unit seized over 33 pounds of marijuana coming from Denver, Colorado en route to New York.⁹

K9 Alert in Kansas City, Missouri: In December 2015, a canine alerted to a parcel with 24 pounds of marijuana that was destined to Georgia from Denver, Colorado.⁶

Sources

¹ Rocky Mountain High Intensity Drug Trafficking area, 2015

² CBS2 Local/Chicago, April 6, 2015, "Man Busted Again For Colorado-To-Chicago UPS Marijuana Shipment," <<http://chicago.cbslocal.com/2015/04/06/man-busted-again-for-colorado-to-chicago-ups-marijuana-shipment/>>, accessed April 6, 2015

³ Cristina Rojas, NJ.com, July 28, 2016, "Lawrence man busted with 22-pound marijuana package," <http://www.nj.com/mercer/index.ssf/2016/07/lawrence_man_busted_with_22-pound_marijuana_packag.html>, accessed August 11, 2016

⁴ Jesse Paul, *The Denver Post*, February 5, 2015, "Pueblo police: Texas man arrested after trying to send \$63,000 of marijuana," <http://www.denverpost.com/news/ci_27465615/pueblo-police-texas-man-arrested-after-trying-send?source=infinite>, accessed February 5, 2015

⁵ CBS Denver/Channel 4, September 3, 2015, "20 People In Colorado Face Federal Pot Trafficking Charges", <<http://denver.cbslocal.com/2015/09/03/20-people-in-colorado-face-federal-pot-trafficking-charges/>>, accessed September 3, 2015

⁶ Midwest High Intensity Drug Trafficking Area

⁷ Washington/Baltimore High Intensity Drug Trafficking Area

⁸ North Florida High Intensity Drug Trafficking Area

⁹ Appalachia High Intensity Drug Trafficking Area

SECTION 9: Related Data

Topics

- Crime
- Revenue
- Event Planners' Views of Denver
- Homeless
- Suicides
- Environmental Impact
- THC Potency
- Marijuana Use and Alcohol Consumption
- Medical Marijuana Registry
- Licensed Marijuana Businesses as of January 2015
- Business Comparisons as of January 2015
- Demand and Market Size
- 2014 Reported Sales of Marijuana in Colorado
- 2014 Price of Marijuana
- Local Response to the Medical and Recreational Marijuana Industry in Colorado

NOTE: SOME OF THE DATA REPORTED IN THIS SECTION IS BECAUSE THERE HAVE BEEN SO MANY INQUIRIES ON THE PARTICULAR SUBJECT, SUCH AS CRIME AND SUICIDES. THIS IS NOT TO INFER THAT THE DATA IS DUE TO THE LEGALIZATION OF MARIJUANA.

