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MMCC Releases Findings of Independent Investigation

Investigation finds no evidence of bias or undue influence in the medical cannabis license application review process

MMCC Commissioners will evaluate report findings and discuss at meeting on Oct. 1

Linthicum, Md., September 3, 2020 — The Maryland Medical Cannabis Commission (MMCC) today released the findings of the previously announced independent investigation into the 2019 license application review process performed by Morgan State University and MMCC staff. The investigation was launched in February 2020 and led by former Assistant U.S. Attorney and Baltimore City State’s Attorney Gregg Bernstein and Zuckerman Spaeder LLP.

Following a review of thousands of pages of documents and interviews of more than 50 applicants and individuals associated with the application process, the independent investigators found no evidence of bias or undue influence in the 2019 medical cannabis license application review process.

“The MMCC has prioritized fairness, transparency, and public engagement throughout the license application process,” said MMCC Chair Brian Lopez. “We called for an independent and thorough investigation into the application process to ensure that it was fair, and as this report makes clear, concerns surrounding impartiality, bias, or undue influence were unfounded.”

In 2019, the Commission received more than 200 applications for up to four (4) additional grower and ten (10) additional processor licenses, as limited per statute. Prior to awarding Stage One Pre-Approval of these licenses, the MMCC was made aware of rumored improprieties in the application review process. In response, MMCC committed to engage an independent firm to investigate

these concerns and additionally engage another independent firm to verify material aspects of the highest-ranking applications.

The MMCC gave investigators access to all evidence that was requested and did not place any limits on the investigative plan, the interviews, or any other aspect of the investigation. The executive summary and full report, which may be viewed at mmcc.maryland.gov, demonstrate the comprehensive nature of the independent investigation.

Summary of Findings

The following is a summary of the principal findings of the independent investigation.

- **Former MMCC Commission Executive Director Joy Strand does not have any family relative who was affiliated with any license applicant in 2019.** It has been alleged that Joy Strand, the former MMCC Executive Director, had a close relative who was affiliated with an entity seeking a license. The independent investigators found no evidence to support this allegation and credible evidence to the contrary.
- **There was no evidence that any license applicants had improper communications with MSU reviewers, MMCC staff, or MMCC Commissioners.** The independent investigators developed no facts to indicate that any improper contacts occurred between any of the license applicants and: any of the MSU faculty and staff who reviewed applications; any of the MMCC staff responsible for sifting and scoring applications; or any MMCC Commissioners.
- **Morgan State University officials and employees were affiliated with applicants for medical cannabis licenses.** The independent investigators found evidence that three people associated with Morgan State University were affiliated with entities that applied for grower or processor licenses. These individuals had no association with any application reviewer or the application review process, and their names were redacted from all application materials used in the evaluation process. However, the independent investigators found that these affiliations may violate a provision of the MMCC's implementing legislation designed to avoid conflicts of interest among applicants.
- **Applicant affiliations with Morgan State University were not brought to the attention of MMCC.** The independent investigation found the MMCC did not become aware of any potential conflicts of interest until after it voted on final applicant rankings on September 18, 2019.
- **There was no evidence that former Delegate Cheryl Glenn improperly influenced the license application review process.** Delegate Glenn pled guilty to criminal conduct involving the receipt of bribes from a government informant that she believed were designed to obtain her assistance on behalf of particular license applicants. Although these revelations were troubling, the independent investigators found Delegate Glenn's communications with MMCC during the

2019 license application review were quite limited, and there was no evidence that she improperly influenced the review process.

- **There was no evidence to support additional allegations raised by interviewees during the investigation.** During investigation interviews, a number of additional allegations were raised, including: MSU evaluators resigned to work with applicants; “inside information” was possessed by applicants regarding the identity of MSU evaluators; applications or application fees were accepted after the deadline; the MMCC did not apply the final ten points for diversity-related factors to the applications; and that the MMCC Chairman was directed to “block” certain applications. The independent investigators found no evidence to support any of these allegations.

Next Steps

MMCC Commission members will evaluate the report’s findings before voting to award any Stage One Pre-Approval to any 2019 applicant. In February, the MMCC also commissioned an independent review of the accuracy of material aspects of the highest ranking applications, including any representations that an applicant’s ownership interest was held by a member of a disadvantaged minority group. MMCC Commissioners are currently reviewing the results of the independent ownership review to determine the accuracy of the ownership interests stated in the highest ranking applications.

“If applicants received points on the application based on claims of disadvantaged minority ownership, the MMCC will confirm whether these disadvantaged minority ownership interests are real, substantial and continuing, rather than a pretext for non-disadvantaged individuals to secure a lucrative medical cannabis license,” said MMCC Executive Director Will Tilburg.

The Commission plans to discuss their findings at a meeting scheduled for October 1.

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