



FOR IMMEDIATE RELEASE

May 14, 2024

Cannabis Regulators of Color Coalition Condemns NY State Governor Hochul's Decision Not to Reinstate Executive Director Chris Alexander and Rejects OGS' Report Findings

(New York, NY) The Cannabis Regulators of Color Coalition (CRCC) express profound shock and dismay at Governor Hochul's sudden announcement of an operational overhaul of the Office of Cannabis Management (OCM), which includes the decision not to reinstate Executive Director Chris Alexander, a highly competent and trusted leader at the NY State Office of Cannabis Management (OCM), at the end of his term in September. This decision, seemingly influenced solely by a biased and inflammatory report from the NY State Office of General Services (OGS), the OCM's hosted agency, poses a grave threat to the progress and integrity of equitable cannabis regulation in New York State.

While the OGS report identifies common challenges new regulatory agencies and programs face, such as staffing issues, technological hurdles, and licensing process inefficiencies, it emphasizes these challenges as unique to OCM. Of particular concern, it repeatedly characterizes the office's leadership as inexperienced and untrustworthy. However, little to no evidence is provided to support these assertions within the audit itself. The scope of this audit is also dubiously narrow as it only attempts to investigate the effectiveness of the OCM by solely looking at the newly implemented adult-use licensing process while ignoring other office activities required by law, including policy development, public education, compliance, and business development. Despite the focus on licensing, the report portrays a widespread picture of incompetence and untrustworthiness in OCM's leadership overall. This compromises the autonomy and credibility of the OCM, even though similar audits of more established state agencies have demonstrated comparable or even exacerbated challenges.

While audits can and should be helpful tools for program evaluation and improvement, the OGS report blames the challenges of New York State's legal cannabis market on the competence and trustworthiness of OCM leaders – despite the fact that it is unfounded and unproven by the report itself and despite the fact that OCM leadership was appointed by the Governor herself. Moreover, the auditor's tendency to attribute decisions to OCM without clarifying the agency's decision-making authority deflects accountability from the Governor and OGS, both responsible for supporting OCM during this start-up phase. The fact that the head of one of the State's few Black-led agencies has been scapegoated for all the challenges identified in the OGS report is unconscionable.

It is essential to address the root causes of OCM's challenges, including the six-month delay in appointing the Executive Director, litigation that delayed retail licensing progress for nine months, OGS' inability to support OCM in its staffing efforts, and constant attacks to undermine the Marijuana Regulation and Taxation Act's (MRTA) fundamental goal of repairing the harms of the War on Drugs.



Lastly and most critically, the Governor's failure to prioritize the implementation of the state's Social Equity Fund and ongoing defense of the Dormitory Authority of the State of New York (DASNY) have left hundreds of justice-involved retail licensees without expected support, further exacerbating operational gaps within the NYS cannabis industry. Despite these delays and a clear lack of support, within two years, under OCM's leadership New York's legal cannabis industry already well exceeds national averages for minority- and woman-ownership, while driving more than \$300 million in retail sales.

Drawing from our extensive experience across multiple jurisdictions, many of which include launching new cannabis regulatory agencies, it is critically important to note that the vast majority of the challenges outlined in the OGS report are not unique to the OCM but are inherent to the initial phases of regulatory implementation and are encountered by regulatory bodies worldwide. This is not leadership incompetence; it is a learning curve for governments everywhere. Furthermore, it's important that government leaders, especially those representing communities most impacted by cannabis criminalization are empowered in their efforts to support these reforms.

This audit neglects to provide a holistic comparison with other regulatory bodies facing comparable challenges. The selective scrutiny misrepresents the complexities of establishing a new regulatory framework and unfairly targets the OCM and its leadership, undermining its current efforts and accomplishments. It is essential to assess regulatory performance within the broader context of comparable agencies to ensure fair evaluation and to avoid unjust criticism.

CRCC supports a transparent and evidence-based approach to cannabis regulation and New York State's efforts to identify and address the challenges facing OCM as it continues its equity-centered mission to implement a regulatory framework that addresses the harms of cannabis criminalization. However, blaming these challenges solely on OCM leadership's experience and trustworthiness without merit is unacceptable.

We call on Governor Hochul to ensure that assessments of the OCM's performance are fair, comprehensive, and based on objective evidence. Moreover, we urge Governor Hochul to reconsider her unjust and ultimately decision to sever ties with Executive Director Chris Alexander, as it will further exacerbate challenges and delays in critical areas such as licensing, staffing, equity and overall regulatory implementation.

About CRCC: The Cannabis Regulators of Color Coalition (CRCC) is a coalition of government officials appointed and/or selected to lead, manage, and oversee the regulatory and policy implementation for legal cannabis markets across the United States and abroad. Described as the leading architects of cannabis equity and policy reform in the United States, its mission is to be a source of guidance and education for legislators and government agencies that aim to build sustainable cannabis regulatory frameworks that are also designed to deliver on the reparative and restorative potential of the global cannabis legalization and decriminalization movement.

For media inquiries, please contact info@crc-coalition.org