



Department of
Cannabis Control
CALIFORNIA

Embargo Refresher Presentation

CaL Conference – June 2025

Integrity • Fairness • Innovation • Knowledge • Collaboration • Support

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What is an Embargo?

An embargo is an enforcement action that places a hold on cannabis and cannabis products. The hold prohibits any movement of the embargoed items from a specific location and prohibits their disposal and sale, unless given approval by the Department or a court. Embargo allows for disciplinary action to be taken if it's broken.



Embargo Authority (§17801.5)

The Department may embargo cannabis or cannabis products to prevent their sale, disposal, or removal from the location when the Department has ***probable cause*** to believe the cannabis or cannabis products are **adulterated or misbranded or the sale would otherwise be in violation of the Act or this division.**

Probable Cause

- Legal definition of probable cause means that a reasonable person would believe that a crime was **in the process** of being committed, **had been** committed, or **was going to be** committed.
- For the Department's usage of probable cause, we have scenarios where we've observed violations that would give a reasonable person (us) to believe that cannabis or cannabis products:
 - *May* be misbranded or adulterated
 - Have determined that products are misbranded or adulterated or its sale would be in violation of MAUCRSA or the regulations

What is NOT Probable Cause

- Your personal feelings and instincts about a licensee.
- Assumptions without evidence and without verification.
- Previous disciplinary actions and compliance history alone...unless you have confirmed that the licensee is still in violation.

Misbranding (B&PC §26039.5)

Cannabis or cannabis product is misbranded if:

- It is cultivated, processed, manufactured, packed, or held in a location not duly licensed as provided in this division
- It consists of cannabis or cannabis product that was cultivated, processed, manufactured, packed, or held in a location not duly licensed as provided in this division
- Its labeling is false or misleading
- Its labeling or packaging does not conform to the requirements of Section 26120

*Exception to Misbranding – Seeds!

DCC Memo from 8/23/2022

- Licensed cultivators can incorporate cannabis seeds into the commercial cannabis supply chain from a source other than a nursery license. Read ([here](#)).
- **What are the expectations for an inspection?** The seeds are entered into Metrc before they are planted AND plants derived from seeds are tagged and identifiable and reported in Metrc as required.



Adulteration (B&PC §26039.6)

Cannabis or cannabis product is adulterated if:

1. It has been produced, prepared, packed, or held under unsanitary conditions in which it may have become contaminated with filth or in which it may have been rendered injurious
2. It consists, in whole or in part, of any filthy, putrid, or decomposed substance
3. It bears or contains any poisonous or deleterious substance that may render it injurious to users under the conditions of use suggested in the labeling or under conditions that are customary or usual.
4. **It bears or contains a substance that is restricted or limited under MAUCRSA or regulations** promulgated pursuant to this division and the level of substance in the **product exceeds the limits specified** pursuant to this division or in regulation

Adulteration (B&PC §26039.6)

Cannabis or cannabis product is adulterated if:

5. Its concentrations differ from, or its purity or quality is below, that which it is represented to possess.
6. The **methods, facilities, or controls** used for its cultivation, manufacture, packing, or holding do not conform to, or **are not operated or administered in conformity with, practices established by regulations adopted under this division** to ensure that the cannabis or cannabis product meets the requirements of this division as to safety and has the concentrations it purports to have and meets the quality and purity characteristics that it purports or is represented to possess

Adulteration (B&PC §26039.6)

Cannabis or cannabis product is adulterated if:

7. Its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health.
8. It is an edible cannabis product and a substance has been mixed or packed with it after testing by a testing laboratory so as to reduce its quality or concentration or if a substance has been substituted, whole or in part, for the edible cannabis product

Documents Relevant for Embargo – INTERNAL ONLY

- [Embargo Procedure \(2023\)](#)
- [Initial Embargo Notice](#)
- [Embargo Tag](#)
- [Embargo Field Label](#) (*if applicable*)
- [Supplemental Embargo Notice](#)
- [Notice of Embargo Determination\(s\)](#)
- [Investigative Report](#) (DCC-010)
- [Notice to Comply](#) (*if applicable*)
- [Embargo Email Templates](#)
- [Embargo Field Guide](#)

Embargo Email Templates - NEW

Embargo Email Templates

- The Compliance Division has email templates for every time an embargo notice is to be issued and sent to a licensee
 - Additional email templates exist for common situations such as:
 - Reminder that deadline has been missed/warning for referral for condemnation hearings
 - Affirming a determination
 - Guidance for what to include in a destruction plan
 - Sending a copy of a VC&D form and contact info if they need assistance cleaning up their track and trace account afterwards
- Supervisors, at minimum, need to be included (cc'd) on all emails



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PROCESS #1

Identification

Identification

- **Establish your probable cause** - Identify and record regulatory violations that would support an embargo of cannabis and cannabis product.
- **Collect evidence** (e.g. photographs, copy of records, verbal statements, etc.) that will support an embargo action.

NOTE: At this point in the process, staff should **not** disclose to the licensee that an embargo action is being considered without completing Process #2.



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PROCESS #2

Determination

Determination

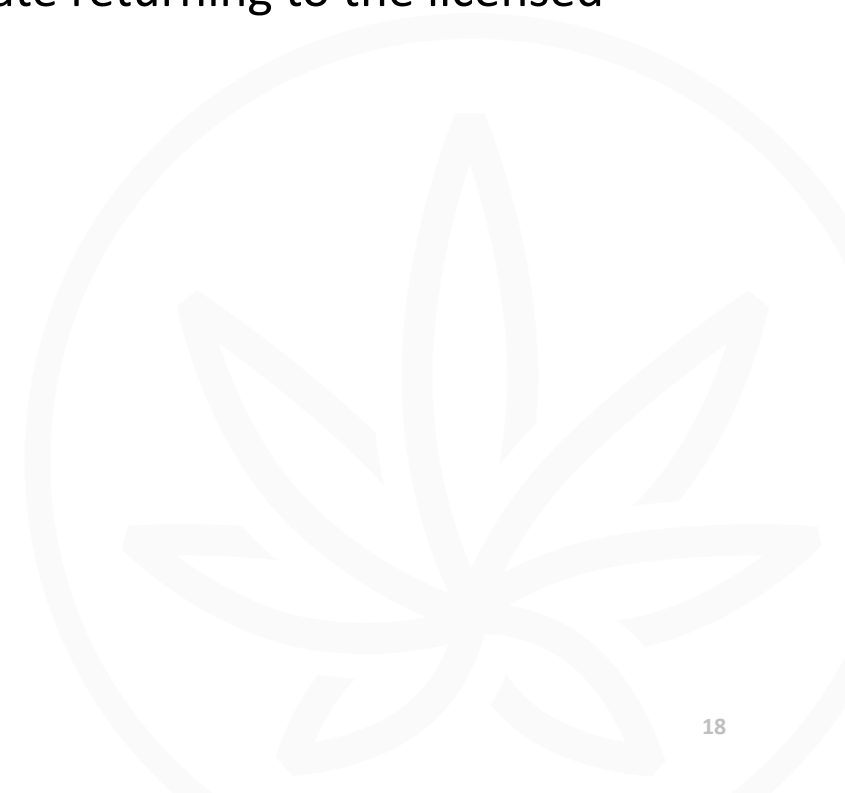
Contact your supervisor to discuss:

- The evidence that supports an embargo action
- Describe the volume of product subject to embargo
- Determine with your supervisor if an embargo is appropriate
- Document details of the conversation in your inspection/investigation notes (e.g. which supervisor did you speak to, the probable cause or reason for embargo, extent of the embargo, etc.)

NOTE: Do this in private—away from the licensee, their employees, the public, or audio recording devices.

Determination

- If you can't reach your supervisor and/or Assistant Chief:
 - The licensee doesn't know you are considering an embargo action
 - Staff have the option to return the next day
 - Staff can reschedule any upcoming inspections to accommodate returning to the licensed premises





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PROCESS #3

Initiate Embargo

Definitions

- **Cannabis** – all parts of the plant, whether growing or not, and the seeds thereof. Cannabis does not mean “industrial hemp” as defined by Section 11018.5 of Health and Safety Code.
- **Cannabis product** – cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- **Cannabis goods** – cannabis and cannabis products in final form and packaged and labeled as they will be sold at retail
- **Product description** – generic, common, or usual name of a product by which it is commonly known (e.g. cannabis flower, cannabis trim, live plants, vape cartridge, cannabis concentrate, packaged flower, plant biomass*)

Initiate Embargo

If the embargo has been approved:

1. Inform the licensee or their representative that the Department will be conducting an embargo and the general reason for doing the embargo.
2. Identify the items to be placed under embargo
3. Document and photograph a complete inventory of cannabis and cannabis products to be embargoed, in the following order: unique identifier number if any, batch number if any, brand if any, strain name if any, or product type*
4. Fill out the Initial Embargo Notice

Initiating the Embargo – What does this look like?

- Talking points before initiation an embargo:
 - State general reasons for conducting the embargo – but don't give an all-inclusive list
 - Describe what an embargo is:
 - Embargo provides due process
 - The embargo puts a hold on specific cannabis and cannabis products from being removed, sold, or disposed of
 - Licensee can continue their activities so long as it doesn't disturb the embargo or use the inventory
 - Consequences for breaking the embargo

Initiating the Embargo – What does this look like?

- Other talking points:
 - Embargo is NOT a license action
 - For cultivation - licensees can water their plants and do general care but are required to get written permission for any cultivation and harvesting and/or potential movement of plants
 - Discuss Voluntary Condemnation and Destruction as a solution if the licensee believe they cannot refute the existing probable cause



Compliance Division Embargo Field Guide - NEW

Resource for the Compliance Division ([Embargo Field Guide](#))

REMINDERS

1) SAFETY

Your health and safety come first.
If you feel unsafe, leave.

2) EVIDENCE

Conduct your inspection and collect your evidence supporting violations prior to notifying the licensee that you will be doing an embargo.

3) EMBARGO APPROVAL

You must get approval from a supervisor AND assistant chief before initiating an embargo. Have this conversation away from the licensee and potential audio recording devices.

If you don't have service or can't reach them, you can leave the premises and come back to do the embargo another day.

4) INITIATING THE EMBARGO

For the embargo to be valid, you must complete the Initial Embargo Notice and inventory the cannabis and/or cannabis product AND you must affix embargo tag(s) to areas of embargoed inventory.

CONTACTS

SUPERVISORS

Environmental Compliance Office

- Emerson Kanawi - Northern
- Nicole Damin - Central
- Michael Vella - South

Manufacturing Safety Office

- Janice Jurado - North
- Rachel Ezard - Bay Area
- Tedd Yargeau - Los Angeles and Central California

Investigative Services Branch

- Misty Rhoads
- Ashtyn Campbell
- John Thomas
- Aric Engkabo
- Nephtali Lopez
- Harley Voss
- Phil Saraff
- Monica Li Thompson
- Jacob Nuchols



DEPARTMENT OF CANNABIS CONTROL

Embargo Field Guide
INTERNAL USE ONLY

Talking Points - Consequences

What happens if the embargo is broken?

There are consequences for breaking an embargo. A violation of the embargo is subject to a fine of up to ten thousand dollars (\$10,000) per item and may include disciplinary action against the person's commercial cannabis license.

Does this mean my license is going to be suspended or revoked?

No. An embargo is not an action taken against the license. The licensee still holds an active commercial cannabis license while an embargo is place.

However, breaking the embargo can result in a license action.

Talking Points - Cultivation

How am I supposed to take care of my plants?

Live plants under embargo can be watered and maintained to keep them alive. Anything involving moving, changing the disposition of, harvesting, or processing of cannabis requires advanced permission from the Department. You need to send an email to compliance@cannabis.ca.gov and cc me on the email for any requests to conduct cultivation activities on embargoed cannabis.

Talking Points - General

What is an embargo?

An embargo is a hold on specific cannabis and cannabis products that prohibits the inventory from being touched, moved, or destroyed without prior approval from the Department.

Why are you doing an embargo?

The Department uses its embargo authority when inspectors have identified violations that provide probable cause that cannabis and/or cannabis products are misbranded, adulterated, or the sale would be in violation of our regulations and statute. An embargo is a formal process that puts the inventory on hold while we request information and evidence that addresses our probable cause.

Can I still operate during an embargo?

An embargo isn't a cease-and-desist order. You can continue commercial cannabis activity and operations as long as the embargo isn't broken.

Do I have to sign this embargo notice?

The signature line on the Initial Embargo Notice is not an admission of guilt—it's a confirmation of receiving the notice. If you or your representative refuses to sign, I'll write "[Licensee/representative name] refused to sign".

EMBARGO CHECKLIST

- ☐ Conduct your inspection and collect evidence that supports doing an embargo
- ☐ Contact your supervisor to discuss the violations and probable cause for embargo.
- ☐ Receive approval from an Assistant Chief
- ☐ Take an inventory count of what's going to be included in the embargo
- ☐ Explain the embargo to the licensee
- ☐ Fill out the Initial Embargo Notice and sign with the licensee
- ☐ Affix Embargo Tags
- ☐ Use embargo supplies to make embargoed inventory identifiable and/or tamper evident
- ☐ Take photos of the embargoed inventory and general areas under embargo with the embargo tags

EMBARGO TAG

DEPARTMENT OF CANNABIS CONTROL

This cannabis/cannabis product is embargoed pursuant to the Medical & Adult-use Cannabis Regulation & Safety Act (Business & Professions Code section 26000, et seq.). This tag may only be removed by a representative of the Department of Cannabis Control (Department). It is unlawful for a person to remove, sell, or dispose of embargoed cannabis or cannabis products without written permission of the Department or a court. A violation of the embargo is subject to a fine of up to ten thousand dollars (\$10,000) per item, citation, and/or disciplinary action against the person's commercial cannabis license.

Date of Embargo: _____
Department Representative Name and Title: _____
Phone: _____ Email: _____

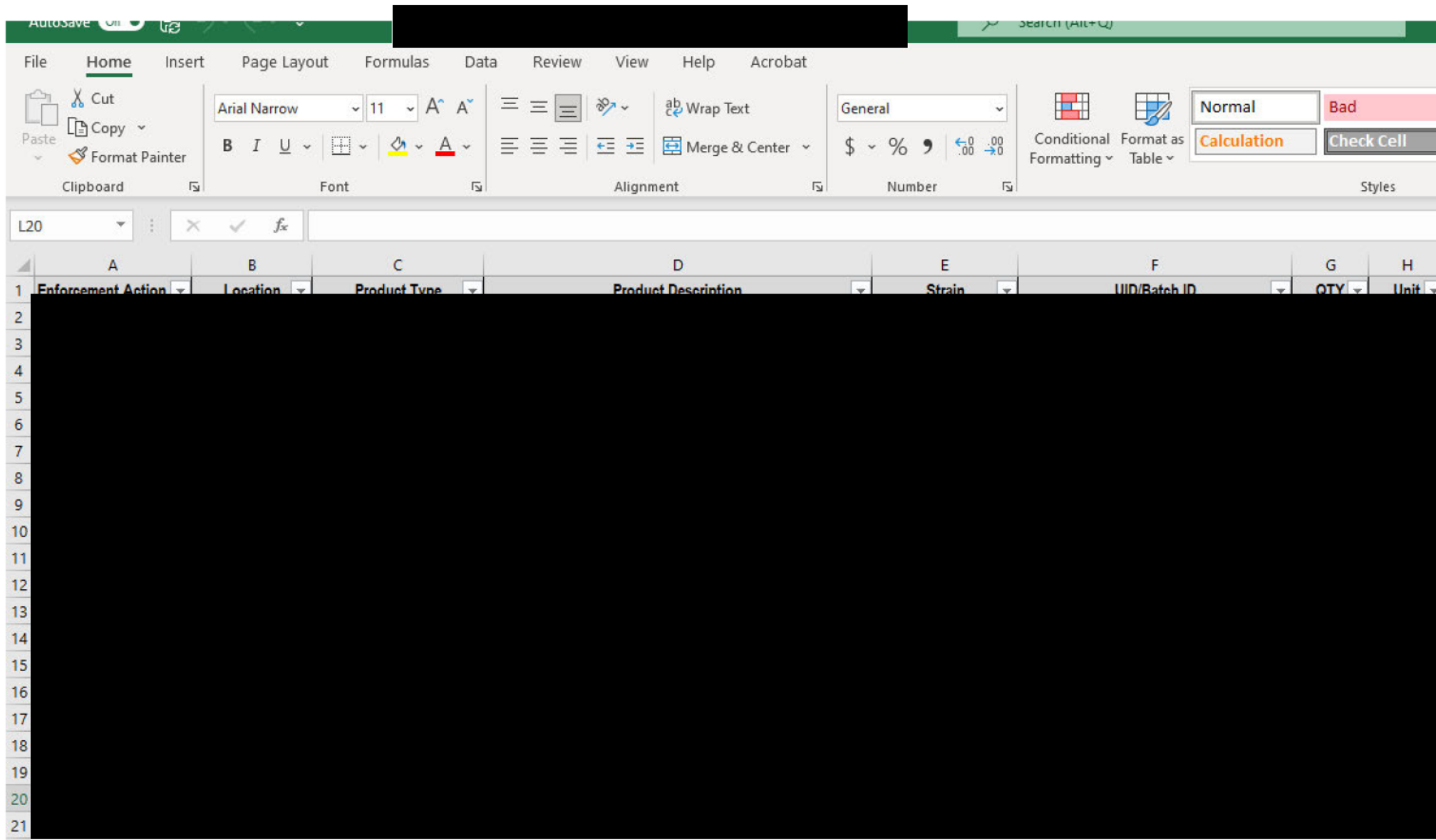
Documenting Embargoed Inventory

- Staff will likely be collecting more information than what is going on the Initial Embargo Notice
- Consider your options and resources to record and organize data for inventory
 - Paper records vs. Excel
 - Considerations:
 - Do you have the ability to work on Excel and print on site?
 - Does the quantity of product mean that you need to pull the inventory list from Metrc?
 - Are there multiple areas where product is embargoed?
 - What types of information are you capturing?
 - Are multiple enforcement actions occurring at the same time?

Documenting Embargoed Inventory on Excel

- Data can be captured that's relevant to DCC but not to the licensee (e.g. location of inventory)
- Data can be filtered for analysis later
- Excel can be used to run calculations and consolidate data
- Columns can be hidden when printing the inventory sheet for the Initial Embargo Notice

Documenting Embargoed Inventory on Excel



The screenshot displays the Microsoft Excel application window. The title bar at the top shows "Autosave" and a search bar. The ribbon is set to the "Home" tab, which includes groups for Clipboard, Font, Paragraph, Numbers, Styles, and Cells. The font settings are "Arial Narrow", size "11", with bold, italic, and underline options. The paragraph group shows "Wrap Text" and "Merge & Center". The numbers group includes currency, percentage, and decimal symbols. The styles group shows "Normal", "Bad", "Calculation", and "Check Cell" styles. The spreadsheet area shows columns A through H with headers: "Enforcement Action", "Location", "Product Type", "Product Description", "Strain", "UID/Batch ID", "QTY", and "Unit". The rows are numbered 1 through 21. A large black redaction box covers the majority of the data in the spreadsheet.

Label Embargoed Items

- Staff will be placing a pre-printed Embargo Field Label on the containers of processed/bulk cannabis and cannabis product(s)
 - **NOTE:** This does not mean put a label directly on cannabis goods!
- The item number correlates with the line-item number on the Initial Embargo Notice



Things to Consider

Label placement

- Is the label secure or removable?
- Can this be combined with a tamper evident method?
- Placing the field label near other relevant information (e.g. tare weight, UID tag, batch number, etc.) can help reduce the amount of photos taken

Evidence Reminder

- Each embargoed item should have a photograph that shows the field label and item number
- Having a photo of the label placement can help reconcile photos with the embargo notice, any weights that may have been taken, and may be indicative of tampering

Embargoed Inventory

Group items together when possible and write down the inventory count.

TIPS:

- Write inventory counts on seals and have inspector initial
- Separate batches/UIDs
- Group into same increments when possible



Embargo (§17801.5)

To embargo cannabis or cannabis products, the Department shall:

1. Provide initial notice to the licensee or product owner that the cannabis or cannabis products are subject to embargo and the reason for the embargo. Initial notice may be oral or written;
2. Affix a tag or marking to the cannabis or cannabis products, or component thereof, subject to embargo; and
3. Provide an inventory of the embargoed items to the licensee or product owner.

Initial Embargo Notice

Elements of the Initial Embargo Notice:

- Business Information
- DCC Information
- Reason for embargo
- Signature lines
 - Talking point: The signature isn't an admission of guilt. It's just a signature that the notice has been received.
 - **NOTE:** If the licensee or their representative, refuses to sign the document, write "[Licensee/representative's name] refused to sign" on the signature line.

State of California, Department of Cannabis Control

Initial Embargo Notice

You are hereby notified that the cannabis and cannabis products listed in this Notice are embargoed pursuant to Business and Professions Code (BPC) section 26039.3. The items listed in this notice cannot be removed, sold, or disposed of without authorization of the Department or a court. A licensee authorized to engage in cultivation may request permission to continue cultivation or harvest of cannabis.

Failure to abide by the terms of this embargo may result in a fine up to \$10,000 for each item, citation and/or other disciplinary action, including suspension or revocation of the license.

Date of issuance: _____

Business information:

License number: _____

License type: _____

Business name: _____

Premises address: _____

Reason for embargo:

☐ Adulterated - BPC 26039.6

☐ Sale would violate BPC §§ 26000 et seq.