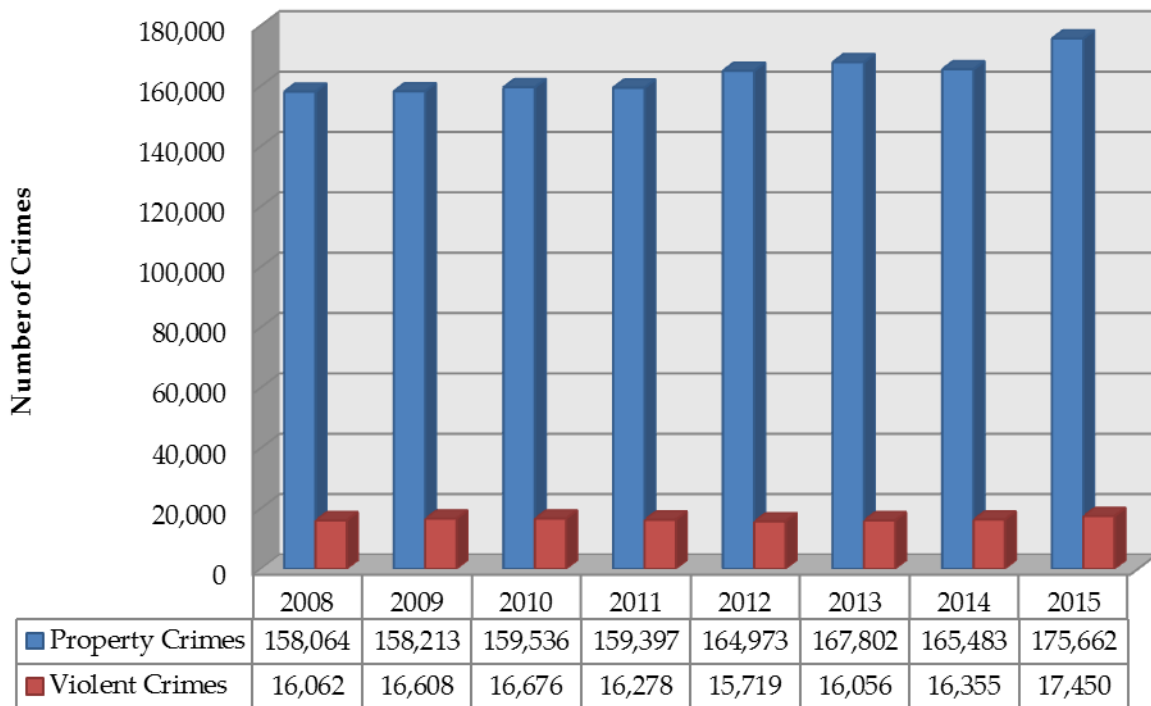
Some Findings

- Crime in Denver and Colorado has increased from 2013 to 2015.
- Colorado annual tax revenue from the sale of recreational and medical marijuana was \$115,579,432 (CY2015) or about **0.5 percent** of Colorado's total statewide budget (FY2016).
- "Denver is losing visitors and valuable convention business as a result of these overall safety (or perception of safety) issues..." – VISIT DENVER report

- As of January 2016, there were **424 retail marijuana stores** in the state of Colorado compared to **322 Starbucks** and **202 McDonald's**.
- **68 percent** of local jurisdictions have banned medical and recreational marijuana businesses.

