

THE KLONDIKER HOTEL PROJECT

HOTELS, CRIME, AND PROBLEM-SOLVING ON THE BEAT

EDMONTON POLICE SERVICE, ALBERTA, CANADA, 1995

- THE PROBLEM:** The Klondiker Hotel, one of three hotels along a business strip, was experiencing a large number of calls for service to deal with drunks, fighting, knifings, drug sales and consumption on or near the premises.
- ANALYSIS:** The problems at the hotel were compounded by absentee owners, irresponsible management, corrupt staff, a large large customer base to support the criminal activities, a lack of sanctions within the Provincial Liquor Legislation governing Licensees or their staff, and a low priority being assigned to hotel problems.
- RESPONSE:** Informants and undercover drug members were used to arrest drug dealers. The owners were tracked down and informed about the drug dealers and corrupt staff. Any persons involved in any criminal activity were banned from the premises and corrupt staff was fired. Complaints from this hotel were assigned a higher priority to facilitate quicker police response. The police also drafted a proposal to the Alberta Solicitor General's Department to amend the current legislation so as to impute liability upon licensees or their agents for knowledge and allowed continuance of criminal activities on licensed premises.
- ASSESSMENT:** The results, over a three-year period, were both successful and measurable as evidenced in an independent study. Drug sales and calls for service decreased, while the hotel's legitimate revenues have increased.

SCANNING:

One of 26 beat areas in the city of Edmonton was comprised of 49 square blocks of residential, business and hotel problems. It is known as the Canora Neighbourhood Foot Patrol. A one-man, storefront, beat office was set up to address the problems in this community. The Klondiker Hotel, one of three hotels along a business strip, was experiencing a large number of calls for service to deal with drunks, fighting, knifings, drug sales and consumption on or near the premises.

The problems at the hotel were further compounded by absent, uncaring owners and corrupt staff. This same staff also facilitated the sales of property stolen from nearby merchants and solicitation for prostitution within the licensed premises of this

hotel. A multi-pronged problem solving approach was employed utilizing some very reactive methods (drug arrests) and some very pro-active strategies (having legislation changed). The results, over a three-year period, were both successful and measurable as evidenced in an independent study attached hereto.

Within a short time after being introduced to the Canora beat area it became evident that a hotel known as the "Klondiker" was the focal point for a large number of problems. The "Diker" was an older hotel with a seating arrangement for about 250 patrons in the tavern area. It catered to four basic kinds of customers: those who wanted to consume large amounts of alcohol; those who wanted to purchase bulk stolen property (cigarettes, meat, etc.); those who wanted meaningful, momentary female

relationships in the rooms upstairs; and those who were seeking out narcotics or other illicit drugs.

A detailed sketch of the problems is provided below:

1. Ten full time live-in drug dealers were making a fairly good daily income from a large customer base that visited the hotel. In addition to this there was about 11 part-time dealers who acted as “mules” or carriers for the full timers and who did some selling on their own.
2. To compound the above problem several hotel staff (waitresses, etc.) supported the drug sales by referring customers to the dealer currently in line. They also sold drugs on occasion and matched customers and “vendors” with stolen property filtering through the bar. They were given first choice of drugs or stolen property as a reward.
3. The tavern manager was a former 14-year member of a National Police Force, who had been dishonourably discharged for sexual assault on two female minors. He had since acquired a record for robbery, theft, fraud, and just about everything else under the criminal code. He was not pro-police and was involved in the following activities on the hotel premises:

- He collected “protection” money from the dealers in the bar.
- The drug dealers who didn't pay protection money were forced out of this hotel and then set up in another hotel on the beat that was pro-police.
- He arranged for thieves to steal bulk-stolen property such as microwaves, cigarettes, and various meats from nearby super markets.
- He arranged for his staff and others as customers for this property and collected a percentage.

- He allowed minors to consume alcohol and practised over service of alcohol.
- He continued to allow convicted drug dealers to enter the tavern knowing that they were still dealing.
- He allowed prostitutes to use the rooms upstairs for their “johns” and collected five to ten dollars per customer.

4. The provincial liquor laws didn't have any penalties against employees of licensed establishments who sold alcohol.
5. This hotel was owned by a group of absentee lawyers, judges (in trust) and various other businesspersons. It is one of about ten hotels that they collectively owned and they met regularly to discuss the hotel's affairs.
6. This hotel as well as others complained about police response time (too long)
7. The hotel was the subject of many repeat calls for service regarding fights, knifings, and muggings.

The hotel was a problem for:

- The police in the form of numerous calls for service and police response in general;
- Good patrons who just wanted a quiet drink but left early because of the rough environment;
- The business nearby community (stolen meat, cigarettes and hardware from various merchants);
- Certain government agencies such as the Alberta Liquor Control Board, and Social Services (removal of family income due to substance abuse); and
- The community in general because of the fear of this hotel and its clientele.

