

OLCC MARIJUANA PROGRAM

Senate Interim Committee on Judiciary

House Interim Committee on Judiciary

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Established Legal Cannabis Market



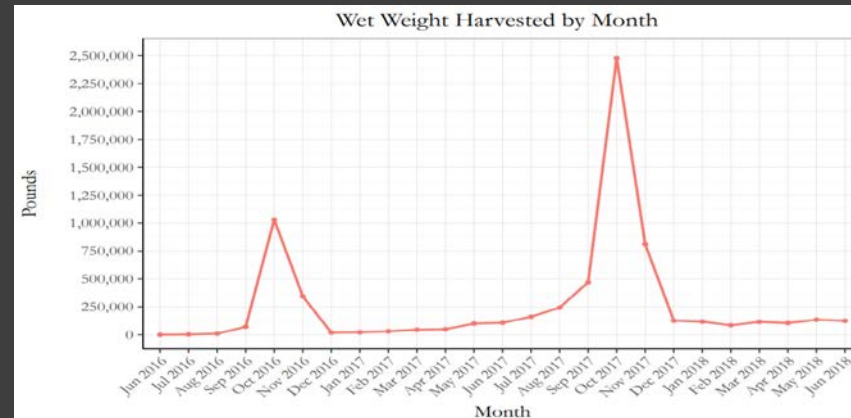
	Active and Approved Licenses	Applications For Licenses Yet to Be Processed	Surrendered	2015-17 Forecast of Active Licenses	2017-19 Forecast of Active Licenses
Laboratory	23	16	4	5	23
Processor	193	391	13	120	158
Producer	1,106	1,213	97	330	919
Retailer	585	348	43	310	761
Wholesaler	136	215	7	65	113
Research	0	2	0	0	1
License Total	2,043	1,343	164	830	1,975

	Active Permits	Application for Permits Yet to Be Processed	Applications Denied	2015-17 Forecast of Active Permits	Forecast of Approved Permits in 2017-19
Worker Permits	33,456	2,390	115	6,200	29,000

Totals as of September 4, 2018



Recreational Marijuana Market Trends



Prevention and Compliance Approach



Security Requirements

- Cameras, alarms, back up videos, fencing, steel door frames, transportation manifests

Investigating Cannabis Tracking System Data

- Packaging created without identifying the source of the package or harvest
- Improper transfers
- Retailers not reporting sales timely
- Weight mismatches
- Monitoring sales to possession limits

Field Enforcement

- Proactive discovery through scheduled inspections and analysis of Cannabis Tracking System data
- Responding to complaints and investigating reports of criminal activity and administrative violations
- Coordinate with local governments and local law enforcement to prevent and identify violations



Preventing Diversion from the Legal System

164 licenses surrendered

- Immediate suspension for suspected diversion
- Voluntary surrender due to settlements of violations
- Failure to thrive

Violations

- Orders of immediate suspension: 2 in 2017; 2 in Jan. through July 2018
- Notices of proposed license cancellation: 14 in 2017; 32 in Jan. through July 2018
- Notices of proposed suspension/civil penalty: 16 in 2017; 70 in Jan. through July 2018
- Notices of warning: 10 in 2017; 24 in Jan. through July 2018

Cannabis Tracking System

- Automated warnings: sales over daily limit 1,944; sales above concentration limit 2,256; untested, incorrectly tested product sent to and received by retailer 374
- Operation Good Harvest – *New Rules – Notifications and Inspections*
- Waste – *New Rules*
- Medical Daily Sales Limit – *New Rules - how to be more patient friendly but keep abuse out*

Examples

- Attempt to mail marijuana out of state
- Product found at unlicensed location that was listed in CTS as “waste”.
- Arrests and criminal charges – credit card fraud, tax evasion





Law Enforcement Coordination

OLCC responsible for enforcement of OLCC licensees

- But serves as information hub for data and information coordination
- Complaints from public referred to law enforcement: 13 in 2017, 55 in 2018
- Top 5 reasons: neighbor complaint, smell, employee not receiving wages, minor in grow area, social media posts

Criminal and administrative investigations

- Coordinate with local, state and federal law enforcement when illegal activities are suspected
- Report potential OMMP violations to OHA

OLCC Public Safety, Education and Enforcement

- Law enforcement hotline: 399 in 2017, 610 January to July 2018
- Top 5 reasons: confirm if valid licensee or worker permit, confirm type or status of license, request for license information, notification about potential compliance issues, questions about OARs
- Tools: cannabis tracking system; transportation manifest

Co-location

- OSP detectives will co-locate with the OLCC at the OLCC Medford office
- Portland area detectives will be specifically assigned to marijuana
- Collaborative effort to help bring illegal grow, illegal processing, and illegal diversion activities forward for investigation and prosecution by local law enforcers and DA's.



Supply Study Due February 2018



Questions Not Addressed by HIDTA report

- What are levels of supply and demand within the recreational market itself versus OMMP and illegal markets?
- What were the pre-legalization trends of illegal grows on public lands and out-of-state diversion? How has that trend changed since legalization?
- What proportion of out-of-state diversion occurred uniquely out of the recreational market versus OMMP medical or illegal markets?

OLCC Supply Study

- OLCC is tasked with biannual Recreational Market Supply Study report to the Oregon Legislature; study will address topics such as:
 - Trends in recreational market supply and demand since inception of the program
 - Degree of excess supply
 - Trends in tracked inventory over time
- Current data suggests that recreational market has excess supply but that it is remaining in the tracked and regulated system. Excess supply is in large part a market problem not a diversion problem.
- Ensure “bad apples” within the regulated market are dealt with and that illegal market operators are shut down. OLCC continues to look for opportunities for cooperation and coordination with state, local, and federal authorities.
- Proactive inspections including harvest inspections.



OLCC'S MISSION

Support businesses, public safety,
and community livability
through education and the enforcement
of liquor and marijuana laws.