Crime

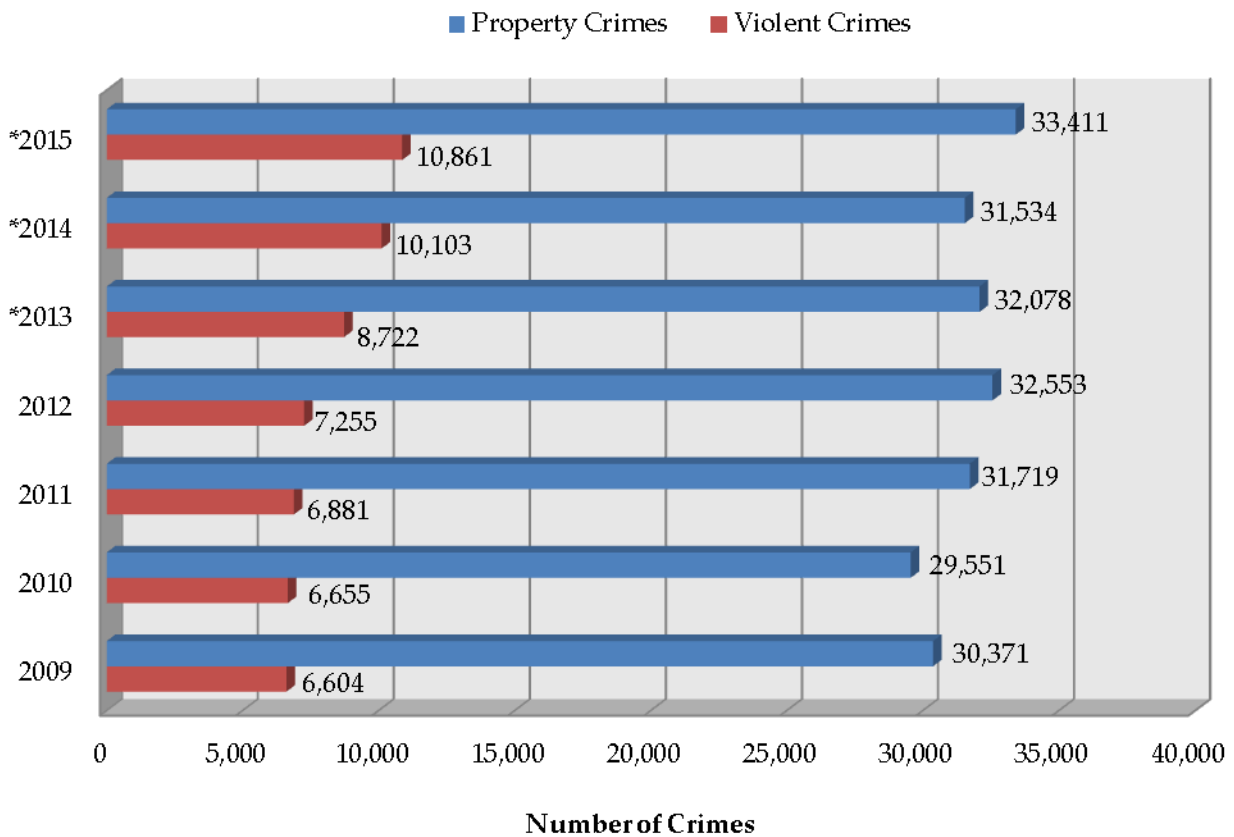
Colorado Crime



SOURCE: Colorado Bureau of Investigation, <http://crimenco.cbi.state.co.us/>

- ❖ From 2014 to 2015:
 - Property crime increased 6.2 percent
 - Violent crime increased 6.7 percent
 - All crime increased 6.2 percent

City and County of Denver Crime



*In May 2013 the Denver Police Department implemented the Unified Summons and Complaint (US&C) process. This process unifies multiple types of paper citations, excluding traffic tickets, into an electronic process. That information is transmitted to the Denver Sheriff, County Court, City Attorney and District Attorney through a data exchange platform as needed. As a result of this process a reported offense is generated which was previously not captured in National Incident Based Reporting System (NIBRS).

SOURCE: City and County of Denver, Denver Police Department, Crime Statistics and Maps, April 2016

*All Reported Crime in Denver			
2013	2014	2015	
55,115 reported crimes	61,276 reported crimes	63,816 reported crimes	8,701 reported crimes increase from 2013 to 2015 (16 percent increase)

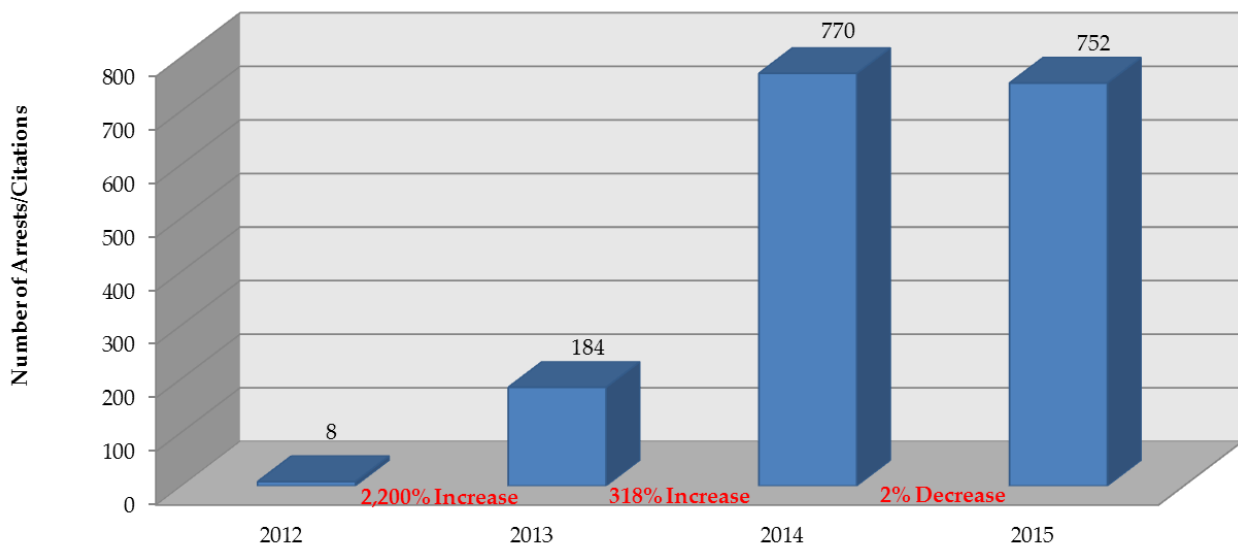
* Actual number of crimes in Denver (new process began in May 2013)