The police were affected by this problem hotel because of many calls for service regarding over-service of alcohol (drunks passed out), knifings and muggings.

A large number of senior citizens from three nearby complexes and other neighbourhood citizens wanted to socialize at this hotel due to its proximity and lack of pretentiousness. However, they were too afraid to do so due to the rough crowd and fear of crime. The local supermarkets and other merchants suffered from product loss, because this hotel provided a customer base for stolen meats and cigarettes. The cost was passed on to the community at large by way of price mark-ups.

This hotel was also a problem for a government agency called the Alberta Liquor Control Board (which regulated the distribution and sales of alcohol). They knew of the drug problems at the hotel and knew that the general public perceive them as condoning criminal activities within licensed premises if sanctions were not affected.

“Family unit dysfunction” from loss of funds due to substance abuse within this hotel was also evident. The lower income community surrounding the Klondiker was more affected by this factor as evidenced by a higher percentage of family violence in the area and by children who noticeably lacked food or clothing. This factor then became a problem for Family and Social Services who suffered from an increased caseload.

In the past our police service only reacted to each incident as it arose. There was no problematic analysis or solutions being implemented and neither was there any community or agency involvement.

ANALYSIS

The information collected about this problem revealed the following reasons for the status quo:

1. Uncaring absentee, money-oriented owners
2. Lack of responsible management over staff and hotel responsibilities

3. Corrupt staff motivated and supported by the manager
4. A large customer base to support the criminal activities inside
5. No sanctions within the Provincial Liquor Legislation governing Licensees or their staff regarding knowledge of crime inside taverns
6. A low priority being assigned to hotel problems

Cultivation of informants overcame the initial problems in collecting information about this hotel. Being on foot and closer to the community greatly aided the information flow. At first, people were reluctant to discuss the hotel’s problems. Their trust had to be earned through personal contact and continued perseverance.

The following goals were developed:

1. Create a sense of corporate/community responsibility within the ownership of the hotel chain.
2. Break the drug dealers’ hold on this bar and make it as drug free as possible.
3. Eliminate corrupt staff regarding over-service of alcohol, drugs and stolen property.
4. Reduce patrol personnel’s workload (calls for service).
5. Reduce/eliminate community’s fear of this hotel.

RESPONSE

In order to accomplish these goals, the following strategies were developed:

1. Informants and undercover drug members were used to arrest drug dealers.
2. The owners were tracked down with difficulty (staff were very reluctant to part with this information) and a meeting was

held to educate them on how drug dealers and corrupt staff really owned their hotel. Mention of a media campaign caught their attention right from the start—especially the lawyers and wives of judges who held an interest in trust.

3. Gain permission from the owners to compel staff to ban any person from the premises who was involved in any criminal activity.
4. Target corrupt staff such as the bar manager/leader and his staff using informants and drug unit and have enough information to have them legally dismissed (thus eliminating any civil suit from wrongful dismissal).
5. Research the upgrading of any complaints from this hotel to a higher priority to facilitate quicker police response. Also educate fellow members to scoop up the drunks quicker before they became mugging victims (resulting in far more paper work otherwise).
6. Identify old and current drug dealers and criminals to staff (old and new) so that the unwanted targets could be asked to vacate the premises upon arrest or re-entry at a later time.
7. Maintain network of informants to monitor the hotel's practises and identify any new dealers.
8. Force Alberta Liquor Board hearings if violations continued (drugs, over-service) with a view towards license suspension.
9. Draft a lengthy proposal to the Alberta Solicitor General's Department to amend the current legislation so as to impute liability upon licensees or their agents for knowledge and allowed continuance of criminal activities on licensed premises.

ASSESSMENT

1. Informants and undercover operations worked well initially to remove drug dealers but corrupt staff allowed most of them back in, while they were out on bail. Also the drug hierarchy simply recruited more street level dealers to replace the ones getting arrested (too reactive a strategy).
2. The owner meeting was a major advance and a crucial blow. A two-hour session, with photos of drug dealers arrested so far, and an outline of corrupt staff and stolen property convinced them that they had a major problem, as did the community and the police. They offered full co-operation.
3. Permission was obtained from the owners to compel staff to ban drug dealers and other criminals caught on the premises. Now management could not refuse police requests as they had done in the past. It became a vital part of their job description and was incorporated as a condition of employment on their application forms (for new staff).
4. Research targeted on the corrupt ex-police bar manager revealed that he was a criminally suspended driver (impaired convictions). He was monitored closely (his battered wife became an informant) and an outside police agency was successfully used to arrest him three times for driving while suspended (because he lived just out of own and would not drive to work). He was eventually jailed for a length of time that forced the owners to replace him. Other bad staff were fired once their criminal activities were revealed by the new and much more cooperative manager. Drug Unit was also able to make buys off of the staffs, which greatly assists.
5. A proposal was submitted to our Communications Section asking for 9-1-1 status on any call from the hotel. Instead of calling the regular complaint line and waiting in line for response, any hotel staff could dial 9-1-1 and receive priority status on any complaint for a trial period of time.