☐ Misbranded - BPC 26039.5:

☐ (a)(1) - unlicensed location

☐ (a)(2) - unlicensed source

☐ (a)(3) - false, misleading labeling

☐ (a)(4) - non-compliant packaging or labeling

Notice recipient information:

Name and title: _____

Contact information: _____

Signature: _____

Department information:

Department representative: _____

Title: _____ ID #: _____

Email address: _____

Signature: _____



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Initial Embargo Notice
Form DCC-3301 | Revision Date: 01/14/2022

Page ____ of ____



Initial Embargo Notice - Inventory

- **Qualitative descriptions** – product description, brand, strain, UID or harvest/batch ID; DCC field label on each item will match the embargo notice line item.
 - **Reminder:** DCC staff will collect all identifying information but will only disclose the product identity and UID (if provided) on the Initial Embargo Notice.
- **Quantitative description** – product amounts, weights, including photographs of scale readings.
 - **NOTE:** Staff are required to do a unit count for cannabis goods.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity

Notice recipient information	Department information
Name: _____	Dept rep: _____
Title: _____	ID #: _____
Signature: _____	Signature: _____

 Department of Cannabis Control CALIFORNIA	Initial Embargo Notice Form DCC-3301 Revision Date: 01/14/2022	Page ____ of ____
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Notes and Evidence

- **Notes** – describe details about the embargoed products, what products fall under your qualitative descriptions, and how the inventory was conducted.
- **Photographic proof** – take photographs of items to be embargoed, close enough so that each embargoed item can be identified, along with relevant information about the product/containers (*e.g. tare weights, batch numbers*).
 - *NOTE: download photos as soon as possible*

The Value of Photographs

Supports your notes!



Qualitative descriptions

- UID Number **and/or** harvest/batch number
- “Nursery - Live plants”
- “Cannabis product – Vape cartridges”
- If cannabis good - product identity, strain, and/or brand



Quantitative description

- Weight of cannabis/cannabis product
- Unit count of plants or cannabis product

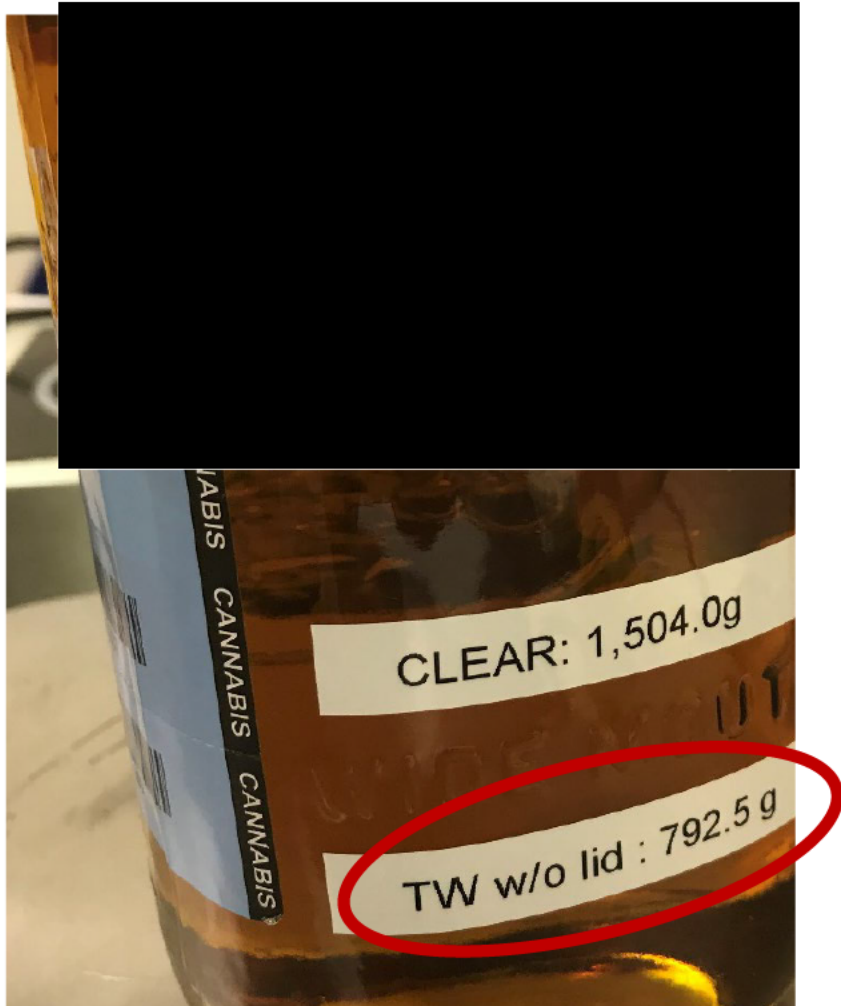
The Value of Photographs

- Photos prove how much inventory was embargoed and how weights were taken.
- Photos contest a licensee's claims that the Department incorrectly reported the quantity of a product
- Evidences what scale was used (e.g. tabletop vs. floor scale; sealed vs. unsealed; licensee's vs. DCC's scale)

TIP: DCC staff should evaluate when State owned scales should be used.



The Value of Photographs



Inspectors can review additional information about the product, such as:

- Batch numbers/Strain labels/Harvest IDs
- Tare weights
- Dates
- License numbers
- Potency

Consider what information is important to collect for your embargo case and analysis and what evidence they may provide.

How would you inventory this item?



#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity

Potential Examples



In the scenario that all bags have different batch UUIDs

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim		23.4 lbs
2	Cannabis trim		43.2 lbs

In the scenario that all of the bags are unidentifiable

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim		321 lbs

Potential Examples



If you have other items to inventory and embargo and you do not have the time to weight out this box in its entirety, consider sealing the box and finding a way to quantify it.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim (5'x5'x4' cardboard box)		1 unit

If this is a specific item of interest and time allows for it, consider weighing out the box in increments.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim		300 lbs

Initial Embargo Notice – Inventory Examples





Initial Embargo Notice

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Live plants – Flowering (Canopy area)	N/A	600 ea
2	Live plants – Immature (Nursery)	UID 1A406XXXXXXXXX...	98 ea
3	Cannabis – Fresh Frozen	N/A	52.6 lbs



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PROCESS #4

Completion of Initial Embargo Notice

Explain the Embargo with the Licensee

Discussion points

- Products under embargo cannot be touched, moved, or destroyed, without prior approval from the Department; there is a penalty for violating the embargo.
- The embargo is a hold on specific cannabis and cannabis products – it's **not** a cease and desist of all operations. The licensee can continue commercial cannabis activity as long as the embargo is not broken.
- For live plants under embargo, plants can be watered and maintained to keep them alive. Anything involving moving, changing the disposition, harvesting, or processing requires permission from DCC.

Explain the Embargo with the Licensee

Discussion points

- Options for resolving the embargo:
 - Written Plan
 - Voluntary Condemnation & Destruction (VC&D)
- The business representatives signature on the Initial Embargo Notice is a signature of receipt – not an admission of wrongdoing
 - If the representative still refuses to sign – inspectors are to write ***“[Licensee/representative’s name] refused to sign”*** on the signature line.

Recordkeeping

- If possible, print a copy of the signed Initial Embargo Notice and leave it with the licensee
 - If staff don't have these capabilities, the licensee can take a photo of the document and DCC staff can scan and email a copy of the document to the licensee upon return to the office.



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PROCESS #5

Security of Embargo

Securing Embargoed Product

- Confirm with the licensee a location, within the licensed premises, that is secure, and, if possible, under video surveillance.
 - **NOTE:** Make best efforts to store products in the necessary environment to protect the quality of the product (e.g. refrigerated, freezer, room temp).
- Make best efforts to secure embargoed product or embargoed areas.
- Take descriptive notes about the embargo area and how the product was left on the premises.
 - If there is concern about specific product tampering, staff should consider taking notes or additional photos or using additional tamper evident methods
- Place **caution tape and/or tamper evident tape** and **post embargo tag(s)** around the cannabis and cannabis product.

Embargo Tag

EMBARGO TAG

DEPARTMENT OF CANNABIS CONTROL

This cannabis/cannabis product is embargoed pursuant to the Medicinal & Adult-use Cannabis Regulation & Safety Act (Business & Professions Code section 26000, et seq.). This tag may only be removed by a representative of the Department of Cannabis Control (Department). It is unlawful for a person to remove, sell, or dispose of embargoed cannabis or cannabis products without written permission of the Department or a court. A violation of the embargo is subject to a fine of up to ten thousand dollars (\$10,000) per item, citation, and/or disciplinary action against the person's commercial cannabis license.

Date of Embargo: _____

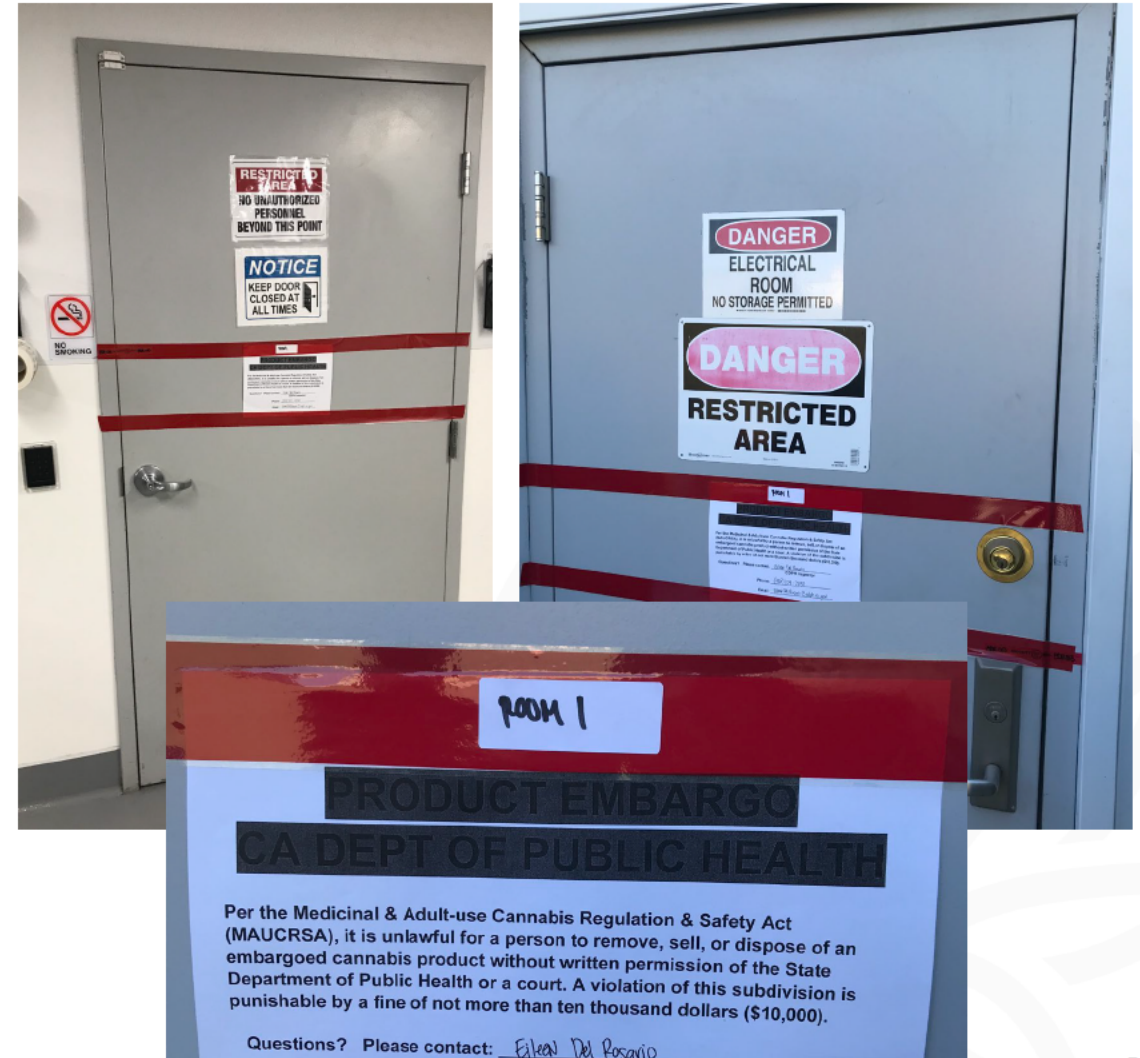
Department Representative Name and Title:

Phone: _____ Email: _____

TIP: Print some embargo tags with your information already on it so that you only need to write in the Date of Embargo on site

Considerations - Confirming a Location

- Review proposed areas for embargo with the licensee and potentially review the premises diagram.
- Determine whether there is any reason the licensee will need to go into the embargoed area.
- If there are multiple embargoed areas, do you have enough embargo tags and is there a way to differentiate your photos?



Considerations – Confirming a Location

- Volume of embargoed inventory
- Will the embargo interfere with the licensee continuing operations?
- Can anything be done about it?



Considerations – Confirming a Location

- Storage needs for the embargoed inventory
- Embargoing equipment
- Needs for processing
- What security protocols are in place?



Considerations – Live Plants Under Embargo

- Live plants take up a significant amount of space and the licensee still needs to be able to tend to their plants
- Employees still need to be able to water and do general care
- Will water damage the Embargo Tag?



Considerations – Tamper Evidence

- Consider placement of your tamper evidence and how to make it unique.
- Are multiple layers of tamper evidence needed?



Considerations – Identification vs. Tamper Evidence



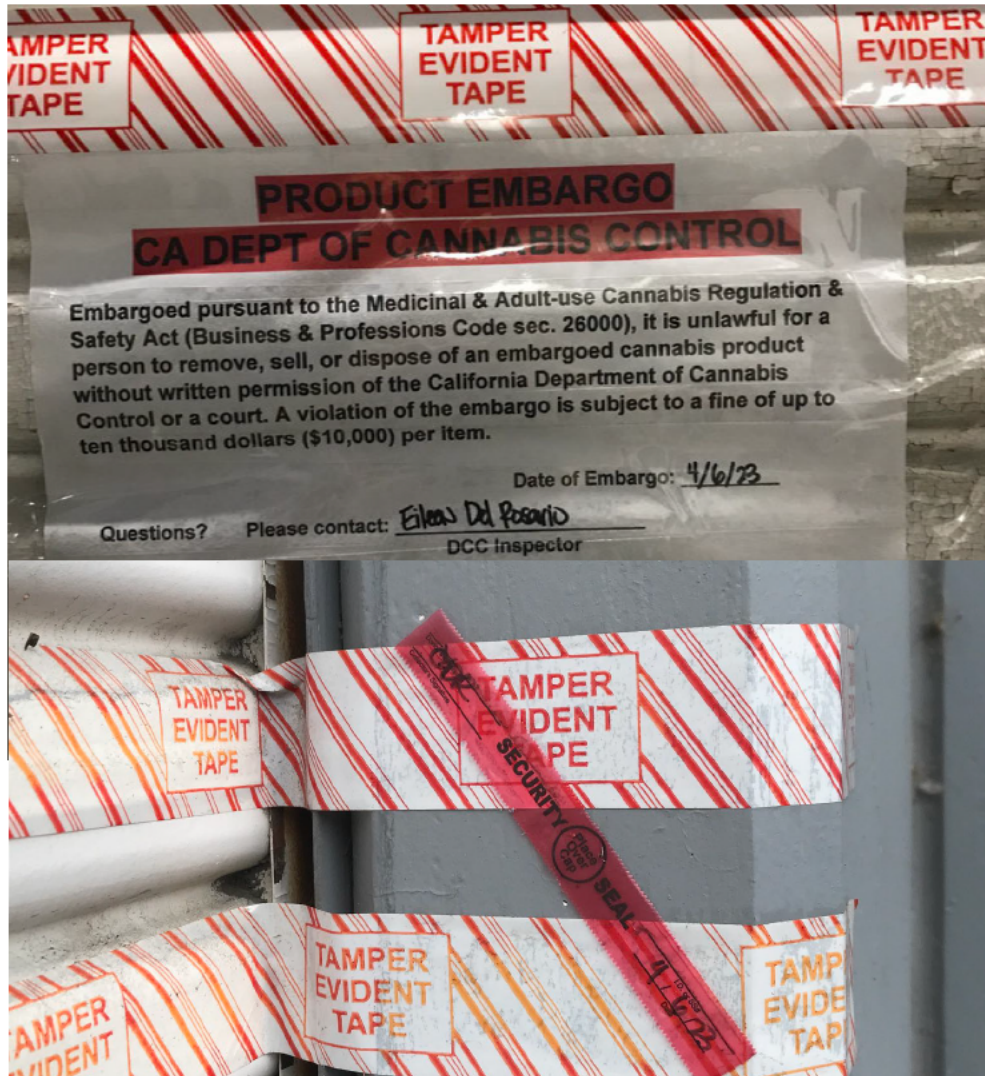
The caution tape is not meant to bar entry or be tamper evident in this instance - it is solely for identification of which plants are under embargo

Considerations - Embargo Tags and Tamper Evidence



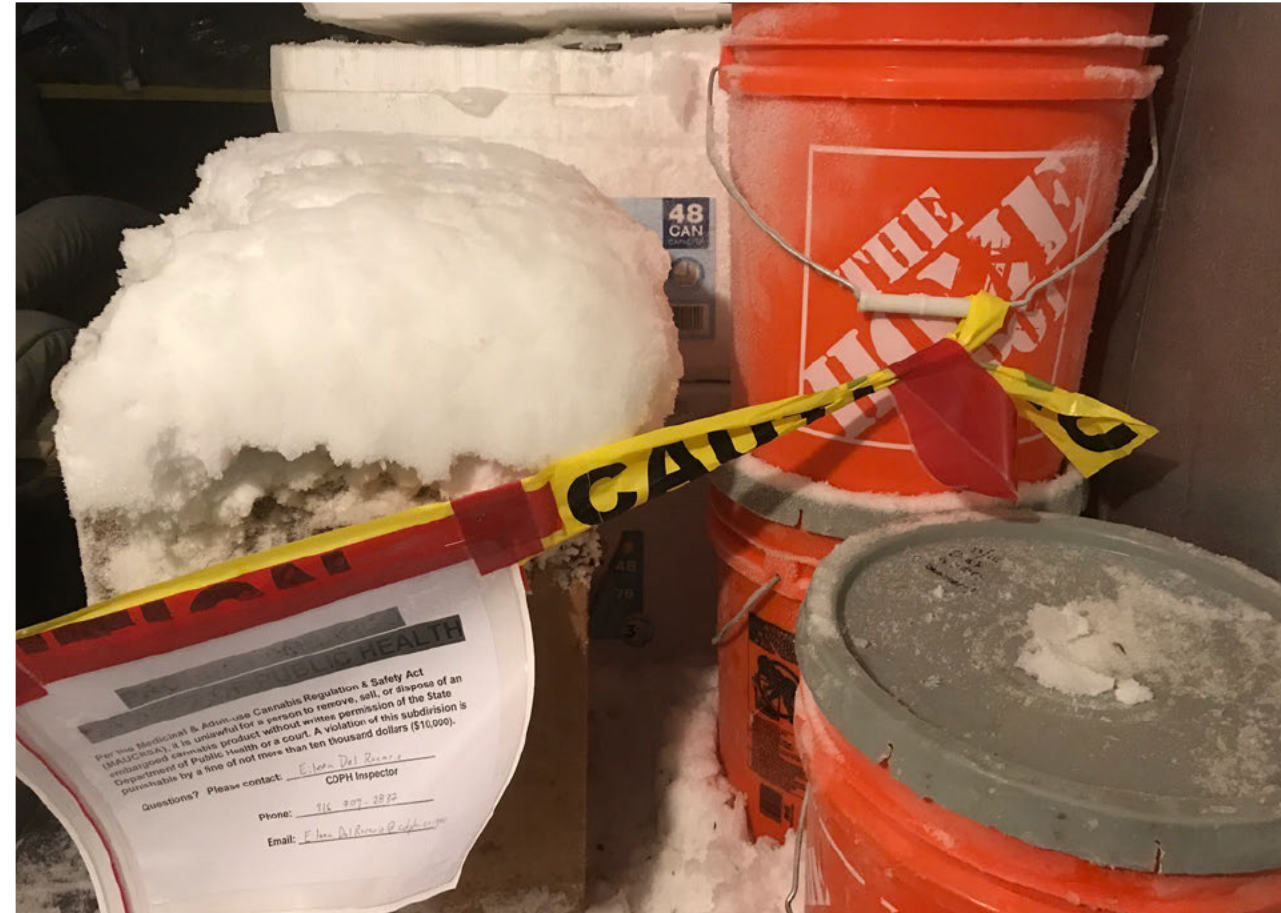
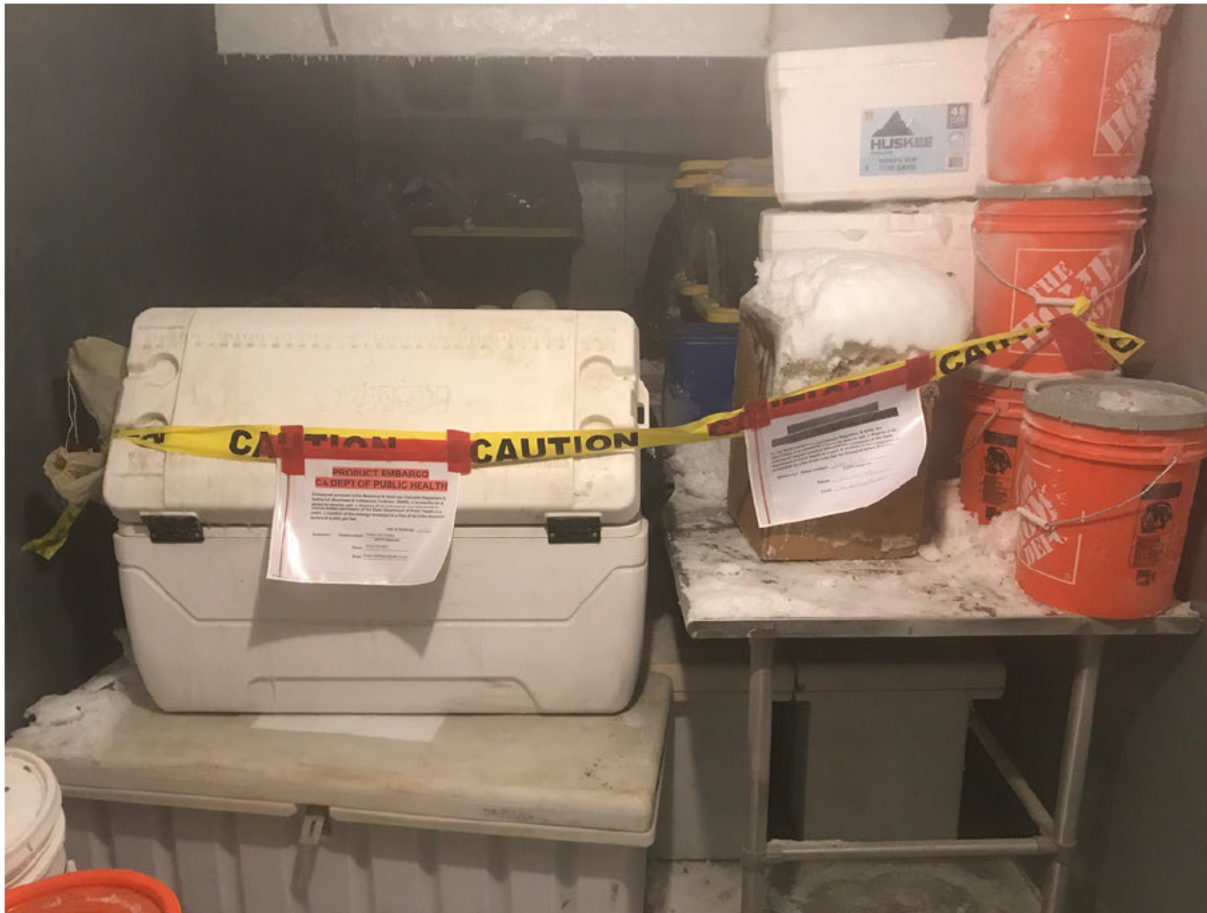
- Environmental conditions (Embargo tags and tamper evidence - indoor vs outdoor)
- Typical length of embargo
- Is there non-embargoed inventory in proximity