❖ **From 2014 to 2015:**

- Crimes against persons increased 7.5 percent
- Crimes against property increased 6 percent
- Crimes against society increased 15.6 percent
- All other offenses decreased 5.7 percent
- All Denver crimes increased 4.1 percent

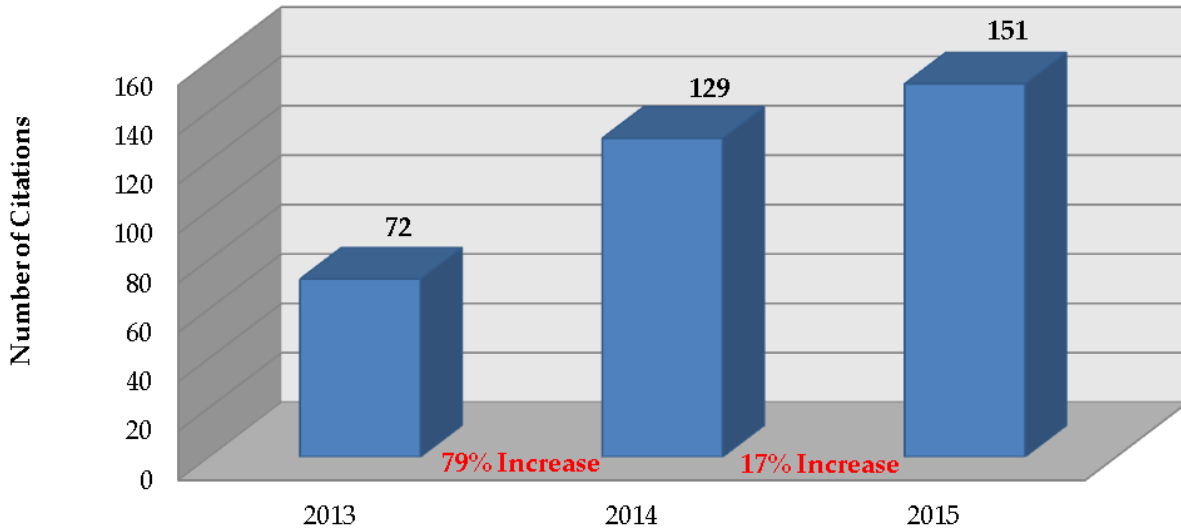
SOURCE: National Incident Based Reporting System definitions in the City and County of Denver, April 2016

Denver Police Department Unlawful Public Display/Consumption of Marijuana



SOURCE: Denver Police Department, Traffic Operations Bureau/Vice/Drug Bureau via Data Analysis Unit

Boulder Police Department Marijuana Public Consumption Citations



SOURCE: Boulder Police Department, Records and Information Services

NOTE: THE CITY OF BOULDER DID NOT HAVE A MUNICIPAL STATUTE SPECIFIC TO PUBLIC CONSUMPTION OF MARIJUANA UNTIL MID-2013.

Related Material

Legalized Marijuana Brings Violence to Downtown Denver’s 16th Street Mall:

Video was posted to Facebook of a man wielding PVC pipes and violently swinging them at anyone within reach. According to police, the man from Indiana had only been in Denver for a week before the incident occurred. In response to the attack, Denver Mayor Michael Hancock stated, “Let’s be clear. Marijuana is drawing people to the mall. The travelers are very clear. I can tell you this because I’ve talked to the travelers,” said Hancock. “This is one of the results of the legal marijuana industry in Denver and we’re going to have to deal with it.” Due to several such incidents occurring in the area the Mayor and Denver Police Department announced they would be increasing patrols on the 16th Street Mall. “The strategy for improved safety involves spending over half a million dollars to increase police patrols and add resources.”¹

