

Medical Marijuana Control Program

June 7, 2017



Commerce MMCP Compliance Team

- ▶ Responsibilities with Respect to Certificate of Operation Issuance
 - ▶ Ensure compliance with applicable rules and laws
 - ▶ Verify local permitting compliance
 - ▶ MMCP staff has been available to and coordinating with local agencies
 - ▶ Ensure substantial conformity to plans submitted with application
- ▶ Staff
 - ▶ Director of Compliance
 - ▶ Two compliance agents
 - ▶ Three additional agents planned for FY 2019



Timeline

- ▶ Development of compliance protocol began when all rules became effective in September 2017
- ▶ First compliance agents hired February 2018
- ▶ MMCP was ready to begin inspections late March 2018 if requested
- ▶ Compliance staff has been in regular contact and working with licensees since issuance of licenses in November



Timeline

- ▶ Compliance communications with licensees
 - ▶ Individual calls with each licensee held in January
 - ▶ Cultivator provisional licensee information meeting held February 26, 2018
 - ▶ Inspection guidance document provided to licensees March 30, 2018
 - ▶ Continued regular communication with licensees as needed, including honoring requests for in-person meetings



Timeline

- ▶ Cultivator provisional licensee meeting held February 26, 2018
 - ▶ Outlined requests from MMCP regarding inspection scheduling and readiness
 - ▶ Requested 60-day estimate of readiness from licensees in order for MMCP personnel to prioritize application material review in preparation for inspection
 - ▶ Outlined protocols and timing of change requests
 - ▶ Outlined basic structure of inspections and responsibilities of compliance staff
 - ▶ Outlined expectations of department regarding compliance
 - ▶ Outlined conditions under which a Certificate of Operation will be awarded



Timeline

- ▶ Guidance document developed in February/March 2018, distributed March 30, 2018
 - ▶ Provided to help licensees prepare for inspection and restate MMCP expectations and requirements
 - ▶ Outlined requests from MMCP regarding inspection scheduling and readiness
 - ▶ Second request for 60-day estimate of readiness from licensees
 - ▶ Requested METRC training by applicable staff complete prior to inspection
 - ▶ Requested applicable local permits/inspections completed or applied for
 - ▶ Outlined protocols to address circumstances beyond the control of applicants
 - ▶ Outlined post-inspection protocol
 - ▶ Included sample forms used by MMCP in inspection and certification process



Timeline

- ▶ First inspection requests received in March 2018, tentatively scheduled for early May
- ▶ Level II inspections initially scheduled for May were moved to June due to construction delays and delays in scheduling local inspections
- ▶ Level I inspection initially scheduled for May 1 conducted on May 16 at licensee's request



Inspection

- ▶ Certificate of Operation inspections conducted by Director of Compliance and both compliance agents
- ▶ Three main areas of focus:
 - ▶ Document review (SOPs, applicable permits, records)
 - ▶ Security requirement review
 - ▶ Application materials conformity
- ▶ Assessment tools
 - ▶ Rule-based checklist
 - ▶ Application plans – unique to each applicant, require individual review and preparation



Conformity with Application Materials

- ▶ Pursuant to OAC 3796:2-2-07(E), licensees are prohibited from changing plans without approval from the Department
- ▶ Licensees are required to conform to plans submitted with the application and also with any applicable rule or law.
- ▶ The Department established a protocol (first announced on February 26, 2018) for licensees to seek approval for modifications to plans if such modifications were necessary in order to satisfy the requirements of another applicable rule or law.



Post-inspection Protocol

- ▶ Outlined in OAC 3796:2-3-01
- ▶ After inspection is complete, an Inspection Report / Statement of Deficiencies is issued to licensee
- ▶ Licensee has 10 business days to submit a proposed Plan of Correction for each deficiency
- ▶ MMCP staff reviews and approves or denies Plans of Correction
- ▶ Once approved, licensee must execute Plan of Correction:
 - ▶ By the end of the provisional license period; or
 - ▶ Within 30 days, if a Certificate of Operation has been issued



Post-inspection Protocol

- ▶ If a licensee's Plan of Correction is denied/rejected, MMCP staff may:
 - ▶ Direct the licensee to resubmit with recommended modifications to bring the deficiencies into compliance; or
 - ▶ Provide a directed plan of correction with which the licensee must comply
- ▶ If the Department and the licensee are unable to agree on a plan of correction, the Department may take enforcement action



Enforcement

- ▶ Failure to correct deficiencies may lead to enforcement action under OAC 3796:5-6-01, including:
 - ▶ Fines of up to \$50,000 for each violation
 - ▶ Suspension of provisional license or Certificate of Operation
 - ▶ Revocation of provisional license or Certificate of Operation



Status Updates

- ▶ Inspections and on-site meetings have been conducted
 - ▶ First inspection conducted on May 16, 2018 of a Level I cultivator
 - ▶ Deficiencies and deviations from application materials were identified, and the Department is working with the licensee to correct them
- ▶ 9 additional inspections scheduled for June and July
- ▶ Status updates requested from Level II cultivators on June 4, 2018
- ▶ Status updates to be requested from Level I cultivators on or before June 30, 2018