Considerations - Embargo Tags and Tamper Evidence



VC&D Date: 6/28/23

Considerations – Embargo Tags and Tamper Evidence



Determining if the Embargo Has Been Broken

When returning to release the embargo, look for signs of tampering



BEFORE



AFTER

Determining if the Embargo Has Been Broken

Compare the appearance of embargoed inventory to the photos from the initial embargo

BEFORE



AFTER



Determining if the Embargo Has Been Broken

Observe the condition of tamper evident tape



BEFORE



AFTER

Determining if the Embargo Has Been Broken

Signs of tampering – orientation of product



BEFORE

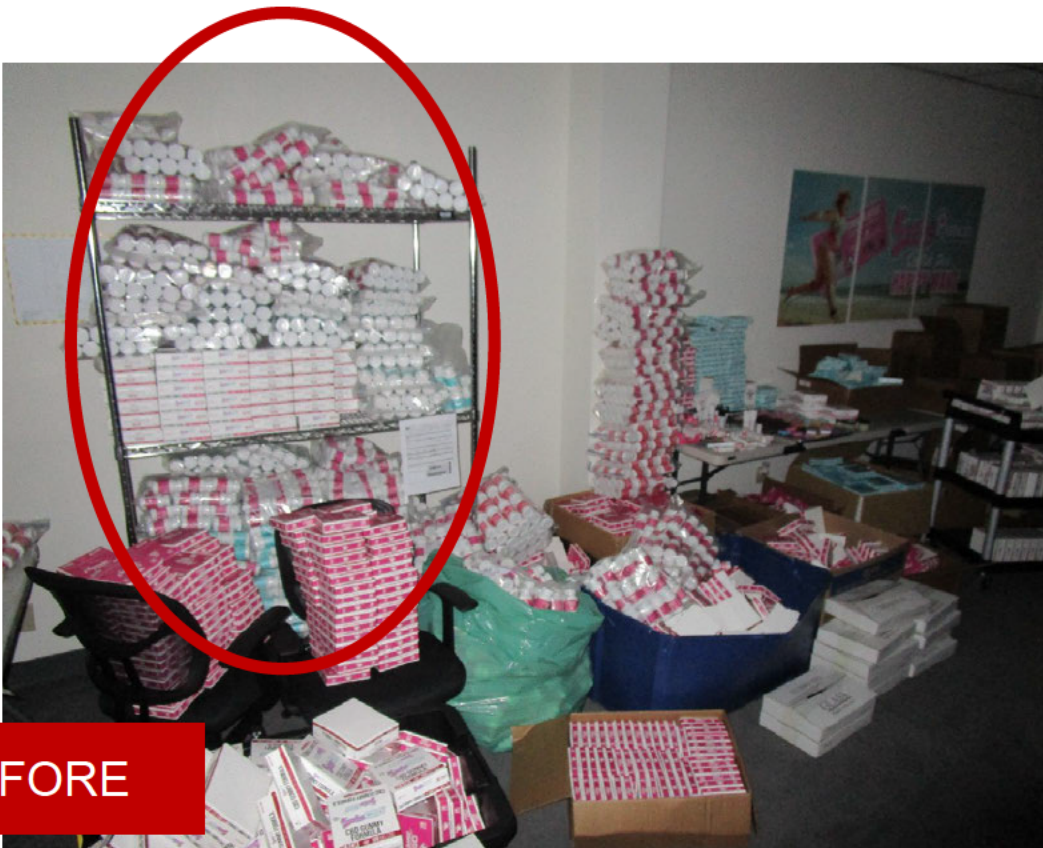


AFTER

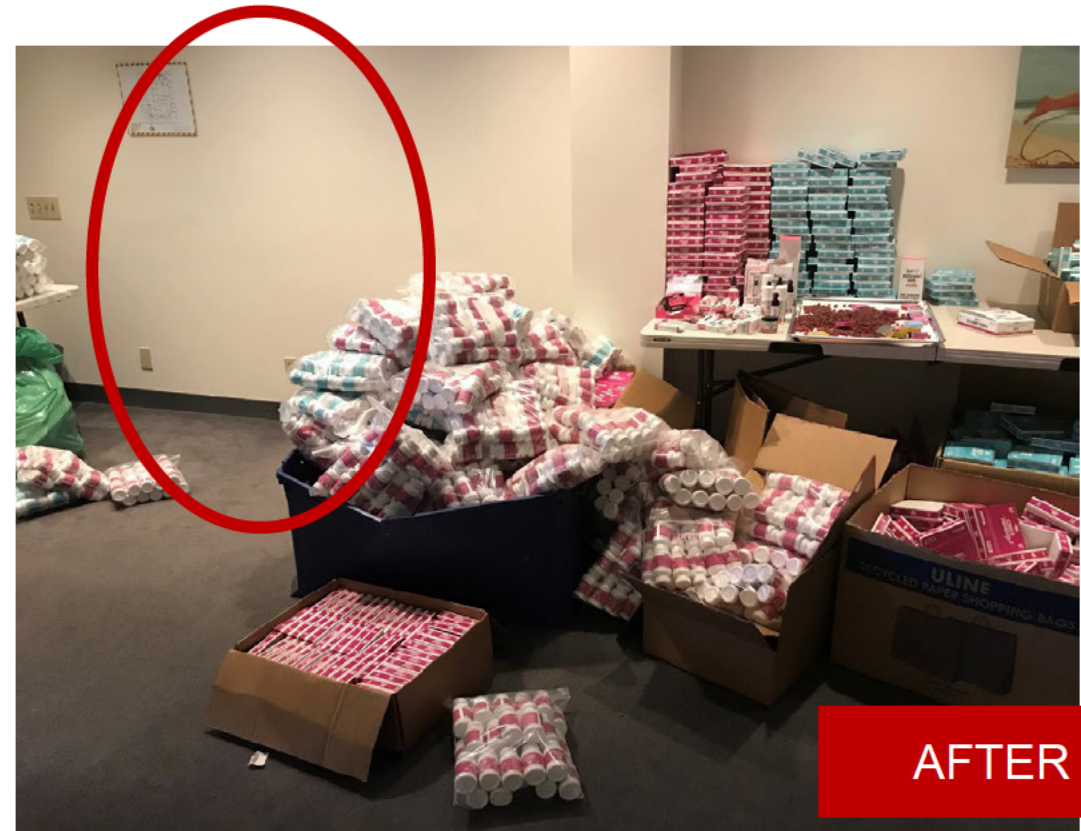


Determining if the Embargo Has Been Broken

Observe the condition of the embargoed area



BEFORE



AFTER



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PROCESS #6

Finalization of Embargo

Upon Return to the Office:

- Note that DCC staff are expected to:
 - Send the licensee a copy of the Initial Embargo Notice and cc their supervisor **within 24 hours of initiating the embargo**
 - Upload a copy of the signed Initial Embargo Notice and store in the appropriate location for file management (e.g. Enforcement Case folders, CLEaR, etc)
 - Download photos from the embargo upon return to office
- Start a Teams chat with all staff relevant to the embargo:
 - Name the group chat with “License Name (License Number) – Embargo Chat”
 - Include your supervisor and any additional relevant staff (Other field staff, Subject Matter Experts, Legal, etc.)
 - Include a summary and any relevant photos to the chat
 - Post updates on events or flag items for attention (e.g. Notices issued, licensee due dates, missed deadlines, email responses from the licensee)

Supplemental Embargo Notice

Elements of the Supplemental Embargo Notice:

- Licensee information
- Basis for Embargo
- Description of facts supporting embargo
- Warning of embargo tampering
- Deadline for licensee response

Staff are required to maintain records of all finalized documents.



Department of
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CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

[DATE]

[License Holder or Authorized Person]

[Business Name]

[Address]

[City, State Zip Code]

Re: **Supplemental Embargo Notice - License Name (License number)**

Premises Address: [insert location where embargo is taking place]

Dear [Name of License Holder or Authorized Representative]:

On [Date], the Department of Cannabis Control (Department) placed the [cannabis and/or cannabis products] listed below in this Supplemental Embargo Notice (Notice) under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The basis for placing these items under embargo is that the Department found or has probable cause to believe the cannabis or cannabis product is adulterated, misbranded, or its sale would violate the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code § 26000 et seq.). This Notice is provided pursuant to California Code of Regulations (CCR), title 4, section 17801.5 (c).

The Department [has determined or has probable cause to believe] that:

[BASIS FOR EMBARGO & LEGAL CITE, use one or all that apply:

- The cannabis or cannabis products are misbranded as defined by BPC section 26039.5.
- The cannabis or cannabis products are adulterated as defined by BPC section 26039.6.
- The sale of the cannabis or cannabis products would violate BPC section [enter sections that will be violated by sale.]

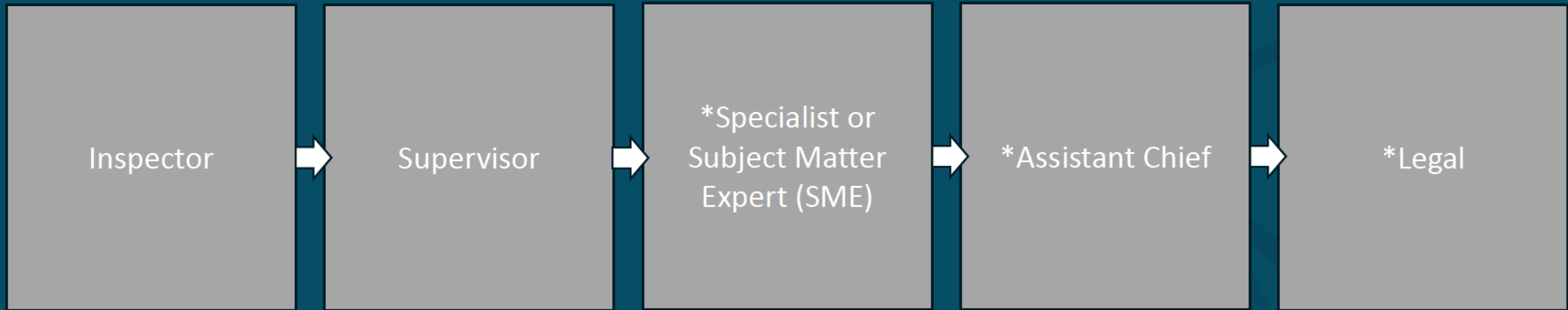
[DESCRIPTION OF FACTS SUPPORTING EMBARGO: State why cannabis is misbranded (for example: cannabis is misbranded because consists of cannabis from an unlicensed source per BPC section 26039.5(a)(2); or because its labeling does not conform to UID labeling requirements, or BPC section 26160 and 4 CCR section 15037 requires a licensee to keep accurate records of its commercial cannabis activity, etc. Also provide facts that state we asked for records like receipts/manifests, batch records, etc but licensee could not provide documents at time of inspection, if applicable for a record keeping violation.)]

Supplemental Embargo Notice - NEW

For a licensed cultivator or microbusiness engaging in cultivation activities (4 CCR 17801.5(h)), the Supplemental Embargo Notice will allow licensee to request permission to continue cultivation or harvesting of cannabis under embargo by submitting a written request to DCC to compliance@cannabis.ca.gov. The licensee must receive permission from DCC prior to processing any cannabis under embargo.

NOTE: Sending the request to compliance@cannabis.ca.gov is a regulatory requirement. The inspector can notify the compliance inbox team that they may be contacted about an embargo. The supplemental embargo notice now instructs the licensee to cc the DCC lead on the request.

The drafted embargo notices will kick off the review process



(*) if required or needed

What the review process may actually feel like

...**BUT** the idea is that staff will get more proficient and familiar with expectations as they gain more experience.

It (hopefully) won't always feel like this.



Supplemental Embargo Notice Response Review

Staff responsibilities for reviewing the response:

- Read the response and determine if it is supported by **evidence**. A licensee's statement and personal recollection of events is not considered evidence to identify inventory.
- **Verify** whether information is true and ask for more information if needed.
- **Investigate** whether information was created after the embargo was initiated or if the licensee had this information prior to the embargo.
- Create a summary presentation for your supervisor and assistant chief. The presentation should include a summary of what the licensee submitted, your conclusions, and your recommendation.
 - Provide a recommendation to your supervisor on whether items are sufficiently evidenced, correctable, or are adulterated/misbranded.



Department of
Cannabis Control
CALIFORNIA

PROCESS #7

Additional Reporting

Notice of Embargo Determination (NED)



Gavin Newsom
Governor

Nicole Elliott
Director

it of
Control

- Document will communicate a determination for the embargoed inventory after reviewing the licensee's response to the Supplemental Embargo Notice
- The Notice of Embargo Determination will describe the actions necessary to resolve the embargo

[DATE]

[License Holder or Authorized Person]

[License Name]

[Business Address]

[City, State Zip Code]

Re: **NOTICE OF EMBARGO DETERMINATION – License Name (License No. XXXXXXXXXX)**

Premises Address: [insert location where embargo took place]

Dear [Name of License Holder or Authorized Representative]:

On [Date], the Department of Cannabis Control (Department) placed [cannabis and/or cannabis products] under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The embargoed inventory is documented in the table below. The basis for placing the items under embargo was that the Department found or has probable cause to believe that the cannabis or cannabis product is adulterated, misbranded, or its sale would violate the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code § 26000 et seq.). Pursuant to California Code of Regulations (CCR), title 4, section 17801.5, subdivision (c), the Department provided a Notice directing you to submit a plan that describes how you will address the items under embargo and the issues that resulted in the embargo.

On [date], you submitted [documentation and information] to the Department relating to the embargoed [cannabis and/or cannabis products]. [DESCRIPTION OF DETERMINATION]

You are directed to send a plan for destruction of the items listed in the table below to the Department for review. If the plan is acceptable, Department staff will supervise completion of the plan. Please send your plan to [Inspector Email Address]. Be advised that per CCR, title 4, section 17801.5, subdivision (f), licensees may not undertake destruction of embargoed items unless the Department has provided written approval and removed the embargo tag.

If the Department does not receive a response by [Date], or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with BPC section 26039.3, subdivision (f). Condemnation proceedings provide the person or licensee affected with a statement of the charges, an opportunity to exchange relevant information between parties, and the opportunity for a hearing to contest the charges in front of an Administrative Law Judge in

Notice of Embargo Determination

- There are multiple NED templates for our most common scenarios: destruction, corrective action, and embargo release
- The templates feature comments with template language to insert, if applicable



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

 Nicole Elliott
Director

[DATE]

[License Holder or Authorized Person]
[License Name]
[Business Address]
[City, State Zip Code]

Re: **NOTICE OF EMBARGO DETERMINATION – [License Name (License No. XXXXXXXXXX)]**
Premises Address: [insert location where embargo took place]

Dear [Name of License Holder or Authorized Representative]:

On [Date], the Department of Cannabis Control (Department) placed [cannabis and/or cannabis products] under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The embargoed inventory is documented in the table below. The basis for placing the items under embargo was that the Department found or has probable cause to believe that the cannabis or cannabis product is adulterated, misbranded, or its sale would violate the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code § 26000 et seq.). Pursuant to California Code of Regulations (CCR), title 4, section 17801.5, subdivision (c), the Department provided a Notice directing you to submit a plan that describes how you will address the items under embargo and the issues that resulted in the embargo.

On [date], you submitted [documentation and information] to the Department relating to the embargoed [cannabis and/or cannabis products]. [DESCRIPTION OF DETERMINATION]

You are directed to send a plan for destruction of the items listed in the table below to the Department for review. If the plan is acceptable, Department staff will supervise completion of the plan. Please send your plan to [Inspector Email Address]. Be advised that per CCR, title 4, section 17801.5, subdivision (f), licensees may not undertake destruction of embargoed items unless the Department has provided written approval and removed the embargo tag.

If the Department does not receive a response by [Date], or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with BPC section 26039.3, subdivision (f). Condemnation proceedings provide the person or licensee affected with a statement of the charges, an opportunity to exchange relevant information between parties, and the opportunity for a hearing to contest the charges in front of an Administrative Law Judge in

Compliance Division • 2920 Kilgore Road, Rancho Cordova, CA 95670
844-611-CA-DCC (844-612-2322) • info@cannabis.ca.gov • www.cannabis.ca.gov

Business, Consumer Services
and Housing Agency

Eileen Del Rosario

INCORPORATE THIS LANGUAGE BASED ON SCENARIO

1) If embargoed inventory is found to be misbranded and from an unlicensed source:

The Department has determined that the submission fails to address and resolve the issues that resulted in the embargo. The submission fails to evidence traceability of the inventory to a licensed source. Pursuant to BPC section 26039.3, subdivision (c), cannabis and cannabis products found, cultivated, processed, produced, or manufactured at an unlicensed location, or derived from an unlicensed source, cannot be corrected and must be destroyed.

2) If the embargoed inventory is composed or derived from cannabis and/or cannabis products from an unlicensed source:

The Department has determined that the submission fails to address and resolve the issues that resulted in the embargo. The submission fails to evidence traceability of the inventory to a licensed source. Pursuant to BPC section 26039.5, subdivision (a), cannabis or cannabis product is misbranded if it consists of cannabis or cannabis product that was cultivated, processed, manufactured, packed, or held in a location not duly licensed as provided in this division. Pursuant to BPC section 26039.3, subdivision (c), cannabis and cannabis products found, cultivated, processed, produced, or manufactured at an unlicensed location, or derived from an unlicensed source, cannot be corrected and must be destroyed.

3) If the product is adulterated and cannot be remediated:

The Department has determined that the embargoed cannabis and/or cannabis products is adulterated [with description of adulterant, if any]. Pursuant to BPC section 26039.6, subdivision (b), it is unlawful to cultivate, manufacture, distribute, sell, deliver, or offer for sale cannabis or a cannabis product that is adulterated.

3) If licensee has chosen to VC&D embargoed inventory

Pursuant to CCR, title 4, section 17801.5, subdivision (e), you have provided your agreement in writing for the voluntary condemnation and destruction of embargoed [cannabis and/or cannabis product].
June 06, 2023, 12:12 PM

@mention or reply

Reporting

- Notice of Embargo Determination
- DCC Investigative Report (DCC-010)
- Notice to Comply (NTC) (*if applicable*)





DCC Investigative Report (DCC-010)

- Will report all observations and violations associated with the inspection and embargo
- Does **not** need to be finalized immediately BUT Legal will eventually need the report if the embargo is being referred to the AGO for a condemnation hearing and for resulting disciplinary actions

INVESTIGATION REPORT	
 Department of Cannabis Control CALIFORNIA	
	
CASE INFORMATION	
Case Number	Date Received
License Number	Legal Business Name of Licensee or Unlicensed Party
CNA	Premises Address
Business Phone Number	Author's Name
Date of Incident	Location of Incident
DESIGNATED RESPONSIBLE PARTY (OWNER) OR UNLICENSED PERSON(S)	
Name (First, Middle, Last)	Title
Address (include street, city, state, and zip code)	
E-mail Address	Phone Number
Miscellaneous Information	
SUMMARY	
DCC-010 (02/2023) Page 1 of 3	

Notice to Comply (if applicable)

- NTC will cover violations observed during the inspection and throughout the embargo process*
- Compliance can consult with Legal on NTCs associated with the embargo when it's part of a larger enforcement issue (e.g. referral for license action, evidence of unlicensed activity, need for progressive enforcement, citation)

State of California, Department of Cannabis Control

Notice to Comply

Date of issuance: Click or tap here to enter text.