Violent Crimes are Up in Colorado: According to the Colorado Bureau of Investigation’s annual crime report, “officials say homicides increased by nearly 15

percent statewide last year while rapes increased by almost 11 percent.” Additionally, “Robberies rose nearly 10 percent and motor vehicle thefts rose about 28 percent. Burglaries were up about 1 percent.” Compared with 2014 numbers, overall crimes in Colorado rose more than 6 percent in 2015. “The report is based on statistics from 245 law-enforcement agencies statewide,” and “It didn’t speculate on the reasons behind any of the trends.”²

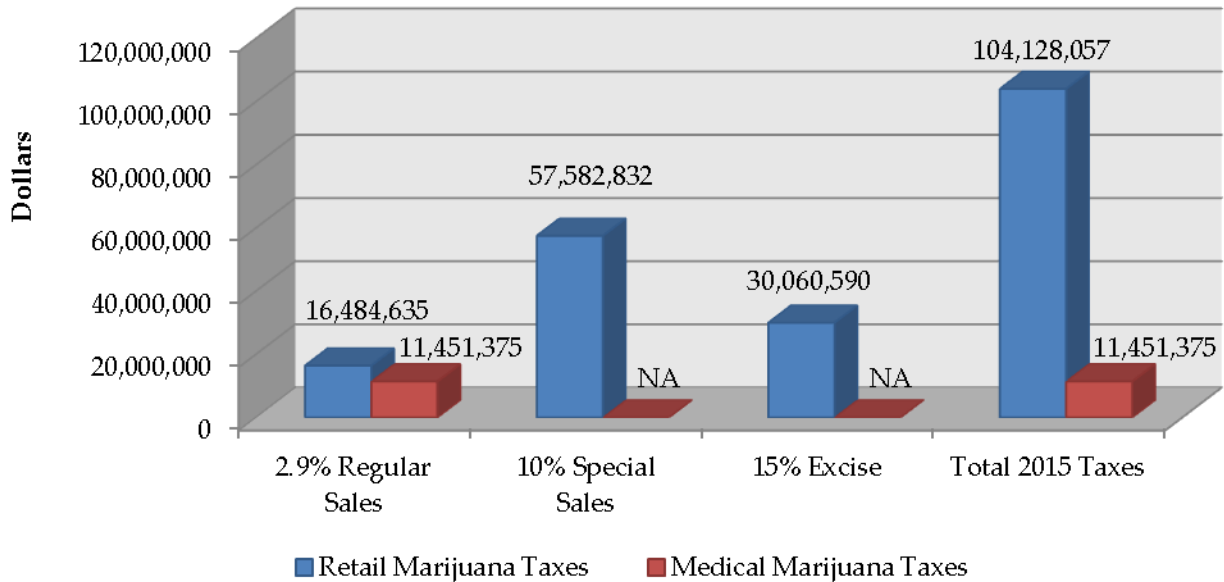
Halloween Mass Shooter: On October 31, 2015, a Colorado Springs man shot and killed three people in a rampage that ended in a shootout with police. Noah Harpham was seen pacing outside of his home with an AR-15 in hand. Concerned bystanders reported the situation to police but were initially turned away because Harpham did not appear threatening to anyone at the time. Minutes later, the shooter got into a confrontation with a passing bicyclist. With little warning, the shooter fired five rounds, striking and killing the three-tour Iraq War veteran. The gunman then walked down the street and opened fire on two innocent women sitting out in front of their residence. Both women died shortly after due to their injuries. Police officers responding to the call confronted the gunman, killing him after being shot at several times.

