



News Release

Oregon Liquor & Cannabis Commission
9079 SE McLoughlin Blvd., Portland, OR 97222-7355
1-800-452-6522

For more information:

Mark Pettinger, Marijuana Program Spokesperson
Mark.Pettinger@oregon.gov 971-235-7561 (mobile)

Bryant Haley Alcohol Program Spokesperson
bryant.haley@oregon.gov 971-990-3254 (mobile)

August 19, 2022

Commissioners voice concerns about cannabis product integrity

PORTLAND, Ore. – The Oregon Liquor and Cannabis Commission (OLCC) again expressed displeasure with badly behaving cannabis businesses, signaling a desire to sideline marijuana licensees unable to follow common business practices.

Last month, the Commission indicated its frustration with licensees that break the law or don't follow OLCC rules and as a settlement are required to surrender their license; many licensees in this position are able to monetize the soon-to-be surrendered license through the sale of their cannabis business. Commissioners want to close that loophole.

At the Commission's regularly scheduled monthly meeting on August 18, 2022, Commissioners made clear that they don't want industry poor performers to jeopardize consumer confidence in the regulated recreational marijuana market. The Commissioners also approved stipulated settlement agreements, renewed 12 liquor store agent contracts and appointed two new agents to run independently operated liquor stores.

While discussing cannabis stipulated settlement agreements, Commission Chair Paul Rosenbaum voiced concern about a settlement with a lab that had a faulty testing process. The result is that improperly tested products were approved and eventually sold to consumers.

"Consumers in this state have to be one hundred percent sure that we're complying and doing it [testing] safely," said Rosenbaum.

Other concerns are the frequency of packaging and labeling mistakes, and licensees not following the proper process and protocols for testing. OLCC Compliance Director Jason Hanson told the Commission there has been a rise in issues that could lead to product recalls.

According to Hanson problems have included: licensees adding ingredients to marijuana products *after* final testing and *not* re-testing; licensees not following requirements for non-cannabis additives when making flavored vapes; and licensees not understanding changes to OLCC rules before continuing to manufacture and distribute products for sale.

-More-

August 19, 2022
OLCC Commission Meeting

"What worse violation can you think of then getting approval to go to the market, then changing the product?" said Rosenbaum.

On August 18, 2022, [OLCC issued a product advisory](#) after finding that a THC vaping product containing a banned ingredient was sold at two licensed cannabis retailers in Eastern Oregon. Commission staff worked with the licensees who voluntarily removed the products from their shelves in early July, 2022.

The Commission also expressed a desire to work with the Oregon Health Authority (OHA) on a joint campaign to address excessive alcohol consumption. That interest came after OHA shared with Commissioners a new public awareness campaign "[Re-think the Drink](#)" to raise awareness about the impacts of over consumption of alcohol. The campaign asks Oregonians to reflect on and then reconsider their alcohol consumption while pointing out the impacts of over consumption.

A joint campaign might better highlight the value of the OLCC and the control state system according to Commissioner Matt Maletis.

"This agency is one of the lead funders of addiction treatment services, cities, counties and health programs," said Maletis. "I think that is something people forget that we are partners with slightly different missions, but really we don't because we're on the same team."

The OLCC's Distilled Spirits division reported to the Commission that although liquor sales revenue has grown 5.2%, the volume of liquor sold is down 1.5% from the same period last year. This shows a continued trend of Oregonians moving up-the-shelf and purchasing higher price point liquor products. The revenue growth is attributed to Oregon's continued population growth and the hospitality industry's re-emergence from the pandemic.

In other business, Commissioners renewed 12 independently owned liquor store contracts because of their operational success. The Commission also appointed Angela Smeulders to operate a Tualatin liquor store located at 19265 SW Martinazzi Ave. Smeulders has acted as the temporary agent since September of 2021 due to her father's retirement as the previous agent. Commissioners also appointed Robert Babin to operate the Jantzen Beach Store located at 11980 N Jantzen Dr. Babin has been the store manager for the past 12 years and took over the Jantzen Beach store due to his father's retirement.

The Commissioners also ratified the following stipulated settlement agreements (detailed information on specific cases can be found [on the OLCC website](#)):

Marijuana Stipulated Settlement Agreements

ELEVEN ELEVEN a marijuana producer, will pay a \$2,750 fine OR serve a 11-day license suspension for one violation.

LIGHTSCALE LABS a marijuana laboratory, will pay a \$5,750 fine OR serve a 23-day license suspension for one violation.

CURA CANNABIS SOLUTIONS a marijuana processor, will pay \$130,000 fine, AND serve a 23-day suspension OR pay a \$132,750 fine AND serve a 12-day suspension for multiple violations.

VILLAGE GREEN a marijuana producer, will pay \$24,500 fine OR pay a \$10,500 fine AND serve a 56-day suspension.

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