Date of inspection, if applicable: Click or tap here to enter text.

Business information

License number: Click or tap here to enter text.

License type: Click or tap here to enter text.

Premises address: Click or tap here to enter text.

Phone number: Click or tap here to enter text.

Notice recipient information

Name and title: Click or tap here to enter text.

Phone number: Click or tap here to enter text.

Email address: Click or tap here to enter text.

Mailing address: Click or tap here to enter text.

Method of service: Click or tap here to enter text.

The Department of Cannabis Control (Department) has determined that the licensee referenced above is not in compliance with statutory or regulatory requirements applicable to the license. This Notice to Comply (Notice) is issued pursuant to California Code of Regulations (CCR), title 4, section 17801. Failure to correct violation(s) in this Notice may result in disciplinary action. The violations noted in this Notice may not include all violations.

This Notice must be signed and returned to the Department. By signing this Notice below, you are acknowledging its receipt and notice of the violations listed herein. The signed Notice must be returned to the Department [either: within 30 calendar days from the date of personal service or the mailing of this Notice or no later than XX/XX/XXXX], along with a written plan if required. If a written plan is needed to address a specific violation, it will be noted in the Table of Violations that follows.

This Notice must be returned to the Department via email at [email address] or by mail at:

Department of Cannabis Control
Attention: [Division Name] Division
2920 Kilgore Road
Rancho Cordova, CA 95670

If you have any questions, please contact the Department representative listed below and include the license number and this Notice's date of issuance on any correspondence.

Department information

Department representative: Click or tap here to enter text. **ID #:** Click or tap here to enter text.

Signature:

Title: Click or tap here to enter text. **Email address:** Click or tap here to enter text.



Department of
Cannabis Control
CALIFORNIA

Notice to Comply [date] - License #: [license number]
Form DCC-8105 | Revision Date: 07.19.2022

Page 1 of 3



Department of
Cannabis Control
CALIFORNIA

PROCESS #8

Resolution of Embargo

Options for Resolving an Embargo

1. Submission of a written plan
2. Voluntary Condemnation & Destruction (VC&D)
3. Consult with your supervisor and Chief about notifying the Office of Legal Affairs



Option #1 – Written Plan

1. Review the plan and evidence provided, if any, and discuss with your supervisor.
2. Create a summary presentation of your analysis and recommended resolution and present it to your Supervisor, Assistant Chief, and Legal, if needed.
3. After a resolution has been chosen, draft a **Notice of Embargo Determination** that communicates the determination to the licensee and engage with your supervisor, Assistant Chief, and Legal Affairs (if necessary) for approval.

Option #1 – Written Plan

4. Have a supervisor sign the approved **Notice of Embargo Determination** and issue it to the licensee via email and archive in the appropriate Department location.
 - **NOTE:** The signature happening at the supervisor level is intentional!
5. If the licensee has provided a sufficient written plan that will resolve the embargo, coordinate with the licensee to schedule a date and time for the Department to release the product from embargo.

Option #1 – Embargo Resolution

- Releasing the product from embargo could mean:
 - Going on site to confirm product is still there and removing caution tape, breaking tamper evident seals, and removing embargo tags
 - Asking for the licensee to take photos or videos to confirm the embargo is intact prior to releasing from embargo
- If the embargo is resolved but requires Metrc reconciliation:
 - Ask the licensee to provide a .csv file of corrections that need to be made on Metrc and/or UID tags and data that need to be entered and review for accuracy
 - Request assistance from DCC's track and trace team to open Metrc permissions for a limited time period

Option #2 – Voluntary Condemnation & Destruction

1. Request a Destruction Plan.
2. Review the Destruction Plan to determine if it is acceptable and discuss the Destruction Plan with your supervisor.
3. Evaluate whether the licensee's plan accounts for things like employee safety, product hazards, whether waste will be considered hazardous after destruction (e.g. vape cart batteries), use of solvents, security, and whether the plan accounts for capacity and time needed. You're checking if the plan is reasonable.

Option #2 – Voluntary Condemnation & Destruction

4. If the Destruction Plan is sufficient, draft an email to the licensee to communicate approval of the Destruction Plan.
 - Coordinate with the licensee to schedule a date and time to witness the destruction **or** how the licensee may submit evidence of destruction.
 - The licensee is not to tamper with the embargoed inventory or start the destruction without the Department being present or without Department approval.
 - On the scheduled destruction day, follow the Division's VC&D Procedure and Complete the VC&D Form.
5. Save the completed and signed VC&D form to the appropriate place for Department recordkeeping.

IMPORTANT: Staff are **prohibited** from assisting in the VC&D, if present.

Option #3 – Notify Legal Affairs Division

- If the embargo cannot be resolved through a written plan or VC&D, Department supervisors are to notify the Legal Affairs Division.
- The Compliance Division will consult with Legal Affairs to determine what actions are to be taken next or what's needed to refer the case for a condemnation hearing.

Embargo Resolution

Submission of
Sufficient Written Plan

Plan evidences that
the product is
compliant

**Return cannabis or
cannabis product to
Owner (Release
Embargo)**

Plan corrects
misbranding (e.g. re-
labeling)

**Return cannabis or
cannabis product to
Owner (Release
Embargo)**

Licensee opts to VC&D
and sends sufficient
destruction plan

VC&D

Submission of **insufficient**
written plan and doesn't
want to VC&D

Legal Affairs

No Response

Legal Affairs

Reminders

- Safety comes first! If at any point you feel unsafe – leave and come back when prepared
- We can't stop embargoed inventory from going missing, but our process is meant to have consequences for when it does
- Mistakes will happen and we'll all learn from them
- The embargo process is developing with our Department as we expand our uses of it
- You're not alone in the embargo process
 - You can call for your coworkers for help and/or schedule to return to the licensed premises (and you can reschedule any upcoming inspections because of it)
 - Staff and managers will be available to provide guidance



Department of
Cannabis Control
CALIFORNIA

Questions?

Integrity



Fairness



Innovation



Knowledge



Collaboration



Support

Thank you





To: Licensing & Compliance Division Staff

From: Robin Foemmel-Bie, Deputy Director of Licensing
Rasha Salama, Acting Deputy Director of Compliance

Date: August 23, 2022

Subject: **Guidelines to address the incorporation of seeds into the legal supply chain and good-faith applicants engaged in commercial cannabis activity shortly prior to licensure**

ISSUE:

This memo is intended to provide guidance to the Licensing and Compliance Divisions to address two scenarios that DCC may encounter, and to provides guidelines to assist staff in addressing these situations.

The two scenarios addressed by this memo concern potential gray areas regarding the boundaries of the legal, licensed cannabis industry. First, this memo addresses a scenario in which a licensed cultivator seeks to incorporate cannabis seeds into the commercial cannabis supply chain from a source other than a nursery licensee. Second, this memo addressed a scenario in which a license applicant—while acting in good faith to obtain state licensure—has prematurely begun to engage in commercial cannabis activity prior to state licensure.

Neither of these scenarios should be confused with a situation in which a licensee has engaged in illicit, unlicensed commercial cannabis activity in a sustained and deliberate way, such as by engaging in illicit transactions with other cannabis businesses. DCC intends to vigorously enforce state laws against the illicit cannabis market and all who willfully participate in it.

AUTHORITY:

State law requires a state-issued license to engage in commercial cannabis activity. Business and Professions Code (BPC), section 26037.5, subdivision (a) reads: “A person or entity shall not engage in commercial cannabis activity without a state license issued by the department pursuant to this division.”



Scenario #1: Incorporating Seeds

Licensed cultivators seeking to incorporate seeds into the supply chain from a source other than a nursery licensee. For example, the cultivator may seek to transfer seeds across multiple cultivation licensees held by the same licensee, or to incorporate otherwise-lawfully-obtained seeds (including seeds held for personal possession/use) into the licensee's commercial cultivation).

Note: This scenario only applies to seeds. It does not apply to other sources of genetic material, such as cuttings or clones.

Process:

The DCC hopes to address the admissibility of seeds into the commercial cannabis supply chain through future rulemaking. In the absence of further rulemaking, requests should be evaluated on a case-by-case basis to ensure that there is not some fact-specific reason that a particular request might violate DCC's existing regulations.

In the absence of a fact-specific reason that a particular request violates DCC's existing regulations, it is appropriate for the Compliance Division to grant the request.

All requests should be sent to stephanie.dorminey@cannabis.ca.gov

Scenario #2: Premature Commercial Cannabis activity by Good-Faith Applicant

An applicant for a state cannabis license has begun to engage in cannabis commercial activity prior to state licensure. Typically, this means that the applicant has started initial operations (such as planting) before obtaining an active state license.

Applicants in this scenario are seeking in good faith to participate in the regulated market but have begun that participation before complying with all applicable licensure requirements. An applicant or licensee often discloses their premature activity, such as cultivation to DCC while the application is under license application review or when a new licensee is trying to



enter existing plants or inventory into the track and trace system. If an applicant or licensee has disclosed their premature activity to DCC, this is generally further evidence of the person's good faith effort to comply with state licensure requirements.

Process:

In this scenario, DCC Compliance Division would typically issue a citation, including an order of abatement. This will require the applicant or licensee to abate (destroy) all cannabis and cannabis products under the direct supervision of a Compliance Division representative, or alternatively provide adequate photos or video surveillance demonstrating destruction of all cannabis and cannabis products at the site.

When a citation is issued to an applicant, the Compliance Division will follow up with the applicant to ensure they have complied with the citation and inform the Licensing Division of the citation. The Licensing Division should continue reviewing the application in the same manner as any other application.

If the license application review is complete, the Licensing Division will follow up with the Compliance Division to verify the citation is complete. If the applicant has not yet complied with the citation, the Licensing Division will consult with the Legal Affairs Division prior to taking further action on the license application (such as issuing or denying the license application). If the citation is complete, the license application may be approved



Department of
Cannabis Control
CALIFORNIA

**EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER**

Item Number: _____



Department of
Cannabis Control
CALIFORNIA

**EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER**

Item Number: _____



Department of
Cannabis Control
CALIFORNIA

**EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER**

Item Number: _____



Department of
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**EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER**

Item Number: _____



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**EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER**

Item Number: _____



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**EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER**

Item Number: _____



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DO NOT TAMPER**

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DO NOT TAMPER**

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**EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER**

Item Number: _____



Department of
Cannabis Control
CALIFORNIA

**EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER**

Item Number: _____



EMBARGO CASE FORM

GENERAL INFORMATION

Licensee name:	
License #:	
License Type:	
Address:	
DRP/Subject Name:	
Reason for Embargo:	Adulteration Misbranding Sale would be in violation
Types of Products Under Embargo:	
Embargo Resolution (Release, Corrective Action, and/or VC&D):	

EMBARGO NOTICE ISSUANCE

	Initial Embargo Notice	Supplemental Embargo Notice	Notice of Embargo Determination
Issue date			
Licensee deadline			

DCC STAFF ASSIGNED TO CASE

Inspection Lead	Supervisor	Assistant Branch Chief	Attorney

EMBARGO ABSTRACT

GENERAL CASE NOTES/TIMELINE

DATE	DESCRIPTION



Department of
Cannabis Control
CALIFORNIA

Embargo Procedure (2022)

Integrity • Fairness • Innovation • Knowledge • Collaboration • Support

Embargo Authority (§17801.5)

“The Department may embargo cannabis or cannabis products to prevent their sale, disposal, or removal from the location when the Department has *probable cause* to believe the cannabis or cannabis products are **adulterated** or **misbranded** or **the sale would otherwise be in violation of the Act or this division.**”

What is an Embargo?

An embargo is an enforcement action that places a hold on cannabis and cannabis products. The hold prohibits any movement of the embargoed items from a specific location and prohibits their disposal and sale, unless given approval by the Department or a court. Embargoes can be used for licensed and unlicensed cannabis and cannabis products.

Reminder: Embargo action is considered on a situational basis and is only done in consultation with a supervisor and approval of a Department section chief.



Department of
Cannabis Control
CALIFORNIA

PROCESS #1

Identification

Identification

- Identify and record regulatory violations that would support an embargo of cannabis and cannabis product.
- Collect evidence (e.g. photographs, copy of records, verbal statements, etc.) that will support an embargo action.

NOTE: At this point in the process, staff should **not** disclose to the licensee that an embargo action is being considered without completing Process #2.



Department of
Cannabis Control
CALIFORNIA

PROCESS #2

Determination

Determination

Contact your supervisor to discuss:

- The evidence that supports an embargo action
- Describe the volume of product subject to embargo
- Determine with your supervisor if an embargo is appropriate
- Document details of the conversation in your inspection/investigation notes (e.g. which supervisor did you speak to, the probable cause or reason for embargo, extent of the embargo, etc.)



Department of
Cannabis Control
CALIFORNIA

PROCESS #3

Initiate Embargo

Initiate Embargo

- Inform the licensee or their representative that the Department will be conducting an embargo, the reason for doing one, and the extent of the embargo
- Conduct an inventory and identification of all product to be embargoed
 - **NOTE:** The licensee and their representatives are not allowed to assist in the inventory.
- Start filling out the Initial Embargo Notice
- Document and photograph the complete inventory of cannabis and cannabis product to be embargoed



Initial Embargo Notice

Elements of the Initial Embargo Notice:

- Business Information
- DCC Information
- Reason for embargo
- Signature lines

State of California, Department of Cannabis Control
Initial Embargo Notice

You are hereby notified that the cannabis and cannabis products listed in this Notice are embargoed pursuant to Business and Professions Code (BPC) section 26039.3. The items listed in this notice cannot be removed, sold, or disposed of without authorization of the Department or a court. A licensee authorized to engage in cultivation may request permission to continue cultivation or harvest of cannabis.

Failure to abide by the terms of this embargo may result in a fine up to \$10,000 for each item, citation and/or other disciplinary action, including suspension or revocation of the license.

Date of issuance: _____

Business information:
License number: _____
License type: _____
Business name: _____
Premises address: _____

Reason for embargo:
☐ Adulterated - BPC 26039.6
☐ Sale would violate BPC §§ 26000 et seq.
☐ Misbranded - BPC 26039.5:
☐ (a)(1) - unlicensed location
☐ (a)(2) - unlicensed source
☐ (a)(3) - false, misleading labeling
☐ (a)(4) - non-compliant packaging or labeling

Notice recipient information:
Name and title: _____
Contact information: _____
Signature: _____

Department information:
Department representative: _____
Title: _____ ID #: _____
Email address: _____
Signature: _____


Department of Cannabis Control
CALIFORNIA

Initial Embargo Notice
Form DCC-3301 | Revision Date: 01/14/2022

Page ____ of ____



Initial Embargo Notice

- **Qualitative descriptions** – product identity, brand, strain, UID or batch ID; DCC field label on each item will match the embargo notice line item.
- **Quantitative description** – product amounts, weights, including photographs of scale readings.
 - **NOTE:** Staff are required to do a unit count for cannabis goods.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity

Notice recipient information	Department information
Name: _____	Dept rep: _____
Title: _____	ID #: _____
Signature: _____	Signature: _____

Department of Cannabis Control CALIFORNIA	Initial Embargo Notice Form DCC-3301 Revision Date: 01/14/2022	Page ____ of ____
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Notes and Evidence

- **Notes** – describe details about the embargoed products, what products fall under your qualitative descriptions, and how the inventory was conducted.
- **Photographic proof** – take photographs of items to be embargoed, close enough so that each embargoed item can be identified, along with relevant information about the product/containers (*e.g. tare weights, batch numbers*).

The Value of Photographs

Supports your notes!



Qualitative descriptions

- UID Number and/or batch number
- Brand and/or product identity
- “Cannabis concentrate” or “Miscellaneous vape cartridges”



Quantitative description

- Weight of cannabis/cannabis product
- Unit count of product

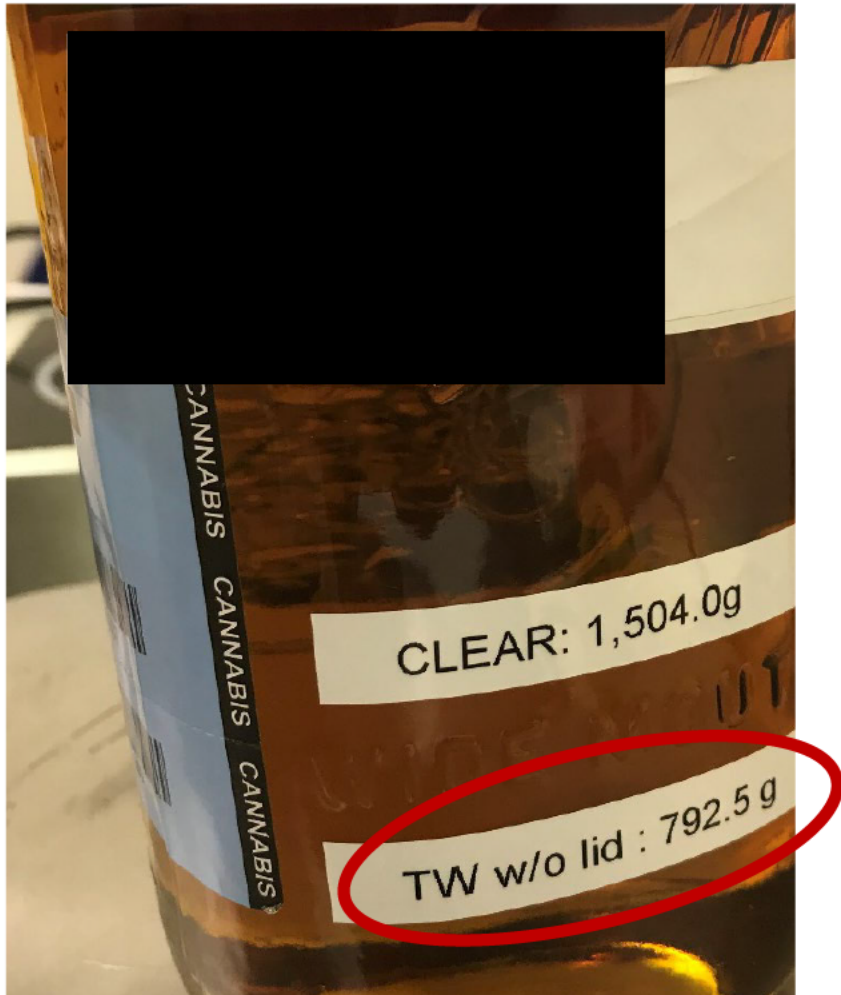
The Value of Photographs

- Photos prove how much inventory was embargoed and how weights were taken.
- Photos contest a licensee's claims that the Department incorrectly reported the quantity of a product
- Evidences what scale was used (e.g. tabletop vs. floor scale; sealed vs. unsealed; licensee's vs. DCC's scale)

TIP: DCC staff should evaluate when State owned scales should be used.



The Value of Photographs



Inspectors can review additional information about the product, such as:

- Batch numbers
- Tare weights
- Dates
- License numbers
- Potency

Consider what information is important to collect for your embargo case and analysis.

EXERCISE #1

- How would you inventory this item?
- How would you describe/quantify this product on the embargo notice?
- What would your notes say?



EXERCISE #1

Unit Count

- Cannabis concentrate (~1 g)
– 3,000 units

Weight

- Tote of (~1 g) cannabis
concentrate – 4.20 kg



#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Tote of Cannabis Concentrate (~1 g)		4.20 kg

EXERCISE #1: Conducting an Inventory

EXAMPLE NOTES

- Weighed a random sample of 20 units; weight of each unit ranged from approximately 1.1 g-1.3 g
- Tare weight of tote without lid = 1 kg
- Weight of tote with cannabis concentrate = 4.20 kg
- Lid placed on tote with tamper evident seal and inspector initials
- DCC embargo label #1



#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Tote of Cannabis Concentrate (~1 g units)		4.20 kg

EXERCISE #2



All three jars of concentrate belong to the same UID number.

How would you fill out the embargo notice for this item?

EXERCISE #2



#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1A	Cannabis distillate		1,664.9 g
1B	Cannabis distillate		1,667.7 g
1C	Cannabis distillate		1,659.4 g

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1 (A-C)	Cannabis distillate		4,992 g

Things to Consider When Doing an Inventory

- What evidence do you have?
- What is the most time efficient?
 - How many more items need to be inventoried for the embargo?
- What method would be easiest to replicate for a recount?
 - Will future photos match the ones taken for the Initial Embargo Notice?
- Do the violations surrounding the product warrant more concern and extra security?
- How would you make this tamper evident?

How would you inventory these items?



#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity

Potential Examples



In the scenario that all bags have different batch IDs

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis plant material	Sour Diesel #2	23.4 lbs
2	Cannabis plant material	OG Kush #1	43.2 lbs

In the scenario that all of the bags are unidentifiable

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis plant material		321 lbs

Potential Examples



If you have other items to inventory and embargo and you do not have the time to weight out this box in its entirety, consider sealing the box and finding a way to quantify it.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim (5'x5'x4' cardboard box)		1 unit

If this is a specific item of interest and time allows for it, consider weighing out the box in increments.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim		300 lbs



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PROCESS #4

Labeling

Label Embargoed Items

- Staff will be placing a pre-printed Embargo Field Label on each item embargoed
- The item number correlates with the line item number on the Initial Embargo Notice



The image shows a rectangular label with a black border. At the top left is the Department of Cannabis Control California logo, which consists of a green cannabis leaf inside a circle. To the right of the logo, the text "Department of Cannabis Control" is written in a large, black, sans-serif font, and "CALIFORNIA" is written in a smaller, black, sans-serif font below it. In the center of the label, the words "EMBARGOED CANNABIS/CANNABIS PRODUCT" are written in a bold, red, sans-serif font. Below this, the words "DO NOT TAMPER" are also written in a bold, red, sans-serif font. At the bottom of the label, the text "Item Number:" is written in a black, sans-serif font, followed by a horizontal line for a signature or stamp. The "Item Number:" text is circled in red.

