



COUNTY OF SANTA CRUZ

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PRESS RELEASE

Date: March 15, 2019

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CLO DISMANTLES UNREGULATED CANNABIS OPERATION

On March 14th, Sheriff's Office personnel assigned to the Cannabis Licensing Office executed a search warrant in the unincorporated area of Scotts Valley, as part of an ongoing investigation initiated by the Special Investigation Unit of the Human Services Department, which investigates welfare fraud cases.

During the past several months, the SIU had been investigating an individual for receiving welfare benefits in Santa Cruz County, while claiming no income or assets despite living in a home recently purchased for more than \$1.1 million dollars. Investigators determined the individual had been receiving welfare benefits for over a decade in Santa Clara and Santa Cruz counties.

Investigators also determined that the person was selling cannabis through online delivery services. Based on the ongoing fraud investigation, SIU investigators obtained a search warrant for the person's residence in the 100 block of Station Ranch Road in Scotts Valley.

During the search, investigators found an unpermitted indoor cannabis cultivation operation with 115 cannabis plants, 90 pounds of processed cannabis packaged for resale, \$155,038 in cash, 1100 vape pen cartridges containing cannabis concentrate, a work area for filling vape pens and over 10 pounds of high-concentrate cannabis resin. Cannabis items were determined to be meant for sale on the unregulated cannabis market. The building was red-tagged by the Planning Department due to unsafe electrical wiring.

The Sheriff's Office and SIU was assisted in the investigation by the California Department of Health Care Services. The case will be submitted to the Santa Cruz County District Attorney's Office for prosecution.

The total amount defrauded from various welfare programs is still under investigation.