

News Release

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OLCC Suspends Marijuana Laboratory Licensee Marijuana products tested at unlicensed location

PORTLAND, OR. – On September 21, 2020, the Oregon Liquor Control Commission (OLCC) issued an Order of Immediate License Suspension to the recreational marijuana lab licensee of Ecotest Labs in Phoenix, OR. Ecotest Labs must not exercise any license privileges, or engage in any delivery or receipt of marijuana items, at the licensed premises, or any other premises until further order by the OLCC.

The immediate suspension was based on a series of violations which the OLCC used to determine that Ecotest's continued operation represents a serious danger to the public health and safety. The licensee for Ecotest Labs is Proper Rental Management, LLC.

On July 23, 2020, the Oregon Environmental Laboratory Accreditation Program (ORELAP) informed the Commission it had suspended some of Ecotest's testing accreditations for failing to meet required testing procedures and standards. ORELAP also suspected testing equipment had been relocated from the licensed premises in Phoenix, OR to an unlicensed location in Hillsboro, Oregon, where unregulated testing was taking place, and that testing results were being entered into METRC, the OLCC's Cannabis Tracking System (CTS). In response, the OLCC launched an investigation.

The licensee told OLCC inspectors they had been experiencing problems with their accreditation, but had been recertified. The licensee also confirmed that <u>since August 16, 2020</u>, they had been transferring marijuana product to their unlicensed location in Hillsboro, while justifying incorrectly that ORELAP rules allowed for such transfers.

Upon further review of the licensee's METRC accounts, OLCC discovered that Ecotest continued to conduct testing at this unlicensed, unaccredited Hillsboro location despite being informed by both OLCC and ORELAP that this activity was not permissible. At that point-in-time, the licensee had NOT submitted an application for a new location or for a change of location.

On September 2, 2020, OLCC expanded the investigation to include other state agencies: ORELAP, Oregon Health Authority and Oregon Department of Agriculture.

On or about September 9, 2020, Ecotest's licensed lab, located in Phoenix, was destroyed by the Almeda wildfire. Since then the licensee has not had a licensed premises where it could operate an OLCC approved lab, but had continued to test marijuana products through the unlicensed location in Hillsboro.

The licensee informed the Commission that it would be permanently moving its' lab operations to the unlicensed Hillsboro location, and because the loss of the licensed location in Phoenix was caused by wildfire, it was not required to have OLCC approval, which is incorrect. OLCC staff then noticed that the licensee continued receiving marijuana samples and entering lab test information into its METRC account, which indicated that the licensee was continuing to operate at the unlicensed Hillsboro location.

The OLCC will be working to help recreational marijuana licensees impacted by wildfires, including expediting relocations according to required OLCC rules. However, some of the violations charged to Ecotest occurred before the licensee was impacted by wildfire, which impacts the business relocating and legally resuming testing of marijuana products.

Based on the initial investigation, the OLCC determined there was enough evidence to warrant the immediate suspension of Ecotest's laboratory license. The OLCC investigation is continuing, and the licensee is entitled to exercise their administrative hearing rights to challenge the OLCC's actions.

The OLCC has identified at least 160 affected licensees that received marijuana product tested for potency by Ecotest on or after **August 21, 2020**, and the agency will work with those licensees on a remedy to have the product re-tested. The OLCC has placed an administrative hold in CTS to prevent further distribution of product tested by Ecotest. Any potency tests conducted by Ecotest <u>on or after August 21, 2020</u> *will require retesting* by an accredited, OLCC licensed laboratory for potency.

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