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EMBARGOED CANNABIS/CANNABIS PRODUCT
DO NOT TAMPER

Item Number: _____

Things to Consider

Label placement

- Is the label secure or removable?
- Can this be combined with a tamper evident method?

Evidence Reminder

- Each embargoed item should have a photograph that shows the field label and item number
 - **TIP:** Placing the field label near other relevant information (e.g. tare weight, UID tag, batch number, etc.) can help reduce the amount of photos that need to be taken
- Having a photo of the label placement will assist in determining tampering



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PROCESS #5

Completion of Initial Embargo Notice

Explain the Embargo with the Licensee

Discussion points

- Products under embargo cannot be touched, moved, or destroyed, without prior approval from the Department; there is a penalty for violating the embargo.
- The embargo is a hold on specific cannabis and cannabis products – it's **not** a cease and desist of all operations. The licensee can continue commercial cannabis activity as long as the embargo is not broken.

Explain the Embargo with the Licensee

Discussion points

- Options for resolving the embargo:
 - Written Plan
 - Voluntary Condemnation & Destruction (VC&D)
- The business representatives signature on the Initial Embargo Notice is a signature of receipt – not an admission of wrongdoing
 - If the representative still refuses to sign – inspectors are to write “***[Licensee/representative’s name] refused to sign***” on the signature line.

Recordkeeping

- If possible, print a copy of the signed Initial Embargo Notice and leave it with the licensee
 - If staff don't have these capabilities, the licensee can take a photo of the document and DCC staff can scan and email a copy of the document to the licensee upon return to the office.
- DCC staff are expected to upload a copy of the signed Initial Embargo Notice and store in the appropriate location for file management



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PROCESS #6

Security of Embargo

Securing Embargoed Product

- Confirm with the licensee a location, within the licensed premises, that is secure, and, if possible, under video surveillance.
 - **NOTE:** Make best efforts to store products in the necessary environment to protect the quality of the product (e.g. refrigerated, freezer, room temp).
- Make best efforts to secure embargoed product or embargoed areas.
- Take descriptive notes about the embargo area and how the product was left on the premises.
 - If there is concern about specific product tampering, staff should consider taking notes or additional photos or using additional tamper evident methods
- Place caution tape or tamper evident tape and post embargo tag(s) around the cannabis and cannabis product.

What is the purpose of tamper evidence?

- Recognize whether a specific item may have been tampered with
- Determine if an embargoed area has been breached
- Determine if an inventory recount is warranted





Embargo Tag

EMBARGO TAG

DEPARTMENT OF CANNABIS CONTROL

This cannabis/cannabis product is embargoed pursuant to the Medicinal & Adult-use Cannabis Regulation & Safety Act (Business & Professions Code section 26000, et seq.). This tag may only be removed by a representative of the Department of Cannabis Control (Department). It is unlawful for a person to remove, sell, or dispose of embargoed cannabis or cannabis products without written permission of the Department or a court. A violation of the embargo is subject to a fine of up to ten thousand dollars (\$10,000) per item, citation, and/or disciplinary action against the person's commercial cannabis license.

Date of Embargo: _____

Department Representative Name and Title:

Phone: _____ Email: _____

Embargoed Areas

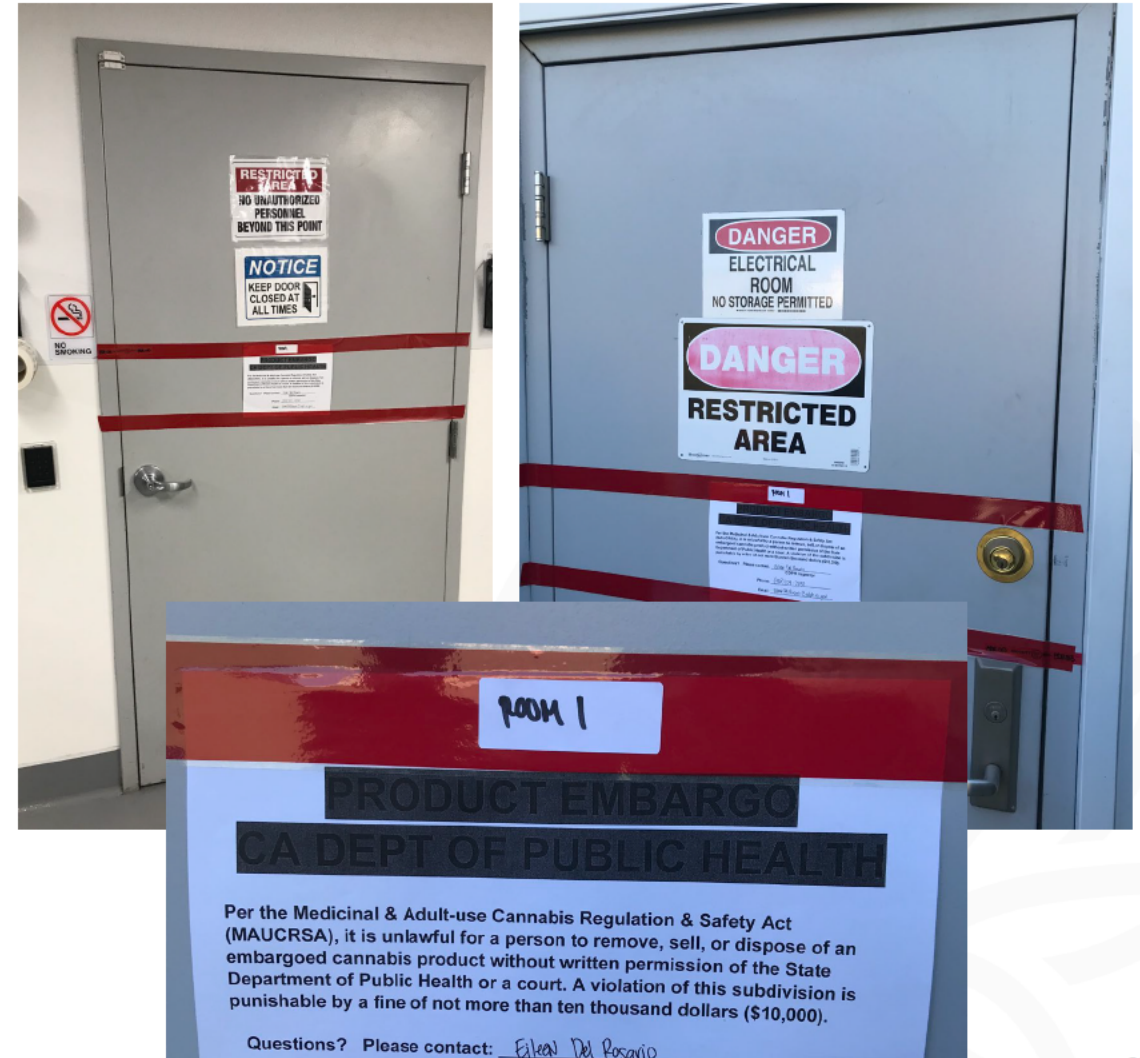
Make it clear what products are under embargo.



Confirming a Location

TIPS:

- Review proposed embargoed areas, and potentially the premises diagram, for how to make tamper evident.
- If there are multiple embargoed areas, find a way to differentiate the photos.



Securing Embargoed Areas

TIP:

- Consider placement of your tamper evidence and how to make it unique.



Tamper Evident – Grouping items

Group items together when possible and write down the inventory count.

TIPS:

- Write inventory counts on seals and have inspector initial
- Separate batches/UIDs
- Group into same increments when possible



Securing Embargoed Areas

When returning to release the embargo, look for signs of tampering



BEFORE



AFTER

Review Tamper Evidence

Compare the appearance of embargoed inventory to the photos from the initial embargo

BEFORE



AFTER



Review Tamper Evidence

Observe the condition of tamper evident tape



BEFORE



AFTER

Review Tamper Evidence

Signs of tampering – orientation of product



BEFORE

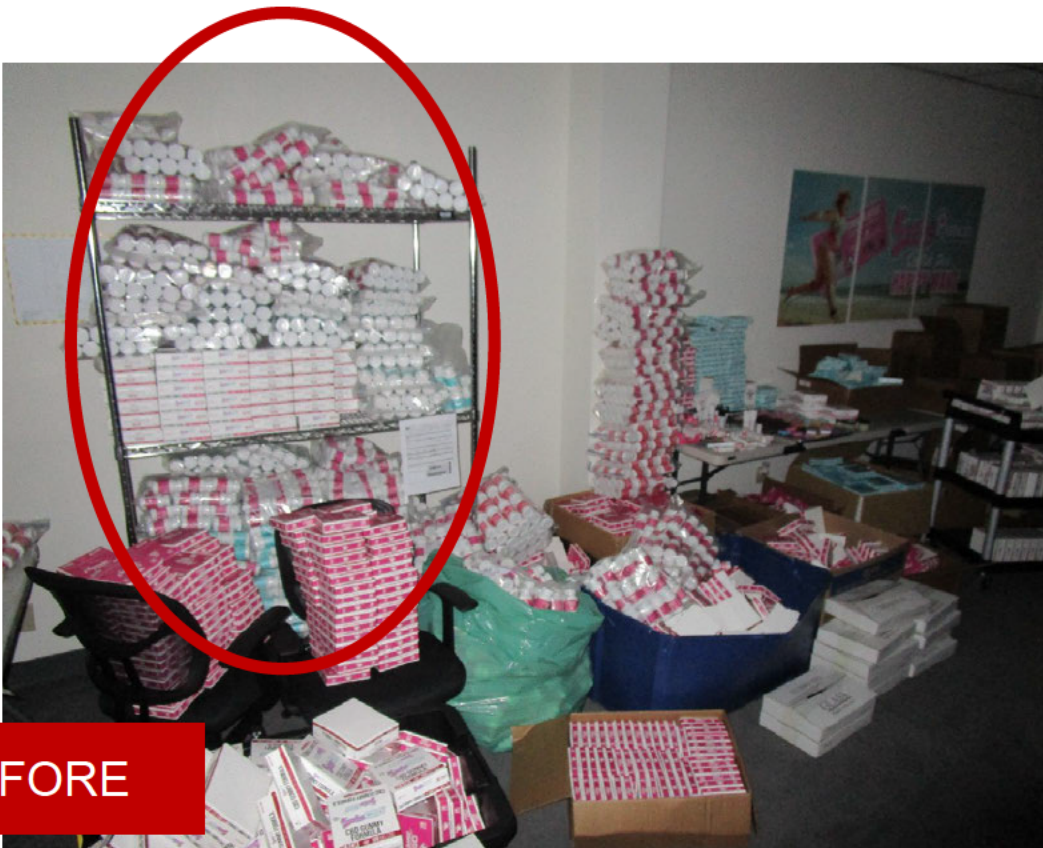


AFTER

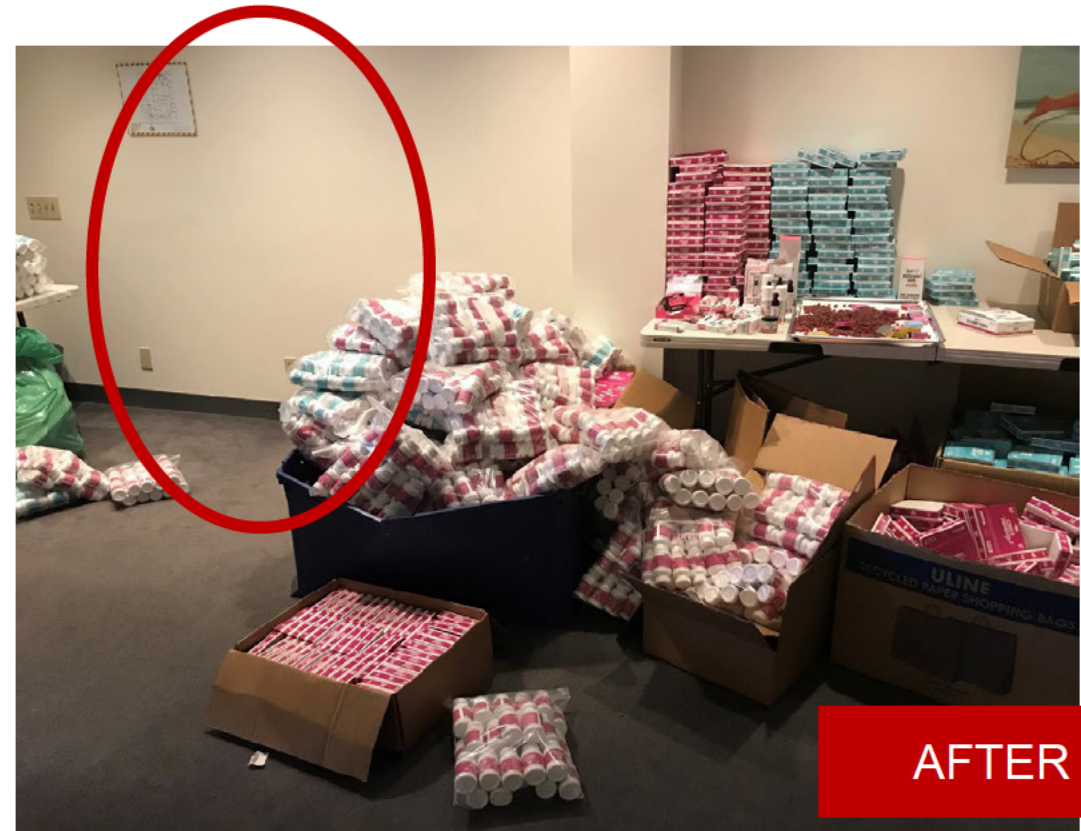


Signs of Tampering

Observe the condition of the embargoed area



BEFORE



AFTER

Metrc for Embargos

- Save necessary Metrc reports and inventory in case the licensee attempts to edit data in Metrc.
- Staff will have the inventory sheet of the Initial Embargo Notice to use to identify packages.
- **In the future**, as soon as staff has access to the Metrc track-and-trace system, staff shall place a hold on any embargoed product that contains a track-and-trace UID number.
- A Metrc hold will prevent movement or data changes of specific packages online in the future.



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PROCESS #7

Finalization of Embargo



Supplemental Embargo Notice

Elements of the Supplemental Embargo Notice:

- Licensee information
- Basis for Embargo
- Description of facts supporting embargo
- Warning of embargo tampering
- Deadline for licensee response

Staff are required to maintain records of all finalized documents.



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

[DATE]

[License Holder or Authorized Person]
[Business Name]
[Address]
[City, State Zip Code]

Re: Supplemental Notice of Embargo [License [License number] if there is one]
Address: [insert location where embargo is taking place]

Dear [Name of License Holder or Authorized Representative]:

On [Date], California Department of Cannabis Control (Department) placed the cannabis and cannabis products listed below in this Supplemental Notice of Embargo (Notice) under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The basis for placing these items under embargo was that the Department found or has reasonable cause to believe the cannabis or cannabis product is adulterated, misbranded, or its sale would violate the Medicinal and Adult-Use Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code § 26000 et seq.). This Notice is provided pursuant to title 4, California Code of Regulation, section 17801.5(c).

The Department has determined or has probable cause to believe that
[BASIS FOR EMBARGO & LEGAL CITE, use one or all that apply:

- The cannabis or cannabis products are misbranded as defined by BPC section 26039.5.
- The cannabis or cannabis products are adulterated as defined by BPC section 26039.6.
- The sale of the cannabis or cannabis products would violate BPC section [enter sections that will be violated by sale.]

[DESCRIPTION OF FACTS SUPPORTING EMBARGO: State why cannabis is misbranded (for example: cannabis is misbranded because consists of cannabis from an unlicensed source per BPC section 26039.5(a)(2); or because its labeling does not conform to UID labeling requirements, or BPC section 26160 and 4 CCR section 15037 requires a licensee to keep accurate records of its commercial cannabis activity, etc. Also provide facts that state we asked for records like receipts/manifests, batch records, etc but licensee could not provide documents at time of inspection, if applicable for a record keeping violation.).

Compliance Division • 2020 Gilroy Road, Rancho Cordova, CA 95670
844-61-CA-DCC (844-612-2322) • info@cannabis.ca.gov • www.cannabis.ca.gov

Business, Consumer Services
and Housing Agency

Supplemental Embargo Notice - NEW

For a licensed cultivator or microbusiness engaging in cultivation activities (4 CCR 17801.5(h)), the Supplemental Embargo Notice will allow licensee to request permission to continue cultivation or harvesting of cannabis under embargo by submitting a written request to DCC to compliance@cannabis.ca.gov. The licensee must receive permission from DCC prior to processing any cannabis under embargo.

NOTE: Sending the request to compliance@cannabis.ca.gov is a regulatory requirement. The inspector will receive a copy or can ask to be cc'd on the request.



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PROCESS #8

Additional Reporting

Reporting

- Inspection report
- *If applicable*, Notice to Comply (NTC)
- Timeline
 - **NOTE:** A timeline is not a replacement for an inspection report.



Timeline

Elements of Timeline:

- Provides context and a summary of events **as they develop**
- Memorializes findings, analyses, and when decisions are made
- Allows traceability of information received from multiple sources
- Guides staff on where to look for specific information (e.g. – “1/2/2022 – Licensee emailed manifests for embargoed items #1-12.”)

Timeline + Notes

- 2/14/19 – MCSB Site visit
 - o MCSB visited [redacted] to observe operational status. [redacted] issued a cease and desist notice to the licensee for having post-processing equipment (such as roto-vaps) on the premises without authorization by the fire department. The licensee removed all equipment from the manufacturing space and was empty when we toured it.
- 2/24/20 – Complaint Received Triggers Inspection
 - o Complaint received from MCSB inbox
 - Details: [redacted] continues to fill vape cartridges in a manufacturing space that is not supposed to be producing that. Employees are asked to come in at 3am-4pm to work in that area before everyone else shows up. Plants are not being tagged correctly in the processing area. They currently have rows hanging that are not tagged or identified.
 - Business Name: [redacted]
 - Facility Address: [redacted]
 - How do you know this information? I work here.
- 5/12/20 – Inspection and Embargo
 - o Present for inspection – MCSB Inspectors [redacted] and [redacted]
 - o County DA Investigators [redacted]
 - o Distillate containers do not have any identifiers and the licensee never assigned an identifier to the cannabis material. There is no way to trace the identity of the cannabis concentrate to an incoming manifest. Containers were reused from other parts of their operations, so the strain names and dates are not related to the cannabis product.
 - o The licensee confirmed on site that they do not have any batch production records for products manufactured on their premises. There are no records that show which cannabis material was used in the manufacture of the vape cartridges.
 - o The licensee first claimed that they just started manufacturing cartridges this week (the week of the inspection). When questions about CCTT activity, licensee changed response to say they manufactured cartridges in January 2020. Licensee claims they have never sold vape cartridges. We requested copies of all manifests for cannabis concentrate. The following is a summary of the manifests:

Date	Manifest #	Shipper	Receiver	Product Type	Qty
4/4/19	[redacted]	[redacted]	[redacted]	Bulk extract (Sealed)	+12,112 g
7/28/19	[redacted]	[redacted]	[redacted]	Distillate	+1,344 g
8/12/19	[redacted]	[redacted]	[redacted]	Distillate	-10,481 g
8/30/19	[redacted]	[redacted]	[redacted]	Distillate	-1,344 g
10/1/19	[redacted]	[redacted]	[redacted]	Distillate	+7,396.01 g
10/1/19	[redacted]	[redacted]	[redacted]	Distillate	+7,596 g
12/9/19	[redacted]	[redacted]	[redacted]	Distillate	+43,005 g
1/5/20	[redacted]	[redacted]	[redacted]	Distillate	+8,000 g

- o Incoming and outgoing manifests analysis
 - The manifests account for approximately 68,000 g of distillate received by the licensee and only records approximately 12,000 g of distillate transferred out of the manufacturing premises.
 - Some of manifests list incorrect information. Example:
 - Manifest 0001 (Date: 10/1/2019)



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PROCESS #9

Resolution of Embargo

Options for Resolving an Embargo

1. Submission of a written plan
2. Voluntary Condemnation & Destruction (VC&D)
3. Consult with your supervisor and Chief about notifying the Legal Affairs Division



Option #1 – Written Plan

1. Review the plan and evidence provided, if any, and discuss with your supervisor.
2. Consult with your supervisor to draft an **Embargo Response Letter** that communicates the determination to the licensee and engage with your supervisor, Section Chief, and Legal Affairs Division for approval.
3. Send a copy of the approved **Embargo Response Letter** to the licensee via email and hardcopy and archive in the appropriate Department location.
4. If the licensee has provided a sufficient written plan that will resolve the embargo, coordinate with the licensee to schedule a date and time for the Department to release the product from embargo.

Option #2 – Voluntary Condemnation & Destruction

1. Request a Destruction Plan.
2. Review the Destruction Plan to determine if it is acceptable and discuss the Destruction Plan with your supervisor.
3. Evaluate whether the licensee's plan accounts for things like employee safety, product hazards, whether waste will be considered hazardous after destruction (e.g. vape cart batteries), use of solvents, security, and whether the plan accounts for capacity and time needed. You're checking if the plan is reasonable.

Option #2 – Voluntary Condemnation & Destruction

4. If the Destruction Plan is sufficient, draft an email to the licensee to communicate approval of the Destruction Plan.
 - Coordinate with the licensee to schedule a date and time to witness the destruction **or** how the licensee may submit evidence of destruction.
 - The licensee is not to tamper with the embargoed inventory or start the destruction without the Department being present or without Department approval.
5. On the scheduled destruction day, follow the Division's VC&D Procedure and Complete the VC&D Form.
6. Save the completed and signed VC&D form to the appropriate place for Department recordkeeping.