An investigative report released by authorities included a toxicology report on the shooter. The shooter tested positive for marijuana only, which may have been a contributing factor to the rampage which claimed the lives of four.³

Marijuana-Motivated Armed Robbery: In August 2016, five males armed with firearms assaulted, robbed and burglarized an ex-Crip gang member for marijuana in Adams County, Colorado. The victim was shot three times and severely beaten on his porch by the five assailants. The victim was targeted because his residence is known for dealing drugs, especially marijuana. Suspects admitted that this was premeditated as they sat and watched six cars drive up to the residence with several individuals walking away with “baggies” in their hands. The suspects were primarily after marijuana, money and any valuables. One individual had the assignment of duct-taping the victim’s wife and children if they were present at the time of the attack.⁴

Revenue

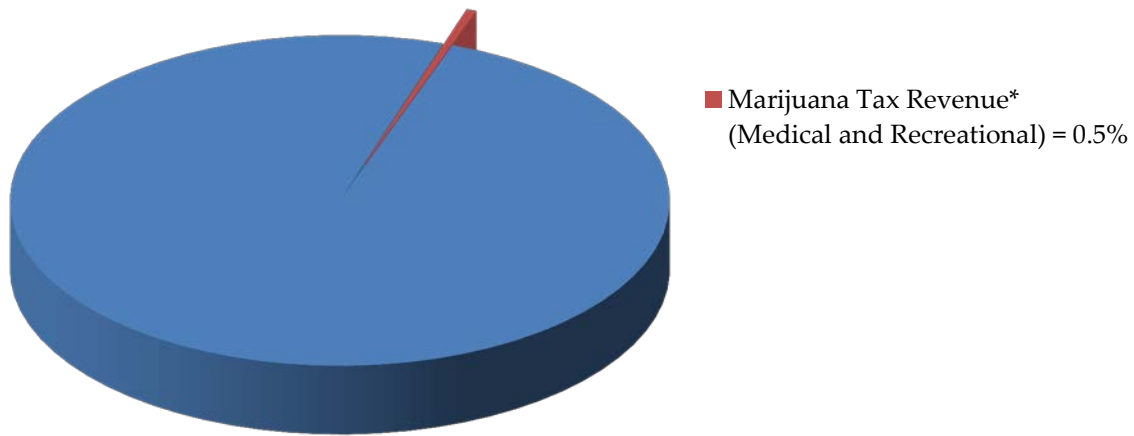
Total Revenue from Marijuana Taxes, Calendar Year 2015



SOURCE: Department of Revenue, Monthly Marijuana Taxes, Licenses and Fees Transfers and Distribution

NOTE: FIGURES DO NOT INCLUDE ANY CITY TAXES: THE STATE DOES NOT ASSESS OR COLLECT THOSE TAXES.

Colorado's Statewide Budget, FY 2016



*Revenue from marijuana taxes as a portion of Colorado's total statewide budget

SOURCE: Governor's Office of State Planning and Budgeting

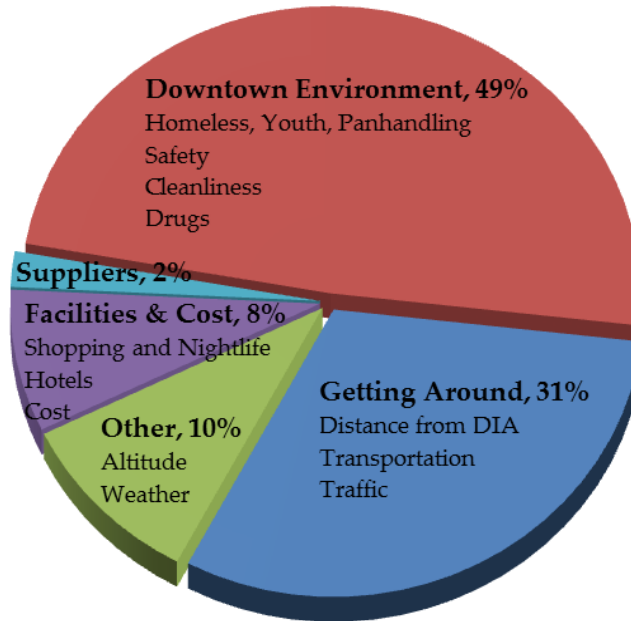
Related Material

Colorado State Revenue Gains Are A Myth: "You do not legalize for taxation. It is a myth. You are not going to pave streets. You are not going to be able to pay teachers," Andrew Freedman, director of Marijuana Coordination for Colorado, said on Boston Herald Radio. "The big red herring is the whole thing that the tax revenue will solve a bunch of crises. But it won't."⁵

