

## **Preventing Diversion & Inversion**

### **Alabama**

Many states have voted to pass medicinal and/or adult-use cannabis laws, effectively ending prohibition in those respective states. There is a lot of responsibility that goes along with operating in the cannabis industry.

**Preventing diversion, inversion, theft and loss is imperative.**

**Diversion** means the unauthorized or intentional removal of cannabis from the regulated market.

**Inversion** means the unauthorized insertion of unregulated cannabis by an individual or entity into the regulated market.

**Examples of diversion includes, but are not limited to:**

- Selling to non-patients
- A co-worker taking cannabis product home directly from the cultivation or processing facility
- Taking cannabis across state lines
- An adult giving cannabis to a non-patient minor
- A patient giving or selling their medical cannabis
- A caregiver consuming medical cannabis that was purchased on behalf of a patient
- Transport vehicles crossing state lines

### **Preventing Diversion**

1. Check medical cannabis cards and IDs thoroughly
2. Coach patients and caregivers about state laws regarding the possession and transportation of cannabis
3. Watch and listen for “shoulder tapping” or “hey mister, mister”
4. Never permit “looping” or buying more than the allowed limit
5. Restrict access to the facility and ensure security protocols are maintained

**Examples of inversion includes, but are not limited to:**

- Bringing cannabis (not including returns) into licensed facilities outside of the seed-to-sale tracking system
- Using trim from an un-licensed cultivation to make and sell medical cannabis products
- Purchasing medical cannabis products from a licensed manufacturer in another state to resell to patients in AL

### **Preventing Inversion**

1. Before purchasing any form of cannabis for your business, verify that the selling party possesses a current AMCC-issued license
2. Only allow cannabis to enter your licensed premises if the inventory was compliantly transferred within Metrc and there is a valid manifest

### **Diversion, Inversion, Theft or Loss**

1. If you suspect diversion, inversion, theft or loss, inform your manager asap & follow company standard operating procedures (SOPs)
2. Secure inventory
  - If you are transporting and off-premises, transporting return to your home base
3. Fill out an incident report
  - Pay attention to all details & add clear, concise information
4. Involve your security team as needed
5. Review security camera recordings
6. Report all diversion, theft or loss to the AMCC and law enforcement immediately or within 24-hours
  - Assist in any/all investigations
7. Re-evaluate and assess SOPs and emergency policies to ensure the safety of people, the premises and inventory. Determine whether additional safeguards are necessary.