

OFFICE OF CANNABIS MANAGEMENT PUBLICLY IDENTIFIES ILLICIT RETAIL OPERATIONS

Unlicensed Stores Present a Public Health Risk by Selling Untested Cannabis Products

Illicit Stores Undercut Equity Goals of NY Cannabis Law

Today, the Office of Cannabis Management (OCM) publicly identified fifty-two illicit cannabis stores that were sent cease and desist letters, directing them to stop all illicit cannabis sales. These stores falsely depict their operations as legal cannabis dispensaries, but they are not licensed by New York State and are selling untested products that put public health at risk.

The letters sent notified these operators that their failure to cease operations could permanently bar them from receiving any cannabis licenses in New York State.

Additionally, the OCM has received referrals of additional illicit storefront operations from local law enforcement and the general public that are under review. If the storefronts named today by the Office of Cannabis Management don't cease operations, they will be referred by the OCM to the Cannabis Control Board for permanent barring from receiving any cannabis licenses in New York State.

"There are no businesses currently licensed to sell adult-use cannabis in New York State. Selling any item or taking a donation, and then "gifting" a customer a bag of untested cannabis does indeed count as a sale under New York's Cannabis Law," said **Tremaine Wright, Chair of New York's Cannabis Control Board**. "You need a license to sell cannabis in New York. Licensed sales and a regulated market are the only way New York's customers will be assured that the cannabis products they are purchasing have been tested and tracked from seed to sale. Sale of untested products put lives at risk. I implore these illegal store operators, and any other stores pretending to be legal operations, to stop selling cannabis products immediately."

"These stores are masquerading as licensed, regulated businesses, but they are nothing of the sort. They aren't creating opportunity, they are creating confusion – New Yorkers think they're buying a high-quality, tested product when they aren't," said **Chris Alexander, Executive Director of the Office of Cannabis Management**. "Not only are these stores operating in violation of New York's Cannabis Law, but they also are breaking state tax and several municipal laws. I look forward to working with other regulatory bodies across the state to hold these stores accountable for their flagrant violations of the law."

Regulated adult-use cannabis businesses will be required to, in addition to being licensed by the Cannabis Control Board, comply with all state and local laws including providing clear and verifiable information to consumers regarding the products that they are consuming, checking identification of consumers to ensure sales are not being made to young people, and collecting and depositing tax revenue that will support New York State's schools and help revitalize communities.

"New York is building the most equitable cannabis industry in the nation, one that prioritizes those communities most harmed under cannabis prohibition. Stores selling unregulated cannabis products without licenses undercut those efforts. Plain and simple," said **Damian Fagon, Chief Equity Officer at the Office of Cannabis Management**. "Illicit stores don't contribute to our communities, they don't support our public schools and they don't protect consumers. That's why we're working with partners across government to investigate these operations and hold them accountable."

No adult-use retail licenses have been issued in New York State to date. Currently, the only legal means of procuring, safe, tested cannabis products is through the [Medical Cannabis Program](#), where becoming a patient requires getting certified from a medical provider.

As stated, illicit cannabis storefronts are not contributing to the New York state cannabis revenue fund, which is designed to invest revenue from cannabis sales back into communities. Said revenue will cover the administration of the program and implementation of the law and will then be split to support the following:

- 40 Percent to the State Lottery Fund for additional lottery grants to eligible school districts and to increase the amount of funding available for general public-school support

- 40 Percent to Community Grants Reinvestment Fund, which supports communities disproportionately impacted by cannabis prohibition. This locally focused programming will include job training and placement, reentry services for justice-involved New Yorkers, system navigation services, youth-serving programs, financial literacy services and much more

- 20 Percent to Drug Treatment and Public Education Fund

The OCM remains focused on improving public health outcomes for cannabis patients and consumers and is hard at work developing regulations for the broader adult-use program including expansive testing requirements to avoid adverse reactions to cannabis products. Unregulated vaping products, including cartridges labeled as containing THC, have been [cited](#) by the CDC as being responsible for thousands of cases of acute respiratory distress syndrome, across the country. The OCM is strongly encouraging New Yorkers not to visit these operations and to be aware that products being offered for sale are not safe for human consumption.

52 illicit cannabis storefronts and trucks received cease and desist letters. In total, 66 letters were sent because in some instances the associated LLC had an address for service on file with the NYS Department of State or a separate address was found for said owner. [Head here](#) (and scroll down to the “cease and desist” section) to view the letters.