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**NEW YORK STATE OFFICE OF CANNABIS
MANAGEMENT LAUNCHES TRADE PRACTICES
BUREAU TO STRENGTHEN MARKET
INTEGRITY**

*Bureau Will Investigate Trade Practice Violations and Protect Legal
Cannabis Operators*

*New Yorkers Will Be Able to Provide Anonymous Complaints Via
Hotline and Online*

ALBANY, NY – At today’s Cannabis Control Board (CCB) meeting, The New York State Office of Cannabis Management (OCM) announced the launch of the [Trade Practices Bureau \(TPB\)](#)—a specialized unit under the Office of General Counsel, dedicated to safeguarding the integrity of New York’s regulated cannabis market. The TPB will expand OCM’s capacity to investigate complex trade practice violations, combat market abuses, and ensure compliance with the Cannabis Law. By bringing together experienced investigative attorneys, inspectors, analysts, and forensic accountants, TPB will hold bad actors accountable while protecting small and medium-sized businesses from unfair practices that threaten their success.

TPB will focus on regulatory offenses related to trade practice, including, but not limited to:

- **Inversion**, or other importation and/or purchase and/or sale of out-of-state cannabis or other unlicensed cannabis products.
- **True Party of Interest (“TPI”) violations**, including violations of regulations limiting investment types and amounts in cannabis businesses and any actions prohibited by the two-tier market, as well as impermissible loss or change of ownership and/or control of a licensed

cannabis business including prohibited contractual agreements, terms, arrangements resulting in undue influence.

- **Threats to ownership and control**, including but not limited to predatory loan and/or service agreements with a cannabis licensee that contravene cannabis law and regulations.
- **License Stacking**, such as the impermissible aggregation of licenses.
- **Fraudulent licensee reporting**, including fraudulent product and transportation manifests.
- **Fraudulent business practices** that impact the integrity of the cannabis market or cannabis licensees.

Starting on Tuesday, February 18, New Yorkers will have two easy-to-use options to file a complaint with the Trade Practices Bureau (TPB): via phone at 855-420-TIPS (855-420-8477) or online, through the OCM website [here](#). Severe violations of the Cannabis Law and regulations will have serious consequences. Bad actors who undermine the integrity of the cannabis market through fraud and deliberate violations of the law face a range of penalties, including license suspension, license revocation, and debarment from future participation in the industry.

TPB will be authorized to issue subpoenas, administer oaths and take testimony from any witness with information relevant to the investigation. TPB can receive evidence of possible Cannabis Law trade practice violations from several sources, including but not limited to: information from other OCM offices, New York cannabis market surveillance, tips and complaints, and news media reporting.

"The launch of the Trade Practices Bureau marks a significant step forward in our efforts to ensure a fair, transparent, and equitable cannabis market," **said Felicia A.B. Reid, Acting Executive Director of the New York State Office of Cannabis Management.** "By identifying and addressing trade practice violations such as predatory lending, fraudulent business practices, and illicit market activity, we are reinforcing our commitment to creating a level playing field for licensed operators and upholding the economic and social equity priorities of New York's Cannabis Law."

Under the leadership of James Rogers, an experienced attorney who previously served as Deputy Attorney General and Special Counsel to the NYS Attorney General, TPB will investigate violations such as the illegal importation of out-of-state cannabis, fraudulent reporting, license stacking, and prohibited contractual agreements that threaten ownership or control of a social and economic equity license.

"New York's legal cannabis market was built on principles of fairness and opportunity, and the TPB will ensure that bad actors do not exploit the system to the detriment of law-abiding businesses," **said James Rogers, Director of the Trade Practices Bureau.** "By working closely with OCM's enforcement partners and industry stakeholders, we will take decisive action to protect the integrity of the regulated cannabis supply chain and support the long-term success of legal operators."

"The Association of New York Cannabis Processors applauds the creation of the Trade Practices Bureau. Since our inception, we have touted the importance of a regulated and compliant program above all else. We appreciate the efforts of the OCM in both eliminating the inversion that plagues our industry, along with investigating predatory operators that are trapping our licensees in untenable agreements. Thanks to the creation of this new unit, we can trust the future of the New York cannabis program will be bright."
John Valavo, President of the Association of New York Cannabis Processors.

“The Cannabis Farmers Alliance strongly supports OCM’s efforts to combat inversion through the launch of the new trade practices bureau. Inversion should be the top issue addressed by OCM and elected officials as it threatens the integrity and safety of our market. We look forward to working with the OCM to stop the flow of out of state cannabis into the marketplace.” **Joe Calderone, President of the Cannabis Farmers Alliance.**

“The creation of a Trade Practices Bureau is significant step in the evolution of New York’s cannabis marketplace,” **said Britni Tantalo, President of the New York Cannabis Retail Association.** “Their work will be essential to maintaining a level playing field and provide assurance to operators and investors that the law will be enforced.”

“New York’s cannabis market is founded on a two-tier market system established by law, yet increasingly our members and retailers have been confronted by pay-to-play schemes that undermine the goals of the system to prevent consolidation, monopolization, and a race to the bottom. These violations are often the result of miseducation, bad advice, or simply following practices that are common in other markets, and it’s good news that the state is investing resources and taking action to curtail them. New York already has the nation’s most equitable cannabis market, and the taskforce announced today will help ensure that the Empire State continues to lead the way.” **Mack Hueber, President of the Empire Cannabis Manufacturing Alliance**

The TPB will operate through investigations, collaboration, and partnership throughout OCM regulatory units. Any TPB review of possible trade practice violations will be conducted with confidentiality intact to ensure that review is fair and objective—however, in collaboration with the Cannabis Control Board (CCB), OCM will take public action with evidence of wrongdoing that violate the Cannabis Law. The TPB partners experienced investigative attorneys with trained inspectors, investigators, data analysts and forensic accountants to conduct in-depth investigations of alleged violations of the Cannabis Law and regulations.

The formation of the Trade Practices Bureau reinforces OCM’s commitment to maintaining a fair and competitive cannabis industry in New York. TPB will investigate violations such as the illegal importation and use of out-of-state cannabis, fraudulent business practices, predatory lending, and prohibited management service agreements. These efforts will ensure that New York’s cannabis market remains equitable and compliant with state regulations. TPB will work in close collaboration with enforcement agencies, industry stakeholders, and financial experts to identify and eliminate practices that undermine legal operators and threaten the industry’s long-term stability.

For more information on the TPB, New Yorkers can visit <https://cannabis.ny.gov/tpb> and [read the FAQ here.](#)

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