Is The Tax Revenue Worth It?: The Roaring Fork School District's Rob Stein stated, "It was a pretty smart move of those people who are trying to get the marijuana legislation passed to try to tie it to schools because it's certainly where people have that impression. It's just not accurate that marijuana excise taxes are the difference makers for schools or school facilities." While Stein's school district was awarded some grant money from the marijuana tax revenue to contribute towards building a new addition, and he is "not ungrateful for the marijuana tax money" he is still left wondering if it is truly worth it. "What we don't know yet is the total societal costs of marijuana legalization," Stein said.⁶

Event Planners' Views of Denver

Negative Meeting Planner Perceptions, 2014



SOURCE: VISIT DENVER, *Impacts of the Downtown Environment on the Tourism Industry and Visitor Perceptions* report

VISIT DENVER is the marketing organization for the city and it measures, records and reports hundreds of data points, to include safety trends and feedback received from convention and leisure visitors. Based on data collected they came away with three key takeaways:

- “The downtown environment is the #1 complaint from meeting planners, far surpassing any other categories. The severity of this issue has increased and as of 2014 nearly 50% of meeting planners negatively commented on homeless, youth, panhandling, safety, cleanliness, and drugs including public marijuana consumption.”
- “Denver ranks very high on walkability, affordability, facilities, and other factors. However, Denver as a ‘safe city’ ranks significantly lower according to interviews with key convention planners conducted by an independent third-party.”
- “Denver is losing visitors and valuable convention business as a result of these overall safety (or perception of safety) issues. Unfortunately, word is beginning to spread among meeting planners about the safety challenges Denver is facing.

As the market organization for the city, we fear not being able to brand Denver away from this growing reputation.”

Comments made by the Colorado Convention Center clients and visitors to Denver:

- ❖ “I’m sorry but I would never consider putting attendees in danger by holding a convention in your city. We are staying at Embassy Suites downtown on 16th, and last night witnessed a group of about 30 teenagers attack a man walking along 16th street. I am told this is not an unusual occurrence. The homeless situation is very sad, and public streets reek of weed. The Denver police should be more alert to large groups of minors congregating on city streets attacking tourists. My feedback from this meeting will be to never locate here again; I have felt much safer in downtown NYC, Philly, Seattle, and Chicago.”
- ❖ “I am a 5th generation Colorado native. I am downtown for a national convention and within 10 minutes of walking to the Convention Center I was so disheartened: I didn’t feel safe and it was 2:00 in the afternoon. I passed drunks, disheveled people, smelled weed being smoked in the open. It was disgusting and I thought so this is where the current government is taking us. I use [sic] to be so proud of Denver and Colorado; today I was heart sick and embarrassed, knowing I’d be apologizing to colleagues coming from other states that didn’t have sanctuary cities, legalized pot etc. Mayor Hancock, you need to rethink what you’re doing before the Denver that was beautiful and safe is gone.”
- ❖ “This client chose to contract with the Hyatt Regency San Antonio. I would like to share with you why Denver dropped off his list. This client does a lot of business in Denver and was disappointed to see, in his opinion, how things have changed in the city since marijuana was legalized. He says he sees lots of people walking around looking ‘out of it’ and does not want to expose his attendees to this. I hope you don’t mind the honestly [sic] but I wanted you to know exactly ‘why’.”
- ❖ “Greetings, we wanted to pass along some comments based on a national meeting we hosted for our industry in Denver in July [2015]. It was held with delegates arriving as early as July 11 and continued through July 15. This is a meeting of industry executives and business owners from around the entire country. The meeting was headquartered at the Sheraton downtown. The chairman commented, ‘We will most likely not return to Denver based on the current situation with all the street people.’ This was followed up by comments from the President who echoed these comments about a reluctance to return to Denver based on the condition of the City and the abundance of homeless people walking the mall and in and about the downtown area. The attendees were also less than complementary with Denver and in particular the downtown area.