IMPORTANT: Staff are **prohibited** from assisting in the VC&D, if present.

Option #3 – Notify Legal Affairs Division

If the embargo cannot be resolved through a written plan or VC&D, Department staff are to notify the Legal Affairs Division.

Legal Affairs will determine what actions are to be taken next.

Embargo Resolution

Submission of
Sufficient Written Plan

Plan evidences that
the product is
compliant

Plan corrects
misbranding (e.g. re-
labeling)

**Return Cannabis
Goods to Owner
(Release Embargo)**

**Return Cannabis Goods
to Owner (Release
Embargo)**

Licensee opts to VC&D
and sends sufficient
destruction plan

VC&D

Submission of **insufficient**
written plan and doesn't
want to VC&D

Legal Affairs

No Response

Legal Affairs



Department of
Cannabis Control
CALIFORNIA

Questions?

Integrity



Fairness



Innovation



Knowledge



Collaboration



Support

Thank you





[DATE]

[License Holder or Authorized Person]

[License Name]

[Address]

[City, State Zip Code]

Re: **SUPPLEMENTAL EMBARGO NOTICE - License Name (License number)**

Premises Address: [insert location where embargo is taking place]

Dear [Name of License Holder or Authorized Representative]:

On [Date], the Department of Cannabis Control (Department) placed the [cannabis and/or cannabis products] listed below in this Supplemental Embargo Notice (Notice) under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The basis for placing these items under embargo is that the Department found or has probable cause to believe that the cannabis or cannabis product is adulterated, misbranded, or its sale would violate the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code § 26000 et seq.). This Notice is provided pursuant to California Code of Regulations (CCR), title 4, section 17801.5, subdivision (c).

The Department [has determined or has probable cause to believe] that:

[BASIS FOR EMBARGO & LEGAL CITE, use one or all that apply:

- The cannabis or cannabis products are misbranded as defined by BPC section 26039.5.
- The cannabis or cannabis products are adulterated as defined by BPC section 26039.6.
- The sale of the cannabis or cannabis products would violate BPC section [enter sections that will be violated by sale.]

[DESCRIPTION OF FACTS SUPPORTING EMBARGO: State why cannabis is misbranded (for example: cannabis is misbranded because consists of cannabis from an unlicensed source per BPC section 26039.5 (a)(2); or because its labeling does not conform to UID labeling requirements, or BPC section 26160 and 4 CCR section 15037 requires a licensee to keep accurate records of its commercial cannabis activity, etc. Also provide facts that state we asked for records like receipts/manifests, batch records, etc but licensee could not provide documents at time of inspection, if applicable for a record keeping violation.).]

You are directed to submit a written plan to the Department that describes how you will address the items under embargo and the issues that resulted in the embargo. If the plan is acceptable, Department staff will supervise the completion of the plan. Please send your plan to [Email Address].

Alternatively, pursuant to California Code of Regulations, title 4, section 17801.5, subdivision (e), you may provide your agreement, in writing, for the voluntary condemnation and destruction of embargoed cannabis and cannabis product. Be advised that per California Code of Regulations, title 4, section 17801.5, subdivision (f), licensees may not undertake the destruction of embargoed items unless the Department has provided written approval and removed the embargo tag.

If the Department does not receive a response by [Date], or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with BPC section 26039.3, subdivision (f). Condemnation proceedings provide the person or licensee affected with a statement of the charges, the opportunity to exchange relevant information between parties, and the opportunity for a hearing to contest the charges before an Administrative Law Judge in accordance with Chapter 5 (commencing with section 11500) of the Government Code.

Be advised: the items listed below will remain under embargo until the embargo is lifted by the Department. While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization of the Department or a court. The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item, and additional administrative or disciplinary action.

A licensee authorized to engage in cultivation may request permission from the Department to continue to cultivate or harvest the cannabis subject to embargo. The request shall be in writing and submitted to the Department at compliance@cannabis.ca.gov and cc [Email Address] and must specify the cultivation or harvesting activities that you request to engage in. The Department may in its sole discretion authorize, and may impose conditions on, the continued cultivation or harvesting of the cannabis subject to embargo.

If you have any questions regarding this letter or the embargo, please contact [Inspector Name] via email at [Inspector Email Address].

Sincerely,

Supplemental Embargo Notice

[NAME]

[LICENSE #]

[DATE]

Page 3 of 6

[Inspector Name]

[Inspector Title]

INVENTORY OF CANNABIS AND CANNABIS PRODUCTS UNDER EMBARGO

	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	UID OR BATCH #	QUANTITY/ UNIT TYPE
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			

	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	UID OR BATCH #	QUANTITY/ UNIT TYPE
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			

	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	UID OR BATCH #	QUANTITY/ UNIT TYPE
44			
45			
46			
47			
48			
49			
50			
51			
52			
53			
54			
55			
56			
57			
58			
59			
60			

Record of Voluntary Condemnation and Destruction

Licensee or Owner of Cannabis/Cannabis Product

License Number: _____

Licensee/Product Owner Name: _____

Licensee/Product Owner Address: _____

Location of Cannabis/Cannabis Product if different from the above-listed address

Address: _____

Previously Embargoed: ☐ No ☐ Yes Embargo Date: _____

I hereby voluntarily agree to the condemnation and destruction of the following cannabis/cannabis product:

Description of Cannabis/Cannabis Product	Batch # or UID	Quantity

The cannabis and/or cannabis product referenced above, being adulterated, misbranded, or the sale of which otherwise is in violation of the Medicinal and Adult-Use Cannabis Regulation and Safety Act, Business and Professions Code (BPC) section 26000, et seq., is subject to embargo and is being voluntarily condemned and destroyed pursuant to BPC section 26039.3 and California Code of Regulations, title 4, section 17801.5 permitting a licensee or product owner or their authorized representative to agree in writing to its voluntary condemnation and destruction. I hereby release the DCC and its agents from any and all liability related to the destruction and disposal of the above referenced cannabis and cannabis product.

Signature (licensee owner/product owner/authorized representative): _____

Print Name: _____

Date and Location of Destruction: _____

Method/Manner of Destruction: _____

Department Information

District Office: _____ Phone Number: _____

Witness (Department Staff Member): _____



Initial Embargo Notice

You are hereby notified that the cannabis and cannabis products listed in this Notice are embargoed pursuant to Business and Professions Code (BPC) section 26039.3. The items listed in this notice cannot be removed, sold, or disposed of without authorization of the Department or a court. A licensee authorized to engage in cultivation may request permission to continue cultivation or harvest of cannabis.

Failure to abide by the terms of this embargo may result in a fine up to \$10,000 for each item, citation and/or other disciplinary action, including suspension or revocation of the license.

Date of issuance:

Business information:

License number:

License type:

Business name:

Premises address:

Reason for embargo:

- ☐ Adulterated - BPC 26039.6
- ☐ Sale would violate BPC §§ 26000 et seq.
- ☐ Misbranded - BPC 26039.5:
 - ☐ (a)(1) - unlicensed location
 - ☐ (a)(2) - unlicensed source
 - ☐ (a)(3) - false, misleading labeling
 - ☐ (a)(4) - non-compliant packaging or labeling

Notice recipient information:

Name and title:

Contact information:

Signature:

Department information:

Department representative:

Title:

ID #:

Email address:

Signature:





Department of
Cannabis Control
CALIFORNIA

Supervisor Embargo Training

Environmental Compliance and Manufacturing Safety Branch (ECMSB)

Integrity • Fairness • Innovation • Knowledge • Collaboration • Support



Department of
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Preparation

Preparing Staff

- **Immediate Preparation**

- Embargo documents, resources, and supplies
- Equipment (vehicle, phones, scales, Garmin devices, etc.)
- Identifying pre-inspection indicators that an embargo may happen
 - Metrc activity (or lack thereof), anomaly reports, complaints, referrals
- Safety (e.g. calendar invites, complaint/enforcement history, additional staff)
- Briefing meetings and check-ins (+mental preparation)

- **Long Term Preparation**

- Evaluating staff's training needs and inspection standardization
- Creating resources to address the parts of embargo that challenge staff

- **General Supervisor Responsibilities**

- Ensuring staff represent the Department in their roles
- Knowing when an employee should be substituted or removed from a situation
- Create an expectation and accountability of staff being discrete and removing bias



Department of
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CALIFORNIA

Initiating an Embargo in the Field

Initiating an Embargo

- Field staff will conduct the inspection and are expected to call their supervisor when they believe they have an embargo situation
 - Topics of conversation with staff should include:
 - Reason for embargo
 - Violations observed and the evidence collected
 - Quantity of items subject to embargo
 - Logistics –Does your field staff have what they need? Are there time constraints? Are there safety concerns?

Initiating an Embargo

- Supervisors will contact their Assistant Chief to authorize the embargo
- Supervisors will contact field staff and let them know if they are authorized to initiate the embargo
- Additional considerations:
 - If your staff are going out in the field and you'll be unavailable, does your staff know who to contact?
 - Will your staff need additional support and trouble shooting?
 - In person: Are there any staff nearby that can come help?
 - Virtually: Start a Teams chat with the ES, Supervisor, AC, and D&E specialist

Email communication

- Staff have been given training to not have conversations discussing the embargo by phone and supervisors should be enforcing that
- Staff should cc their supervisors and the D&E specialist on any email communication with the licensee that involves the embargo
- We have email templates for every embargo notice that will be issued to a licensee
 - Initial embargo notice (field copy or electronic w/signature needed)
 - Supplemental Embargo Notice
 - Notice of Embargo Determination (Destruction)(Embargo Release)
- Supervisors will flag or escalate any emails/requests/issues from a licensee that are out of norm or need attention
 - Examples: Permission to move inventory, harvest inventory, accusations made, missed deadlines
 - Cumulatively, we will engage who we need to and draft an appropriate response



Department of
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CALIFORNIA

Initial Embargo Notice – for the Office

Initial Embargo Notice

- Staff are expected to scan and email the Initial Embargo Notice to the DRP within 24 hours of initiating the embargo
 - Reminders:
 - There is email template language for issuing the Initial Embargo Notice
- Proof of Service – **may be needed**
 - If staff completed the Notice in the field and emailed a copy to the licensee, Proof of Service is **not required**.
 - In situations where an employee couldn't complete an Initial Embargo Notice in the field and are sending it electronically, Proof of Service **is required**. It will be evidence that the Notice was served.
- Although this is an option, staff are expected to be prepared for embargoes. Filling out a form in the field will prevent extra steps being added to the process.

After the Initial Notice, this will kick off the review process



What the review process may feel like

...**BUT** the idea is that staff will get more proficient and familiar with expectations as they gain more experience.

It (hopefully) won't always feel like this.





Department of
Cannabis Control
CALIFORNIA

Supplemental Notice & Investigation Report

Supplemental Embargo Notice (SEN)

Elements of the SEN:

- Licensee information
- Basis for embargo
- Description of facts supporting embargo
 - Reminder – this isn't expected to be a comprehensive list of all facts and violations
- Request for a response and deadline to submit it*
- Option to destroy*
- Warning language
- ES signature*
- Inventory table



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

[DATE]

[License Holder or Authorized Person]
[Business Name]
[Address]
[City, State Zip Code]

Re: **Supplemental Notice of Embargo** [License [License number] if there is one]
Address: [insert location where embargo is taking place]

Dear [Name of License Holder or Authorized Representative]:

On [Date], California Department of Cannabis Control (Department) placed the cannabis and cannabis products listed below in this Supplemental Notice of Embargo (Notice) under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The basis for placing these items under embargo was that the Department found or has reasonable cause to believe the cannabis or cannabis product is adulterated, misbranded, or its sale would violate the Medicinal and Adult-Use Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code § 26000 et seq.). This Notice is provided pursuant to title 4, California Code of Regulation, section 17801.5(c).

The Department has determined or has probable cause to believe that
[BASIS FOR EMBARGO & LEGAL CITE, use one or all that apply:

- The cannabis or cannabis products are misbranded as defined by BPC section 26039.5.
- The cannabis or cannabis products are adulterated as defined by BPC section 26039.6.
- The sale of the cannabis or cannabis products would violate BPC section [enter sections that will be violated by sale.]

[DESCRIPTION OF FACTS SUPPORTING EMBARGO: State why cannabis is misbranded (for example: cannabis is misbranded because consists of cannabis from an unlicensed source per BPC section 26039.5(a)(2); or because its labeling does not conform to UID labeling requirements, or BPC section 26160 and 4 CCR section 15037 requires a licensee to keep accurate records of its commercial cannabis activity, etc. Also provide facts that state we asked for records like receipts/manifests, batch records, etc but licensee could not provide documents at time of inspection, if applicable for a record keeping violation.).

Compliance Division • 2020 Kilgore Road, Rancho Cordova, CA 95670
844-61-CA-DCC (844-612-2322) • info@cannabis.ca.gov • www.cannabis.ca.gov

Business, Consumer Services
and Housing Agency

Supplemental Notice

- The goal is to have the Supplemental Notice issued in 7 days – we know there are delays
- Staff should cancel routine inspections to meet embargo deadlines and expectations
- **Supervisors** are responsible for tracking ES's completion of documents and ensuring they are accurate
- Supervisors will do QA/QC
- Proof of Service - **REQUIRED**

Reminders for Review:

- Grammar and spelling
- Consistent date formats
- Description supports reason for embargo
- Description is supported in Investigation Report
- Inventory table mirrors Initial Embargo Notice*
- Proof of Service is completed



Investigation Report (IR)

- Every disciplinary action needs an IR
- The IR can move through the embargo process as a draft
 - Legal needs to know that our observations are supported and there's evidence supporting our statements
- The IR can capture violations observed during the embargo process too, not just the inspection
- **ES and Supervisor** should be finalizing and signing the IRs at the conclusion of the embargo

INVESTIGATION REPORT	
 	
CASE INFORMATION	
Case Number	Date Received
License Number	Legal Business Name of Licensee or Unlicensed Party
DBA	Premises Address
Business Phone Number	Author's Name
Date of Incident	Location of Incident
DESIGNATED RESPONSIBLE PARTY (OWNER) OR UNLICENSED PERSON(S)	
Name (First, Middle, Last)	Title
Address (Include street, city, state, and zip code)	
E-mail Address	Phone Number
Miscellaneous Information	
SUMMARY	
DCC-010 (02/2023) Page 1 of 3	

Reviewing the Investigation Report

QA/QC

- First-person, active voice
- Grammar and spelling
- Consistent date formats
- Chronological order
- Spelling out acronyms
- Identifying internal/external staff
- Appropriate name and address of licensee

Content Review

- Violations observed
- Verification and collected evidence
- Demonstrating impact of cumulative violations
- Objective, not subjective
 - Word choice indicative of bias
- Addressing a DRP/representative's credibility
- Addressing a licensee's rebuttal to our observations
- For multiple licenses, identification of where the violation occurred



Department of
Cannabis Control
CALIFORNIA

Reviewing the Licensee's Response

Analysis of the Records or Response

- Staff are expected to review and analyze the licensee's response and evidence
 - If staff need help, they should be engaging their Supervisor and D&E specialist to review the response
 - **Supervisors** are expected to understand the licensee's response and their staff's analysis and determine if the recommended determination is supported
- When needed, briefing meetings can occur with the Assistant Chief and Legal to explain the analysis and determination to ensure concurrence



Department of
Cannabis Control
CALIFORNIA

Notice of Embargo Determination

Notice of Embargo Determination (NED)

- Elements of the NED:
 - Licensee information
 - Determination
 - Reasoning behind determination
 - Request for a response and deadline to submit it
 - Warning language*
 - **Supervisor** signature*
 - Inventory table



Gavin Newsom
Governor
Nicole Elliott
Director



[DATE]

[License Holder or Authorized Person]
[Business Name]
[Address]
[City, State Zip Code]

Re: **NOTICE OF EMBARGO DETERMINATION (License No. XXXXXXXXXX)**
Address: **[insert location where embargo took place]**

Dear **[Name of License Holder or Authorized Representative]**:

On [Date], California Department of Cannabis Control (Department) placed [cannabis and/or cannabis products] under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The embargoed inventory is documented in Table I below. The basis for placing these items under embargo was that the Department found or has probable cause to believe the cannabis or cannabis product is adulterated, misbranded, or its sale would violate the Medicinal and Adult-Use Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code § 26000 et seq.). Pursuant to California Code of Regulations (CCR), title 4, section 17801.5, subdivision (c), the Department provided a Notice directing you to submit a plan that describes how you will address the items under embargo and the issues that resulted in the embargo.

[DESCRIPTION OF DETERMINATION AND TABLE OF APPLICABLE EMBARGOED INVENTORY]

You are directed to send a plan for destruction of the items listed in Table 1 to the Department for review. If the plan is acceptable, Department staff will supervise completion of the plan. Please send your response to [Email Address]. Be advised that per CCR, title 4, section 17801.5, subdivision (f), licensees may not undertake destruction of embargoed items unless the Department has provided written approval and removed the embargo tag.

If the Department does not receive a response by [Date], or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with BPC section 26039.3, subdivision (f). Condemnation proceedings provide the person or licensee affected with a statement of the charges, exchange of relevant information between parties, and the opportunity for a hearing to contest the charges in front of an Administrative Law Judge in accordance with Chapter 5 (commencing with section 11500) of the Government Code. Additionally, failure to adhere to the

Notice of Embargo Determination

- After the D&E specialist knows what the determination is, I will send staff the determination letter template needed
 - Yes, I'm gatekeeping for now
- The NED will go through the entire review process and must be approved by the AC prior to being signed and issued
- Supervisor will sign the notice and will be responsible for questions about the determination. Destruction plan or embargo release scheduling will go to the ES.
- ES can still issue the NED
- Proof of Service – **NOT REQUIRED**



Department of
Cannabis Control
CALIFORNIA

Destruction Plan

Reviewing a Destruction Plan

- **Field staff and supervisors** will determine if the destruction plan is adequate for the embargoed inventory
 - When reviewing, consider:
 - Identification of responsible persons
 - Types of inventory under embargo
 - Proposed destruction method
 - Quantity of material to be destroyed
 - Time needed to complete destruction (+constraints)
 - Evidence needed (e.g. photos, video, weight receipts)
 - Safety concerns
- If we decide to pursue disciplinary action for a licensee's failure to follow a destruction plan, we have to prove it was intentional

Destruction Plan Communication

- Field staff can ask the licensee for additional information or clarification and can ask the licensee to modify their plan
 - If staff want to impose additional conditions, get it on record (aka email) that the licensee acknowledges the condition and accepts
- Email templates that will be available soon:
 - Examples of information to include in a destruction plan
 - Approval of a destruction plan with confirmation of a scheduled date and time



Department of
Cannabis Control
CALIFORNIA

Scheduling the Embargo Resolution

Destruction or Embargo Release

- Review facts of the case and interactions with the licensee and/or check in with your ES to determine what they need
 - Is there any belief that the embargo has been tampered with? Should we be preparing to recount all the inventory?
 - Is the licensee aggressive or have they been cooperative?
 - Does the ES feel safe going with a coworker? Should we ask additional staff to attend? Staff from Law Enforcement Division?



Department of
Cannabis Control
CALIFORNIA

Embargo Wrap Up

Wrap up

- Investigation Report
 - Signed and finalized by both **ES and Supervisor** at end of embargo
- Notice to Comply
 - Includes violations from inspection, the violations that led to the embargo, and violations discovered throughout the embargo process
- Record Keeping
 - Final documents and email communications have been saved and archived in the appropriate places
- Equipment and embargo forms
 - Does your staff need to replace any of the supplies or documents they used for their embargo?

Wrap Up

- Debrief meetings
 - Will include the field staff, supervisor, D&E specialist, and occasionally the assistant chief
 - The meeting will cover: feedback on staff performance, any mistakes made/lessons learned, behavioral issues, requests for feedback or equipment, training needs, need to exhibit discretion and remove bias
 - D&E specialist takes this feedback to D&E meetings with the EPMs and uses this to create resources and influence program development

INITIAL EMBARGO NOTICE – EMAIL TEMPLATE

Subject: INITIAL EMBARGO NOTICE – License name (License #)

DRP name,

On XX/XX/XXXX, the Department of Cannabis Control (Department) conducted an embargo at License name (License #). Enclosed with this email is a copy of the Initial Embargo Notice, which provides an inventory of the items included in the embargo and the legal basis for placing the items under embargo. The Department will be sending additional information and instructions in a Supplemental Embargo Notice.

A licensee authorized to engage in cultivation may request permission from the Department to continue to cultivate or harvest the cannabis subject to embargo. The request shall be in writing and submitted to the Department at compliance@cannabis.ca.gov and cc Inspector Email Address. The request must specify the cultivation or harvesting activities that you would like to engage in. The Department may, in its sole discretion, authorize, impose conditions on, or decline any request for the continued cultivation or harvesting of the cannabis subject to embargo.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

INITIAL EMBARGO NOTICE (AMENDED IEN & NEED SIGNATURE)

Subject: INITIAL EMBARGO NOTICE (AMENDED) – License name (License #)

DRP name,

On XX/XX/XXXX, the Department of Cannabis Control (Department) conducted an embargo at License name (License #). Enclosed with this email is an amended copy of the Initial Embargo Notice, which provides an inventory of the items included in the embargo and the legal basis for placing the items under embargo. The Department will be sending additional information and instructions in a supplemental embargo notice.