Permission was granted and this strategy proved very beneficial in gaining the confidence of the hotel staff. Patrol members were spoken with on an individual basis and they began to appreciate that responding quicker to service level types of complaints saved a lot more potential work if they were not allowed to blossom out. Service level types of complaints began to drop considerably as a result of these tactics in combination with the new management.

6. As the drug arrests increased over the initial months (58 trafficking arrests) a picture board was developed inside the storefront beat office. New hotel staffs were invited over for a look to update themselves on dealers, current and past. Booklets were also developed for short term viewing to bring over to staff that was unable to attend the beat office. Many dealers caught on the premises in possession of illegal drugs did attempt to re-enter and were charged under existing liquor legislation for re-entering a bar after having been banned (section 98 Liquor Control Act).
7. Informants were able to provide excellent feed back as to hotel practices regarding over-service of alcohol and drug sales. They were instrumental in documenting a few more violations after the initial clean up and provided the basis for a Liquor Board hearing.
8. Despite the initial efforts to clean up the hotel there was a temporary slide back by staff and management. The Liquor Board was advised and presented with documented evidence of drug sales made in the hotel. A hearing was called and it was suspended for a three-day period (loss of about \$4,500.00 in sales). As the beat man was not involved with these arrests the rapport was not lost and efforts were re-doubled to maintain a stronger vigilance by the hotel.
9. No word was heard for about a year on the 5-page proposal to change section 95 of the Liquor Control Act so as to impute liability

on licensees/agents for allowing criminal acts on licensed premises. Then word was received that the proposal was accepted—a beat man was successful in changing provincial legislation. A copy of this section is attached for viewing. Owners and licensees of liquor retail outlet now have a duty to maintain vigilance over criminal activities on their premises. Turning a blind eye to it will now result in prosecution and a license suspension. The Liquor Control Board in two Alberta cities to has used this new legislation successfully to suspend licenses—the latest—a nightclub on the Canora beat that purposely ignored a drug problem and suffered the consequences.

After about 2 1/2 years of employing various reactive and pro-active strategies to clean up this hotel the following additional results proved interesting:

- Decreased drug sales due to lack of dealers—the customer base shifts to other areas,
- Two other nearby hotels experience an influx of drug dealers from the Klondiker and want in on the program of banning drug dealers. The beat man arranges a meeting and all three hotels agree that if a dealer is picked up in one hotel he is automatically banned from the other two as well. They agree to network with each other and fax information and photos (their own) whenever an arrest is made,
- The Klondiker actually received a net increase of 30% in their sales because more people began to filter in. The drug dealers and their customers drank very little alcohol and discouraged others from coming in at all,
- Banned dealers attempt to set up “home” operations but large amounts of customers coming and going from a residential area triggers very quick community response (now it’s next door to them and not in the

hotel). The same dealers are busted a second, third and in one case a fourth time,

- The practise of over serving alcohol decreases resulting in fewer fights, fewer targets for muggings and calls for service are reduced,
- Nearby businesses that once suffered product loss experienced an immediate relief. Their customer base improved as well. The hotel had to be vigilant against any criminal activity under the new legislation,
- Intimidating drug dealers and their customers disappear and older folk from nearby retirement complexes no longer fear the once hostile environment. An older gent approaches the beat man as he walks through the bar and remarks: “It’s a lot nicer to drink in here now,” and smiles his approval.
- An independent university researcher (who claimed that community based policing was ineffective) conducted a statistical analysis of the Canora beat area (49 sq. blocks). He reviewed data from the three-year period before the foot patrol office was started and the three-year period after. He looked at family violence, drug abuse, and calls for service. He found that there was a pronounced decline after the inception of community based policing in all categories.

He ended up writing a supportive paper on CBP, a copy of which is attached.

NOTES

The following agencies were instrumental in accomplish these goals:

1. The Alberta Liquor Control Board—they were used to educate staff about the civil and legal perils of over-service of alcohol and used to conduct hearings regarding the misconducts of this hotel.
2. Alberta Family and Social Services—they were used as a feedback mechanism with regards to their clients on this beat who were suffering from an abusive relationship or a relationship that suffered due to a alcohol or substance abuse.
3. The management and staff of two other hotels—the Saxony Inn and the Continental Inn—they began to network like agencies when they collectively banned drug dealers.
4. Alberta Solicitor General's Department—this agency was used to change the current legislation within the Liquor Control Act as outlined earlier.
5. The RCMP—the Spruce Grove RCMP were used to target the corrupt bar manager while he drive within their area and were very co-operative in that effort.