



This FAQ provides key information about the **Trade Practices Bureau (TPB)** and its role in regulating business relationships and market structure within New York’s cannabis industry. It explains TPB’s purpose and authority, the types of trade practice violations it investigates, and how it differs from other OCM divisions. The document also outlines the investigative process, confidentiality protections, and how to report potential violations. Whether you are a licensee, stakeholder, or consumer, this FAQ will help you understand TPB’s role in ensuring a fair and equitable cannabis market in New York.

1. What is the Trade Practices Bureau (TPB)?

The Trade Practices Bureau (TPB) is a unit within the Office of Cannabis Management’s (OCM) Office of General Counsel (OGC). Through investigations, collaboration, and partnership, TPB will work to hold accountable individuals who and operations that undermine New York’s public interest goals in cannabis regulation.

2. What are some examples of problems it will address?

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.

3. How will the TPB operate?

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. 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.

4. How does a TPB case differ from a Compliance or Enforcement Case?

TPB builds cases through informal and formal reviews, including but not limited to: interviews, record examination, data review, etc. With a formal review, TPB staff may compel witnesses by subpoena to testify and produce books, records, and other relevant documents. Following a review, TPB must present the matter for Cannabis Control Board, which can authorize OCM to bring an administrative action or file a case in state court.

5. How does TPB’s focus on trade practices differ from the day-to-day compliance checks conducted by other OCM units and how do these investigations differ from Compliance or Enforcement actions that focus on day-to-day operational violations?

TPB: TPB has a mandate to investigate and take action against *complex trade practice violations*—especially those that pose a threat to the regulated market’s fairness and to New York’s social equity objectives.

Enforcement & Investigations (E&I) often focuses on ensuring licensees are not participating in the illicit sale of cannabis or cannabis products, as well as identifying unlicensed operators and responding to immediate violations such as selling to minors or other public health/safety issues.

Compliance monitors licensees to verify they are following applicable laws and regulations on an ongoing basis (e.g., security requirements, lab testing, record-keeping).

Health & Scientific Affairs (HSA) oversees product safety, testing standards, and scientific research.

Market Policy, Innovation, & Analytics (MPIA) focuses on analyzing market trends, developing policies, and guiding industry development.

6. Will the TPB maintain confidentiality of individuals who report wrongdoing or serve as witnesses?

TPB investigations are generally conducted confidentially to protect the integrity of the process, and the rights of all parties involved. Confidentiality of complainants and witnesses will be preserved absent their express consent to reveal their identities. In



addition - anyone with information will have the ability to report it anonymously.

7. Does the TPB handle consumer complaints about product quality or labeling or is that handled elsewhere?

Consumer complaints about product quality or labeling is handled by OCM Compliance or HSA.

8. Does the TPB only investigate licensed operators, or can it also look into unlicensed (illicit) market activity?

The TPB does not investigate unlicensed illicit market activity. That is the role of OCM Enforcement & Investigations.

9. What should I do if I suspect a violation but am unsure whether it falls under Compliance, Enforcement, or TPB?

Please direct your [incident or complaint to this form](#) which will direct your outreach to the appropriate unit.

10. Is the TPB involved in resolving business-to-business disputes, such as contractual disagreements, or is it strictly focused on regulatory violations?

The TPB does not handle general disputes between businesses. However, certain instances of fraud or predatory behavior may violate the Cannabis Law and regulations, which are issues for the TPB.

11. What is a True Party of Interest (TPI)?

A True Party of Interest (TPI) is a person (which includes an individual, institution, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity) with a direct or indirect financial or controlling interest an applicant, license, or licensee--including any person who has ownership stake over 20% in an applicant, license, or licensee, including a person who assumes responsibility for the debts of the applicant or licensee and a spouse of any TPI.