What you must do:

- Review the attached Initial Embargo Notice(s) and the list of inventory under embargo
- Complete the “Notice recipient information” section on each page of the Notice
- **Return the completed Initial Embargo Notice, with your signature on (Page 1 and X) to me via email by COB XX/XX/XXXX**

A licensee authorized to engage in cultivation may request permission from the Department to continue to cultivate or harvest the cannabis subject to embargo. The request shall be in writing and submitted to the Department at compliance@cannabis.ca.gov and cc **Email Address.** The request must specify the cultivation or harvesting activities that you request to engage in. The Department may in its sole discretion authorize, and may impose conditions on, the continued cultivation or harvesting of the cannabis subject to embargo.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

SUPPLEMENTAL EMBARGO NOTICE (SEN) – EMAIL TEMPLATE

Subject: SUPPLEMENTAL EMBARGO NOTICE – **License name (License #)**

DRP name,

On **XX/XX/XXXX**, the Department of Cannabis Control (Department) conducted an embargo at **License name (License #)**. Enclosed with this email is a Supplemental Embargo Notice that provides an inventory of the items included in the embargo and the legal basis for placing the items under embargo. The Notice also provides instructions and a deadline of **XX/XX/XXXX** to submit a written plan to address the items and issue(s) that resulted in the embargo.

If the Department does not receive a response by **XX/XX/XXXX**, or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with Business and Professions Code (BPC) section 26039.3 (f).

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

SEN WHEN LICENSEE CHOOSES TO VC&D – EMAIL TEMPLATE

Subject: SUPPLEMENTAL EMBARGO NOTICE – License name (License #)

DRP name,

On XX/XX/XXXX, the Department of Cannabis Control (Department) conducted an embargo at License name (License #). Enclosed with this email is a Supplemental Embargo Notice that provides an inventory of the items included in the embargo and the legal basis for placing the items under embargo.

Pursuant to California Code of Regulations, title 4, section 17801.5, subdivision (e), you have provided your agreement in writing for the voluntary condemnation and destruction of embargoed [cannabis and/or cannabis product].

The Notice provides instructions and a deadline of XX/XX/XXXX to submit a destruction plan to address the items and issue(s) that resulted in the embargo. If the Department does not receive a response by XX/XX/XXXX, or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with Business and Professions Code (BPC) section 26039.3 (f).

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

SEN DEADLINE REMINDER (Before deadline)/WARNING (After deadline)

Subject: REMINDER/WARNING: SUPPLEMENTAL EMBARGO NOTICE – License name (License #)

DRP name,

On XX/XX/XXXX, the Department of Cannabis Control (Department) issued you a Supplemental Embargo Notice that provided instructions and a deadline of XX/XX/XXXX to submit a written plan to address the items and issue(s) that resulted in the embargo. The Department is sending this email as a reminder of your upcoming response deadline.

If the Department does not receive a response by COB **XX/XX/XXXX**, or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with Business and Professions Code (BPC) section 26039.3 (f).

Pursuant to BPC section 26039.3 (f)(1), upon a finding by an administrative law judge that the cannabis or cannabis product is adulterated or misbranded or that its sale is otherwise in violation of this division, the administrative law judge may direct the cannabis or cannabis product to be destroyed at the expense of the licensee or product owner and under the supervision of the Department. The licensee or owner of the affected cannabis or cannabis product shall pay fees and reasonable costs incurred by the Department in investigating and prosecuting the action taken.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

NOTICE OF EMBARGO DETERMINATION (NED)(DESTRUCTION) – EMAIL TEMPLATE

Subject: NOTICE OF EMBARGO DETERMINATION – **License name (License #)**

DRP name,

On **XX/XX/XXXX**, the Department of Cannabis Control (Department) conducted an embargo at **License name (License #)**. Enclosed with this email is a Notice of Embargo Determination (Notice) that provides an inventory of the items included in the embargo, the legal basis for placing the items under embargo, and a determination on the evidence submitted. Please refer to the Notice for instructions on resolving the embargo.

If the Department does not receive a response by **XX/XX/XXXX**, or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with Business and Professions Code section 26039.3 (f).

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

NED DESTRUCTION PLAN (REMINDER/WARNING)

Subject: WARNING: RE: NOTICE OF EMBARGO DETERMINATION – License name (License #)

DRP name,

On XX/XX/XXXX, the Department of Cannabis Control (Department) issued you a Notice of Embargo Determination that provided instructions and a deadline of XX/XX/XXXX to submit a destruction plan for the items under embargo at License name (License Number). The Department is sending this email as a warning of your missed response deadline.

If the Department does not receive a response by COB XX/XX/XXXX, or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with Business and Professions Code (BPC) section 26039.3 (f).

Pursuant to BPC section 26039.3, subdivision (f)(1), upon a finding by an administrative law judge that the cannabis or cannabis product is adulterated or misbranded or that its sale is otherwise in violation of this division, the administrative law judge may direct the cannabis or cannabis product to be destroyed at the expense of the licensee or product owner and under the supervision of the Department. The licensee or owner of the affected cannabis or cannabis product shall pay fees and reasonable costs incurred by the Department in investigating and prosecuting the action taken.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

NOTICE OF EMBARGO DETERMINATION (RELEASE ONLY)

Subject: NOTICE OF EMBARGO DETERMINATION – License name (License #)

DRP Name,

On XX/XX/XXXX, the Department of Cannabis Control (Department) conducted an embargo at [License name] (License #). Enclosed with this email is a Notice of Embargo Determination that provides an inventory of the items included in the embargo, the legal basis for placing the items under embargo, and a determination on the evidence submitted. Please refer to the Notice for instructions on resolving the embargo.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without**

authorization by the Department or a court. The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

NOTICE OF EMBARGO DETERMINATION (Under Embargo until CAP Complete)

Subject: NOTICE OF EMBARGO DETERMINATION – License name (License #)

DRP name,

On XX/XX/XXXX, the Department of Cannabis Control (Department) conducted an embargo at License name (License #). Enclosed with this email is a Notice of Embargo Determination that provides an inventory of the items included in the embargo, the legal basis for placing the items under embargo, and a determination on the submitted corrective action plan. Please refer to the Notice for instructions on resolving the embargo.

The release of the embargoed inventory is contingent upon the Department returning to the licensed premises and confirming the embargoed inventory has been brought into compliance.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

If you have any questions, please contact me via email.

NED (AFFIRM DETERMINATION)

The Department has reviewed the additional information that was submitted. [INSERT DESCRIPTION]. The Department must **affirm** the determination described in the Notice of Embargo Determination.

You are directed to send a destruction plan for the items listed in the Notice of Embargo Determination that was issued on XX/XX/XXXX. If the Department does not receive a destruction plan by XX/XX/XXXX, or the Department cannot approve the plan, the Department may begin condemnation proceedings in accordance with Business and Professions Code section 26039.3 (f).

Pursuant to BPC section 26039.3, subdivision (f)(1), upon a finding by an administrative law judge that the cannabis or cannabis product is adulterated or misbranded or that its sale is otherwise in violation of this division, the administrative law judge may direct the cannabis or

cannabis product to be destroyed at the expense of the licensee or product owner and under the supervision of the Department. Additionally, the licensee or owner of the affected cannabis or cannabis product shall pay fees and reasonable costs incurred by the Department in investigating and prosecuting the action taken.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

EMBARGO RELEASE

DRP name,

The Department of Cannabis Control (Department) has approved the destruction plan you have provided for the inventory embargoed on XX/XX/XXXX.

Department staff will arrive on DAY OF WEEK, XX/XX/XXXX at 00:00 AM/PM to remove any embargo tags and/or markings on the embargoed inventory and release the inventory from embargo.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

Failure to adhere to the destruction plan and complete the destruction within the deadline identified may result in condemnation proceedings or other disciplinary actions.

DESTRUCTION PLAN (APPROVAL)

Subject: EMBARGO RESOLUTION – License name (License #)

DRP name,

The Department of Cannabis Control (Department) has approved the destruction plan you have provided for the inventory embargoed on XX/XX/XXXX.

Department staff will arrive on DAY OF WEEK, XX/XX/XXXX at 00:00 AM/PM to remove any embargo tags and/or markings on the embargoed inventory and to witness the destruction of the cannabis and/or cannabis product.

Be advised, the items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization by the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item or disciplinary action.

Failure to adhere to the destruction plan and complete the destruction within the deadline identified may result in condemnation proceedings or other disciplinary actions.

DESTRUCTION PLAN (REQUEST FOR GUIDANCE)

Subject: Destruction Plan Guidance

The Department does not have published guidelines and instructions for destruction plan submissions. The Department will review the plan for completeness and respond with any requests for additional information or changes needed. The destruction plan should generally detail the who, what, when, where, and how for how destruction of the embargoed inventory will occur. Factors or questions to consider include:

- Who
 - Who will be point of contact for the destruction? Who will be the on-site contact? How many employees do you plan to have on site to carry out the destruction plan?
 - If you plan on contracting with a waste hauler, please identify the hauler that you are contracting with.
- What
 - What resources will you need to complete the destruction plan?
 - Examples of resources: Equipment, containers, transportation, PPE, any mediums (such as water, food waste, soil,) you plan on mixing with the material (*if any*).
- When
 - Please propose dates and times for the destruction plan.
 - Please identify an estimate of how much time is needed to complete the destruction and the estimate time frame you expect for people to be on your premises for the destruction plan.
- Where
 - Identify where activities will be occurring, any staging areas needed, and where the destroyed inventory will be consolidated to after.
 - If self-hauling material, please provide the location of the landfill so we can anticipate where the waste receipt will be from.
- How
 - What equipment and methods will you use to ensure the material is destroyed? Describe if the cannabis material will be processed in any way prior to being disposed of (e.g. woodchipper, cutting, adding a medium, opening packaging, etc.).

- If you are contracting with a third-party hauler, will they be processing the material in any way? What evidence will they provide to you that the destruction is complete?

Although Department staff will be present for the destruction, the licensee may be required to record parts of the destruction or provide supplementary evidence, such as waste receipts, photos, or video footage if specified by the Department.

Once the destruction plan is submitted and approved and the destruction is complete the licensee will sign and receive a copy of the Voluntary Destruction and Condemnation form detailing the destroyed inventory and proof of completion from the Department.

COPY OF VC&D FORM

Subject: Voluntary Condemnation & Destruction at **License Name (License Number)**

DRP name,

On **XX/XX/XXXX**, the Department of Cannabis Control (Department) witnessed the voluntary condemnation and destruction (VC&D) of cannabis and/or cannabis products at the licensed premises of **License name (License number)**. Enclosed with this email is a copy of the Voluntary Condemnation and Destruction form, which includes a list of the inventory that was destroyed.

If applicable, please zero out and “finish” any open packages that have been destroyed and record it as waste. If you have any questions or need assistance, please contact support.metro.com or 877-566-6506, or the Department’s Track and Trace team at TrackandTrace@cannabis.ca.gov.

Thank you,

VC&D FORM (NEEDS SIGNATURE)

Subject: SIGNATURE REQUIRED - Voluntary Condemnation & Destruction at **License Name (License Number)**

DRP,

On **MM/DD/YYYY**, the Department of Cannabis Control (Department) received evidence that the voluntary condemnation and destruction (VC&D) of **cannabis and/or cannabis** products at the licensed premises of **License Name (License Number)** has been completed. Enclosed with this email is a copy of the Voluntary Condemnation and Destruction (VC&D) form, which includes a list of the inventory that was destroyed.

Please sign and return the VC&D form to me via email by close of business on **XX/XX/XXXX**.

If applicable, please zero out and “finish” any open packages that have been destroyed and record it as waste. If you have any questions or need assistance, please contact support.metro.com or 877-566-6506, or the Department’s Track and Trace team at TrackandTrace@cannabis.ca.gov.

Thank you,

From: [DelRosario, Eileen@CDPH](mailto:DelRosario,Eileen@CDPH)
To: [DelRosario, Eileen@CDPH](mailto:DelRosario,Eileen@CDPH)
Subject: embargo docs
Date: Monday, November 18, 2019 1:48:00 PM
Attachments: [Inspection Form - Embargo Notes v1.pdf](#)
[Inspection Form - Embargo Notice v1.pdf](#)
[Letter Template - Embargo.docx](#)

INVENTORY		INITIAL EMBARGO NOTICE				INVENTORY						METRIC ANALYSIS				
License	Location on Premises	#	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	UID or BATCH #	QUANTITY	Batch #	For calculating net weight			Unit Type	Notes	METRIC QUANTITY	UNIT TYPE	DON'T EDIT		VARIANCE (TOWARD FROM METRIC)
							Gross Weight	Tare Weight	Quantity					VARIANCE (+/-)	VARIANCE (TOWARD FROM METRIC)	
		1											No input		#VALUE!	N/A
		2											No input		#VALUE!	N/A
		3											No input		#VALUE!	N/A
		4											No input		#VALUE!	N/A
		5											No input		#VALUE!	N/A
		6											No input		#VALUE!	N/A
		7											No input		#VALUE!	N/A
		8											No input		#VALUE!	N/A
		9											No input		#VALUE!	N/A
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		23											No input		#VALUE!	N/A
		24											No input		#VALUE!	N/A
		25											No input		#VALUE!	N/A
		26											No input		#VALUE!	N/A
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MANUFACTURED CANNABIS SAFETY BRANCH

EMBARGO PROCEDURES



This procedure is intended to provide guidance and support to MCSB staff to ensure consistency and that proper departmental policies and procedures are followed.

Inspection & Compliance Unit Procedures

Embargo

Background

WHAT IS AN EMBARGO?

An embargo is an enforcement action that places a hold on cannabis and cannabis products. This hold prohibits any movement of the embargoed items from a location approved by Department. Embargos can be placed on licensed as well as unlicensed cannabis products. [Notice of Violation \(NOV\)](#), [Embargo Notice](#), [Embargo Tag\(s\)](#), [Embargo Letter\(s\)](#), and [VC&D Form](#) are the five document types specific to issuance and resolution of an embargo.

An embargo is one tool that MCSB can use to protect public health and safety by ensuring commercial cannabis manufacturers operate safe, sanitary workplaces and follow good manufacturing practices to produce products that are free of contaminants, meet product guidelines and are properly packaged and labeled, and ensure that cannabis and cannabis products are from a licensed source.

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) provides CDPH the authority to embargo (§26133) if the Department finds or has probable cause to believe that:

- The cannabis product is adulterated (§26131)
- The cannabis product is misbranded (§26121)
- The sale of the cannabis product would violate the law
 - Examples: prohibited products, unapproved additives, cannabis product that is not traceable through the regulated market

WHEN TO ISSUE AN EMBARGO

Embargo action may be considered if the Department finds or has probable cause to believe that a cannabis product is adulterated, misbranded, or the sale of the cannabis product would be in violation of statute or regulation. **Approval from an I&C section chief is required before taking embargo action.**

HOW TO ISSUE AN EMBARGO

Steps

Actions & Responsibilities

<u>Step #1 - Identification</u>	• Note details of the cannabis products and circumstances that may support an embargo action. • Take photographs and collect evidence that may support an embargo action. ○ Relevant evidence may include verbal statements, photographs, copies of required documents, etc. • <u>NOTE:</u> At this point, DO NOT disclose to the licensee that an embargo action is being considered.
<u>Step #2 - Determination</u>	• Contact your supervisor to <i>(do this in private—away from the licensee, their employees, the public or audio recording devices):</i> ○ Present the evidence that you have collected that may support an embargo action. ○ Describe the volume of product that may be subject to embargo. ○ Determine with your supervisor whether an embargo is appropriate. ○ Document the details of the conversation in your inspection notes (e.g. which supervisor did you speak to, the reason for embargo, the extent of embargo, etc.)
<u>Step #3 - Documentation</u>	If an embargo is approved: • Complete a handwritten Notice of Violation. Present the NOV to the licensee and explain the reason for the embargo action. (Handwritten NOV Examples) ○ Work with your supervisor to draft language for the handwritten NOV. The handwritten NOV shall only document the violation associated with the embargo action. Notice to comply language shall not be included in the handwritten NOV. ○ Inspectors will issue a complete NOV/NTC after the inspection that will include the additional violations that were observed during the inspection. • Document a complete inventory of cannabis product to be embargoed – use the Embargo Notice form and ensure it contains accurate information, including: ○ Qualitative descriptions ▪ List information to identify the product, include name of product, brand, and if possible UID number or batch ID. If the product does not have an identifier, such as a UID number or batch ID, inspectors can provide a qualitative description. Place a label sticker with a CDPH assigned number (e.g. Product: Cannabis distillate, Identifier: CDPH #01). ▪ Include sufficient detail in the notice. Keep detailed notes about what products fall under your qualitative descriptions. Sufficient detail and notes are imperative should another inspector be required to recount inventory, or a referral be made to the Attorney General’s Office. ○ Quantitative count of each product ▪ When weighing products, take photographs of the product along with the corresponding scale reading. This is helpful should the quantity and/or description of the product be challenged.

	- Inspectors can do a unit count for products that are packaged. - Take photographs of items that are under embargo. - Take photographs of all embargoed product; close enough so that each embargoed item can be identified. Take notes of relevant information that is on the product or containers (e.g. tare weights, batch numbers, UID tags, etc). - Complete Embargo Notice. - Explain the requirements for the embargoed products to the licensee: - Products under embargo cannot be touched, moved, or destroyed; the penalty for violating the embargo; and the next steps, including options for resolution: - Corrective action plan; - Voluntary condemnation & destruction (VC&D). - Have the licensee or a representative, if the licensee is not available, sign and date the Embargo Notice and handwritten NOV. <i>NOTE:</i> <i>If the licensee or their representative, refuses to sign the document, write “[Licensee/representative’s name] refused to sign” on the signature line.</i> Provide the Embargo Notice and NOV to the licensee or representative prior to leaving the facility. - When scanning/copying is not an option at the manufacturing premises, inspectors can send a copy to the licensee via email, within 24 hours, when back at the office. Suggest that the licensee take a photo of the document before you leave if they have concerns about unauthorized edits to the Embargo Notice. - Upload the Embargo Notice and handwritten NOV into MCLS upon returning to the office.
<u>Step #4 – Execute the Embargo</u>	- Confirm with the licensee a location that is under video surveillance with unobstructed views. Product identified for embargo are to be moved and held at the Department approved location. - Document a description of the embargoed area and how the embargoed product was left on the premises. - Place caution tape or tamper evident tape around product and post embargo tag(s). <i>NOTE:</i> <i>If there are concerns about products being tampered with, consider placing tamper evident seals/tape and taking additional photos and notes about the product, such as its appearance, viscosity, location, etc.</i> - Photograph embargoed product with caution tape and posted embargo tags. - Take photographs that may aid in determining whether the embargo was broken. - Signs of tampering at subsequent visits may help identify whether specific products from the embargo would need to be reweighed or recounted. <i>NOTE:</i> Future discovery of a broken embargo would necessitate consult with your supervisor to initiate consultation with the I&C Section Chief and the Office of Legal Services (OLS).

<u>Step #5 – Finalization of Embargo</u>	Within 7 working days of returning to the office: • Prepare a draft Embargo Letter requesting a corrective action plan that will be sent to the licensee. Use the Embargo Letter Template (Embargo Letter Examples). ○ The Embargo Letter identifies a deadline for the licensee to submit a Corrective Action Plan; inspectors should make the response deadline one week from the day the letter is issued. • Send the draft Embargo Letter and supporting documentation to your supervisor for review. • After the Letter is approved, send a scanned copy to the licensee via email, send a hardcopy by overnight mail to the licensee, and upload the letter to MCLS. • Enter the licensee information into the I&C enforcement tracker, under the MCSB Enforcement Cases tab, and maintain the status until closeout of the embargo. On a reasonable timeline dictated by the complexity of the embargo, and in coordination with your supervisor, section chief, and OLS: • Draft a narrative report giving a detailed account of the inspection, violations observed, and details of the embargo. ○ Draft an NOV or NOV/NTC that captures the remaining violations observed during the inspection, that were not captured on the handwritten NOV issued at the time of the embargo, and submit to your supervisor for review and approval. • Save all documents and communications with the licensee and/or their representatives, pertaining to the embargo, in the licensee folder. • Create a chronological embargo timeline, as a Word document, reflecting the timeline of events to assist with tracking the embargo status. The timeline can serve as a place to highlight notes and analyses, and may be used as a hyperlink to maintain the I&C enforcement tracker. • File the inspection notes, scanned Embargo Notice, handwritten NOV, embargo timeline, and all photos in the licensee folder. These documents will be used as evidence to substantiate the embargo. It is imperative that these documents are accurate and organized properly for future reference.
<u>Step #6 – Resolution of Embargo</u>	• Use the embargo timeline to log when and what documents the Department has sent to the licensee and the licensee’s responses. Ensure that the licensee is meeting response deadlines. ○ The timeline can also be used to highlight documents of interest or important developments (e.g., complaints received about the licensee breaking the embargo or analysis of documentation). • If the licensee submits a corrective action plan: ○ Review the plan in conjunction with your supervisor ○ Consult with your supervisor to draft an Embargo Response Letter that communicates the determination to the licensee (Embargo

[Response Letter Examples](#)) and engage with your supervisor, section chief and OLS to seek approval.

- **After the Embargo Response Letter is approved, send a scanned copy to the licensee via email, send a hardcopy by overnight mail to the licensee, and upload the letter to MCLS.**
- **If the licensee has provided a sufficient CAP that will resolve the embargo:**
 - Coordinate with the licensee to schedule a date and time to release the product from embargo.
- **If the licensee elects to VC&D the embargoed items:**
 - Request a Destruction Plan.
 - Review the Destruction Plan to determine if it is acceptable.
 - Evaluate whether the licensee's plan accounts for employee safety, product hazards, whether waste will be considered hazardous after destruction (e.g. vape cart batteries), use of solvents, security, and whether the plan accounts for the capacity and time needed for the destruction.
 - If the Destruction Plan is approved, draft an email to the licensee to communicate approval of the Destruction Plan
 - Coordinate with the licensee to schedule a date and time to witness the destruction.
 - On the scheduled destruction day,
 - Complete the [VC&D Form](#) and sign the document with the licensee or a business representative.
 - Upload the completed and signed VC&D form to MCLS and the licensee folder.
- **If the embargo cannot be resolved through a CAP and/or VC&D:**
 - Draft an embargo response letter notifying the licensee that the case has been referred to the Attorney General's office for hearing.
 - Prepare a referral letter for the Attorney General's office, in collaboration with your supervisor, section chief, and OLS.
 - Prepare the inspection documents, photos, and all communications pertaining to the embargo for the Attorney General's office.

