



Office of Cannabis Management

NEW: OFFICE OF CANNABIS MANAGEMENT DECEMBER ENFORCEMENT UPDATE ON STATEWIDE ACTIONS AGAINST UNLICENSED CANNABIS SHOPS

More than \$4.2 million worth of illicit cannabis seized in December, Bringing Annual Total to \$57,213,000

NEW YORK, NY – Today, the New York State Office of Cannabis Management (OCM) published the third in its series of enforcement action updates against unlicensed cannabis shops across the State in 2023.

Inspections & Seizures: During the month of December, investigators from OCM and the Department of Taxation and Finance (DTF) inspected 48 shops, including 17 re-inspections, suspected of selling unlicensed cannabis. These inspections resulted in the seizure of 465 pounds of flower, 537 pounds of edibles, and 35 pounds of concentrate, with an estimated value of \$4,260,000.

These actions bring the total of inspections to 381 locations, 105 of which have been re-inspected, to yield over 11,800 pounds of seized illicit cannabis worth more than \$57 million. OCM and DTF investigators will continue inspections each and every week across the State in 2024 to shut down illicit operators as a new wave of legal dispensaries open their doors for business.

Big Chief Shut Down in Brooklyn: On December 20, investigators from OCM, DTF, and the New York State Attorney General's Office (OAG) shut down and padlocked Big Chief Smoke Shop, an egregious illegal cannabis store operating in Bay Ridge, Brooklyn, for operating without a license. Local community leaders have vocally opposed Big Chief Smoke Shop and the local community board passed a unanimous resolution to shut down unlicensed stores in their neighborhood.

A petition filed by OCM and OAG seeks civil penalties from the building owner where Big Chief Smoke Shop is located for permitting an unlawful business to operate within their property. The building owner was previously notified that an unlawful business was operating within their property and yet Big Chief Smoke Shop has continued to remain open for more than a year. Under the Cannabis Law, building owners can be fined a

penalty of \$10,000 per day for allowing the unlicensed sale of cannabis at their property. The store's owner could be fined millions of dollars in penalties as a result of December's enforcement action.

The Office and DTF have continued an aggressive schedule implementing their new enforcement authority against unlicensed cannabis retail operations. By the end of 2023, inspections had been conducted in all regions of New York: Western (Buffalo/ Niagara); Central (Rochester, Syracuse, Utica, Ithaca); Southern Tier; Capital Region; North Country; Lower Hudson Valley; New York City; and Long Island. In addition to the initial inspections carried out as described above, the Office and DTF conducted re-inspections of locations that had been issued notices of violations during their initial inspection. These re-inspections occur to determine if the location is continuing to operate in defiance of a cease order or if they have in fact ceased their illegal conduct. Those locations found to be operating contrary to the original cease order are identified so that higher level fines can be assessed.

By taking decisive action against unlicensed cannabis businesses, New York State is making significant strides towards shutting down unlawful and unlicensed cannabis operations that jeopardize public safety, consumer well-being, and the integrity the State's legal cannabis market.

Training for Local Law Enforcement: With a continued focus on collaboration and coordination with the goal of maximizing enforcement partnerships, OCM hosted a training on January 4 to provide vital education and resources around best practices and opportunities to shut down illicit operators for law enforcement partners across the state. The primary audience was command level enforcement staff. OCM was joined by DTF's Criminal Investigation Division, New York County District Attorney's Office, and the Syracuse Corporation Counsel, who all delivered informative presentations about enforcement authority and how to address the challenges posed by the illicit cannabis market.

“As we have said time and time again, the number one remedy for the problem of these illicit shops is getting more legal businesses open. When New Yorkers choose to shop at a legal, adult-use dispensary, they know where their products are coming from, that these cannabis products have been tested, and that these small businesses are reinvesting in our communities. We will continue to seize illegal products, and we know that the collaborative work continues across all levels of government to address this public health issue,” **said Chris Alexander, Executive Director of The New York State Office of Cannabis Management.**

Fines for the illegal sale of cannabis start at \$10,000 per day and can rise up to \$20,000 per day for the most egregious conduct. An additional fine of \$5,000 can be levied for removal of the Order, and the inspected businesses may also be subject to additional violations and penalties under the Tax Law. The enforcement legislation passed in May 2023 also authorizes OCM to seek a State court order to ultimately padlock businesses found to be in repeated violation of the law. In addition, the law makes it a crime to sell cannabis and cannabis products without a license.

To bring many levels of government together to combat the illicit sale of cannabis, Governor Hochul previously announced partnerships between OCM and the OAG through which municipalities across the state can receive training on how to utilize a particular provision -- Section 16-A -- of the new enforcement law signed by Governor Hochul in May 2023 to pursue padlocking orders in State Court. 16-A authorizes local governments, including county attorneys, with OCM's approval, to pursue padlocking orders from a court against an unlicensed cannabis business found to be engaged in egregious conduct. This authority significantly augments the ability for different levels of government to work together to shut down illegal cannabis operators.

In addition to these new partnerships with localities, the Governor announced that additional State agencies will now be bringing the weight of their business enforcement powers to bear as part of the State's creative and aggressive approach to combating the illicit market. The Department of Labor and the Workers Compensation Board are joining these efforts to ensure businesses selling cannabis without a license are compliant with New York State labor and workers compensation laws.

This approach, which combines the enforcement powers of labor law, tax law, and cannabis law, can result in non-compliant business owners potentially facing tens of thousands of dollars in penalties as the result of a single inspection and violations, significantly enhances the State's ability to crack down on those who engage in illicit sales, and reaffirms the Governor's deep commitment to ensuring that the law is being followed and that New Yorkers are protected from potentially unsafe products.

New York State currently has 45 licensed [adult-use cannabis dispensaries](#). All regulated, licensed dispensaries must post the [Dispensary Verification Tool](#) sticker near their main entrance. Any store selling cannabis that does not display this sticker is operating without a license.

As mandated by Cannabis Law Article 2, S.11(15), the Office of Cannabis Management issued a [2023 Enforcement Report](#) which presents the work of the OCM Enforcement Division over the past year as the Office took actions against unlicensed, illegal cannabis retail locations.

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