TPIs include any person who holds any type of leadership role in an applicant, license, or licensee including, the applicant or licensee's sole proprietor, partner (whether limited or general), member, manager, president, vice president, secretary, treasurer, officer, board member, trustee, director, or any person with an equivalent title in any entity in the applicant or licensee's ownership structure and each person that makes up the ownership structure of each level of ownership for an applicant or licensee that has a multilevel ownership structure;



A TPI also includes a person with a right to receive payments in a calendar year, as part of certain agreements, that exceeds the greater of:

- (1) 10% of the gross revenue of an applicant or licensee;
- (2) 50% of the net profit of an applicant or licensee; or
- (3) \$250,000 from an applicant or licensee;

A TPI may also include other persons that may have a direct or indirect interest, as may be determined by the Office, consistent with the policies and purpose of the Cannabis Law. For more information on TPI, please review the [True-Party Interest Guidance](#).

12. What are “prohibited contractual terms or arrangements,” and how do they lead to “undue influence?”

The Cannabis Law and regulations prohibit investments or agreements that would diminish, remove or otherwise negatively impact ownership and/or control of a cannabis business. If a licensee believes that they no longer maintain control over daily operations or incoming revenue, the licensee can and should report this to the TPB.

13. How does fraudulent licensee reporting—such as incorrect product manifests—undermine consumer safety and market integrity?

Fraudulent reporting of the movement of cannabis product hinders the ability to track cannabis and ensure it is properly tested. Moreover, it increases the likelihood of an inversion event, where product from outside of New York is brought in, thereby undermining the market for State licensed cultivators and processors. This creates an unfair playing field. This kind of conduct has the potential to detrimentally impact regulation-abiding licensed cultivators and processors.

14. What is “license aggregation” (sometimes called ‘license stacking’), and why is it prohibited or limited?

Regulations limit the number of licenses an individual or entity may have in either of the two tiers (production or sale). Regulations also limit the number of licenses an individual or entity may invest in. License stacking is when an individual or entity obtains more licenses or financial interests in licenses than they are entitled to. Cannabis Law and regulations are designed to prevent monopolization of the market so that there are a wide variety of opportunities open to as many people as possible. License stacking violates these rules and limits the number of opportunities available to others.

15. What are “market integrity” issues, and why do they matter for the public?

New York State has an interest in a fair, open, and two-tiered market--where no one individual or entity owns more than regulations allow. Market integrity also refers to a market that ensures that social and economic equity business owners retain the control and ownership of their businesses.



Predatory practices, hidden ownership structures, and fraudulent activities harm New York's social and economic equity goals.

16. Who can file a complaint with the TPB, and how can they submit it?

Any member of the public with information about market abuses can, and is encouraged to, [file an incident or complaint here](#).

17. What information or evidence should someone provide when contacting the TPB with concerns?

Anyone reaching out to the TPB with tips and concerns should provide as much documentation as they have available to them.

18. What should a licensee do if they discover a contract or arrangement that might violate TPI or ownership and control regulations or other trade practice violation?

TPB encourages voluntary disclosure to correct problematic agreements, and to avoid harsher penalties. To preserve a licensee's right to retain ownership and control of their business, a licensee should report these arrangements or agreements to the TPB as soon as possible.

19. What are the possible outcomes of a TPB investigation?

The outcomes of a TPB investigation can vary based on the nature and severity of the alleged violation. Once the investigation is complete, the TPB will generally present its findings to the Cannabis Control Board (CCB). Depending on the evidence and the Board's determination, possible outcomes include:

- No Further Action: If the TPB finds insufficient evidence of wrongdoing, the investigation may be closed without any penalty or further requirements.
- Corrective Action / Compliance Measures: If minor or unintentional violations are discovered, the TPB and CCB may require the licensee to take specific steps to correct the violation and prevent it from happening again.
- Administrative Penalties: In cases of more serious violations, the licensee may be subject to penalties such as fines or license suspension, modification, or revocation. The Board would direct the Office of Cannabis Management (OCM) to pursue these sanctions through administrative proceedings.

20. Are TPB investigations public?

Ongoing TPB investigations are confidential to protect the integrity of the process, safeguard witness identities, and ensure that any allegations receive a fair and thorough



review. The final disposition of a TPB investigations may be made public.