EMBARGO TAG

DEPARTMENT OF CANNABIS CONTROL

This cannabis/cannabis product is embargoed pursuant to the Medicinal & Adult-use Cannabis Regulation & Safety Act (Business & Professions Code section 26000, et seq.). This tag may only be removed by a representative of the Department of Cannabis Control (Department). It is unlawful for a person to remove, sell, or dispose of embargoed cannabis or cannabis products without written permission of the Department or a court. A violation of the embargo is subject to a fine of up to ten thousand dollars (\$10,000) per item, citation, and/or disciplinary action against the person's commercial cannabis license.

Date of Embargo: _____

Department Representative Name and Title:

Phone: _____

Email: _____



Department of
Cannabis Control
CALIFORNIA

Embargo Refresher Training

Environmental Compliance Office (ECO)

Integrity • Fairness • Innovation • Knowledge • Collaboration • Support

What is an Embargo?

An embargo is an enforcement action that places a hold on cannabis and cannabis products. The hold prohibits any movement of the embargoed items from a specific location and prohibits their disposal and sale, unless given approval by the Department or a court. Embargos can be used for licensed and unlicensed cannabis and cannabis products on a licensed premises.

Reminder: Embargo action is considered on a situational basis and is only done in consultation with a supervisor and approval of a Department section chief.

Embargo Authority (§17801.5)

“The Department may embargo cannabis or cannabis products to prevent their sale, disposal, or removal from the location when the Department has *probable cause* to believe the cannabis or cannabis products are **adulterated** or **misbranded** or **the sale would otherwise be in violation of the Act or this division.**”

Misbranding (B&PC §26039.5)

- Cultivated, processed, manufactured, packed, or held in a location not duly licensed as provided in this division
- Consists of cannabis or cannabis product that was cultivated, processed, manufactured, packed, or held in a location not duly licensed as provided in this division
- Its labeling is false or misleading
- Its labeling or packaging does not conform to the requirements of Section 26120

*Exception to Misbranding – Seeds!

DCC Memo from 8/23/2022

- Licensed cultivators can incorporate cannabis seeds into the commercial cannabis supply chain from a source other than a nursery license. Read ([here](#)).
- What are expectations for inspection? The plants are tagged and identifiable and reported in Metrc as required



Documents Relevant for Embargo

- [Embargo Procedure \(2023\)](#)
- [Initial Embargo Notice](#)
- [Embargo Tag](#)
- [Embargo Field Label](#) (*if applicable*)
- [Supplemental Notice of Embargo](#)
- Embargo Response Letter(s) (*coming soon*)
- [Embargo Checklist and Transmittal Form](#)
- [Investigative Report](#) (DCC-010)
- [Notice to Comply](#) (*if applicable*)
- ECO Field Guide – Embargo (*coming soon*)
- [MSO Inspection Report Guide for Embargo](#)



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PROCESS #1

Identification

Identification

- Identify and record regulatory violations that would support an embargo of cannabis and cannabis product.
- Collect evidence (e.g. photographs, copy of records, verbal statements, etc.) that will support an embargo action.

NOTE: At this point in the process, staff should **not** disclose to the licensee that an embargo action is being considered without completing Process #2.



Department of
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PROCESS #2

Determination

Determination

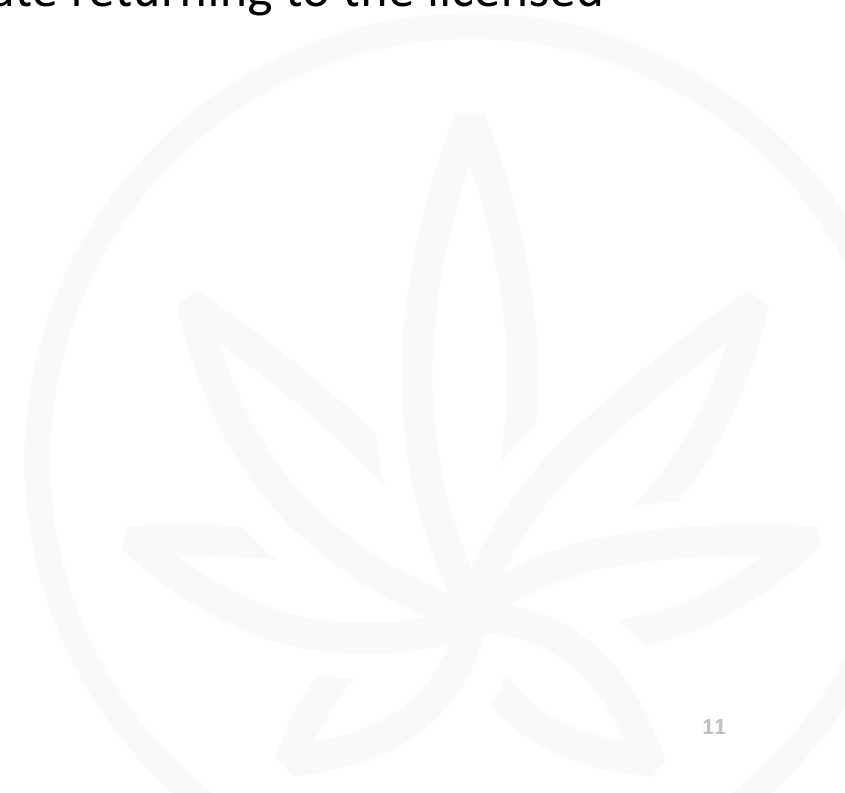
Contact your supervisor to discuss:

- The evidence that supports an embargo action
- Describe the volume of product subject to embargo
- Determine with your supervisor if an embargo is appropriate
- Document details of the conversation in your inspection/investigation notes (e.g. which supervisor did you speak to, the probable cause or reason for embargo, extent of the embargo, etc.)

NOTE: Do this in private—away from the licensee, their employees, the public, or audio recording devices.

Determination

- If you can't reach your supervisor and/or Assistant Chief:
 - The licensee doesn't know you are considering an embargo action
 - Staff have the option to return the next day
 - Staff can reschedule any upcoming inspections to accommodate returning to the licensed premises





Department of
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PROCESS #3

Initiate Embargo

Definitions

- **Cannabis** – all parts of the plant, whether growing or not, and the seeds thereof. Cannabis does not mean “industrial hemp” as defined by Section 11018.5 of Health and Safety Code.
- **Cannabis product** – cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- **Cannabis goods** – cannabis and cannabis products in final form and packaged and labeled as they will be sold at retail
- **Product description** – generic, common, or usual name of a product by which it is commonly known (e.g. cannabis flower, cannabis trim, live plants, vape cartridge, cannabis concentrate, packaged flower, plant biomass*)

Initiate Embargo

If the embargo has been approved:

1. Inform the licensee or their representative that the Department will be conducting an embargo and the general reason for doing the embargo
2. Identify the items to be placed under embargo
3. Document and photograph a complete inventory of cannabis and cannabis products to be embargoed, in the following order: unique identifier number if any, batch number if any, brand if any, strain name if any, or product type*
4. Fill out the Initial Embargo Notice

NOTE: For live plants and bulk cannabis on **cultivation licenses**, DCC staff will collect all identifying information but will only disclose the product description, UID (if provided), harvest batch ID (if provided), and quantity on the Initial Embargo Notice.

Initiating the Embargo – What does this look like?

- Talking points while initiating the embargo
 - State general reasons for conducting the embargo
 - Describe what an embargo is
 - Embargo provides due process
 - The embargo puts a hold on specific cannabis and cannabis products from being removed, sold, or disposed of
 - For cultivation, licensees can water their plants and do general care but are required to get written permission from the Department for any cultivation and harvesting and/or potential movement of plants
 - Embargo is not a license action
 - Product will be returned if sufficient evidence is provided
 - Consequences for breaking the embargo
- Discuss Voluntary Condemnation and Destruction

Documenting Embargoed Inventory

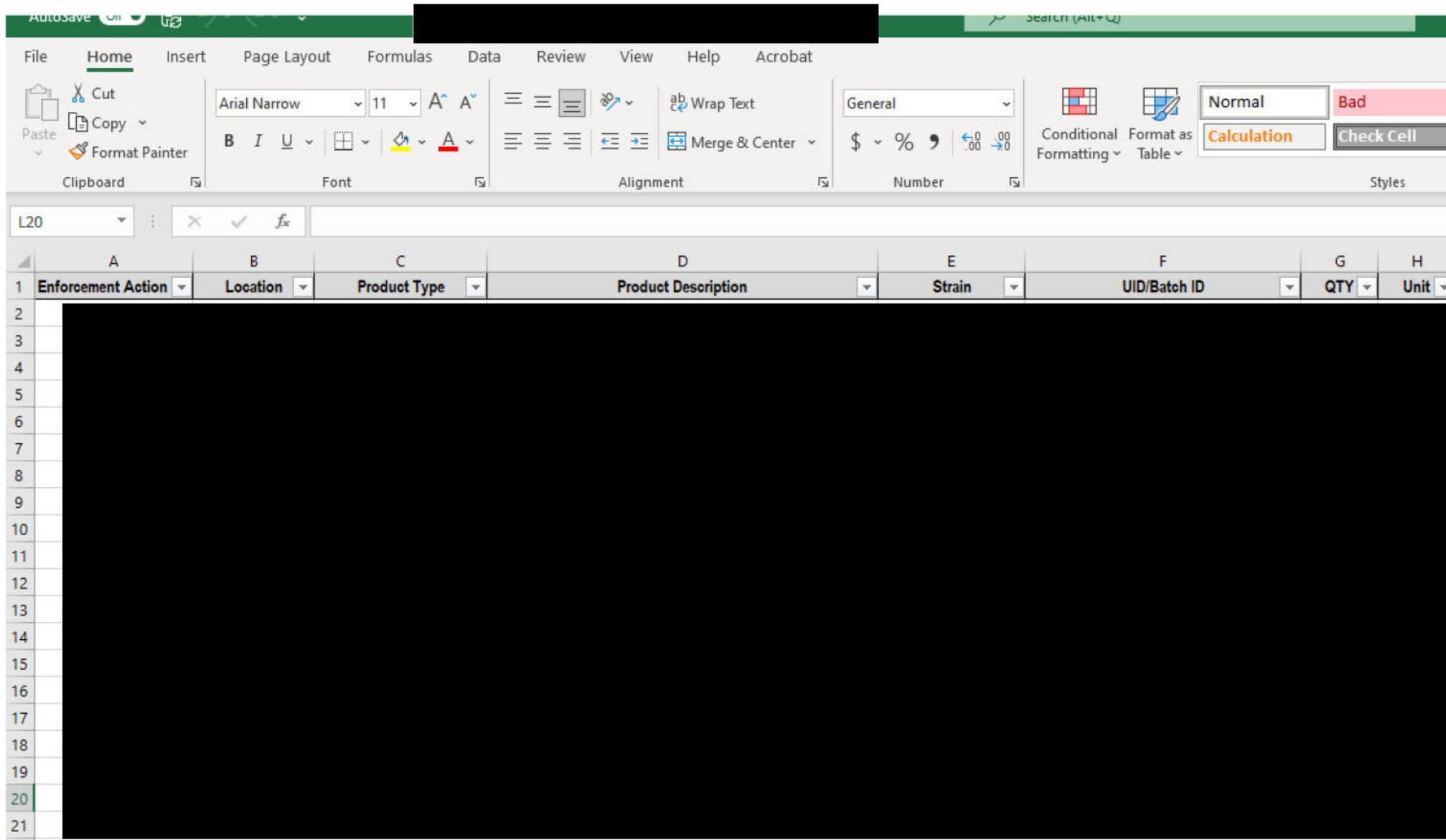
- Staff will likely be collecting more information than what is going on the Initial Embargo Notice
- Consider your options and resources to record and organize data for inventory
 - Paper records vs. Excel
 - Considerations:
 - Do you have the ability to work on Excel and print on site?
 - Are there multiple areas where product is embargoed?
 - What types of information are you capturing?
 - Are multiple enforcement actions occurring at the same time?



Documenting Embargoed Inventory on Excel

- Data can be captured that's relevant to DCC but not to the licensee (e.g. location)
- Data can be filtered for analysis later
- Excel can be used to run calculations and consolidate data
- Columns can be hidden when printing the inventory sheet for the Initial Embargo Notice

Documenting Embargoed Inventory on Excel



The screenshot displays the Microsoft Excel interface. The top ribbon shows the 'Home' tab selected, with various options for Clipboard, Font, Alignment, Number, and Styles. The spreadsheet area is visible, showing columns A through H. The first row (row 1) contains headers: 'Enforcement Action', 'Location', 'Product Type', 'Product Description', 'Strain', 'UID/Batch ID', 'QTY', and 'Unit'. The rows below the header are mostly obscured by a large black redaction box, with only the row numbers (2 through 21) visible on the left side.

	A	B	C	D	E	F	G	H
1	Enforcement Action	Location	Product Type	Product Description	Strain	UID/Batch ID	QTY	Unit
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
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19								
20								
21								

Label Embargoed Items

- Staff will be placing a pre-printed Embargo Field Label on the containers of processed/bulk cannabis and cannabis product(s)
 - **NOTE:** This does not mean put a label directly on cannabis goods!
- The item number correlates with the line-item number on the Initial Embargo Notice



The image shows a rectangular label template with a black border. At the top left is the Department of Cannabis Control California logo (a green leaf inside a circle). To its right, the text "Department of Cannabis Control" is written in black, with "CALIFORNIA" in smaller black letters below it. In the center, the words "EMBARGOED CANNABIS/CANNABIS PRODUCT" are written in bold red capital letters, with "DO NOT TAMPER" in bold red capital letters below it. At the bottom, the text "Item Number:" is written in black, followed by a horizontal line for a number. The words "Item Number:" are circled in red.

Things to Consider

Label placement

- Is the label secure or removable?
- Can this be combined with a tamper evident method?
- Placing the field label near other relevant information (e.g. tare weight, UID tag, batch number, etc.) can help reduce the amount of photos taken

Evidence Reminder

- Each embargoed item should have a photograph that shows the field label and item number
- Having a photo of the label placement can help reconcile photos with the embargo notice, any weights that may have been taken, and may be indicative of tampering

Embargoed Inventory

Group items together when possible and write down the inventory count.

TIPS:

- Write inventory counts on seals and have inspector initial
- Separate batches/UIDs
- Group into same increments when possible



Embargo (§17801.5)

To embargo cannabis or cannabis products, the Department shall:

1. Provide initial notice to the licensee or product owner that the cannabis or cannabis products are subject to embargo and the reason for the embargo. Initial notice may be oral or written;
2. Affix a tag or marking to the cannabis or cannabis products, or component thereof, subject to embargo; and
3. Provide an inventory of the embargoed items to the licensee or product owner.

Initial Embargo Notice

Elements of the Initial Embargo Notice:

- Business Information
- DCC Information
- Reason for embargo
- Signature lines
 - Talking point: The signature isn't an admission of guilt. It's just a signature that the notice has been received.
 - **NOTE:** If the licensee or their representative, refuses to sign the document, write "[Licensee/representative's name] refused to sign" on the signature line.

State of California, Department of Cannabis Control

Initial Embargo Notice

You are hereby notified that the cannabis and cannabis products listed in this Notice are embargoed pursuant to Business and Professions Code (BPC) section 26039.3. The items listed in this notice cannot be removed, sold, or disposed of without authorization of the Department or a court. A licensee authorized to engage in cultivation may request permission to continue cultivation or harvest of cannabis.

Failure to abide by the terms of this embargo may result in a fine up to \$10,000 for each item, citation and/or other disciplinary action, including suspension or revocation of the license.

Date of issuance: _____

Business information:

License number: _____

License type: _____

Business name: _____

Premises address: _____

Reason for embargo:

☐ Adulterated - BPC 26039.6

☐ Sale would violate BPC §§ 26000 et seq.

☐ Misbranded - BPC 26039.5:

☐ (a)(1) - unlicensed location

☐ (a)(2) - unlicensed source

☐ (a)(3) - false, misleading labeling

☐ (a)(4) - non-compliant packaging or labeling

Notice recipient information:

Name and title: _____

Contact information: _____

Signature: _____

Department information:

Department representative: _____

Title: _____ ID #: _____

Email address: _____

Signature: _____



Department of
Cannabis Control
CALIFORNIA

Initial Embargo Notice
Form DCC-3301 | Revision Date: 01/14/2022

Page ____ of ____



Initial Embargo Notice - Inventory

- **Qualitative descriptions** – product description, brand, strain, UID or harvest/batch ID; DCC field label on each item will match the embargo notice line item.
 - **Reminder:** DCC staff will collect all identifying information but will only disclose the product identity and UID (if provided) on the Initial Embargo Notice.
- **Quantitative description** – product amounts, weights, including photographs of scale readings.
 - **NOTE:** Staff are required to do a unit count for cannabis goods.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity

Notice recipient information

Name: _____

Title: _____

Signature: _____

Department information

Dept rep: _____

ID #: _____

Signature: _____

Department of Cannabis Control
CALIFORNIA

Initial Embargo Notice
Form DCC-3301 | Revision Date: 01/14/2022

Page ____ of ____

Notes and Evidence

- **Notes** – describe details about the embargoed products, what products fall under your qualitative descriptions, and how the inventory was conducted.
- **Photographic proof** – take photographs of items to be embargoed, close enough so that each embargoed item can be identified, along with relevant information about the product/containers (*e.g. tare weights, batch numbers*).
 - *NOTE: download photos as soon as possible*

The Value of Photographs

Supports your notes!



Qualitative descriptions

- UID Number **and/or** harvest/batch number
- “Nursery - Live plants”
- “Cannabis product – Vape cartridges”
- If cannabis good - product identity, strain, and/or brand



Quantitative description

- Weight of cannabis/cannabis product
- Unit count of plants or cannabis product

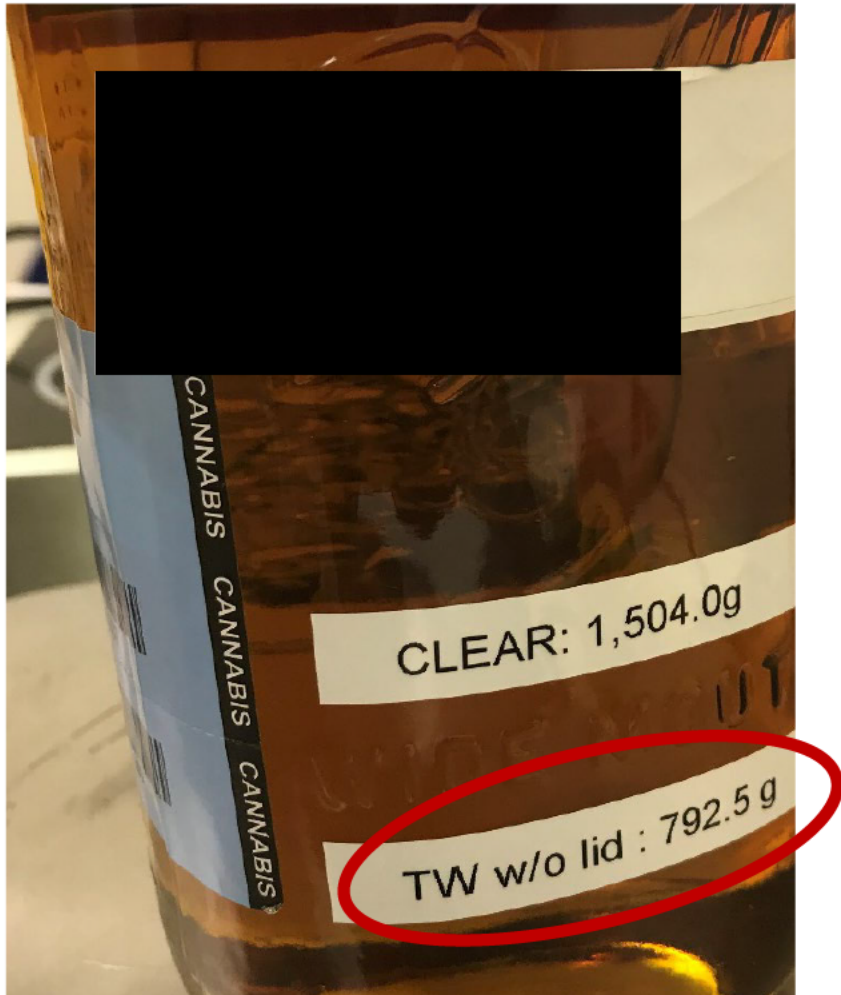
The Value of Photographs

- Photos prove how much inventory was embargoed and how weights were taken.
- Photos contest a licensee's claims that the Department incorrectly reported the quantity of a product
- Evidences what scale was used (e.g. tabletop vs. floor scale; sealed vs. unsealed; licensee's vs. DCC's scale)

TIP: DCC staff should evaluate when State owned scales should be used.



The Value of Photographs



Inspectors can review additional information about the product, such as:

- Batch numbers/Strain labels/Harvest IDs
- Tare weights
- Dates
- License numbers
- Potency

Consider what information is important to collect for your embargo case and analysis and what evidence they may provide.

How would you inventory this item?



#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity

Potential Examples



In the scenario that all bags have different batch IDs

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim		23.4 lbs
2	Cannabis trim		43.2 lbs

In the scenario that all of the bags are unidentifiable

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim		321 lbs

Potential Examples



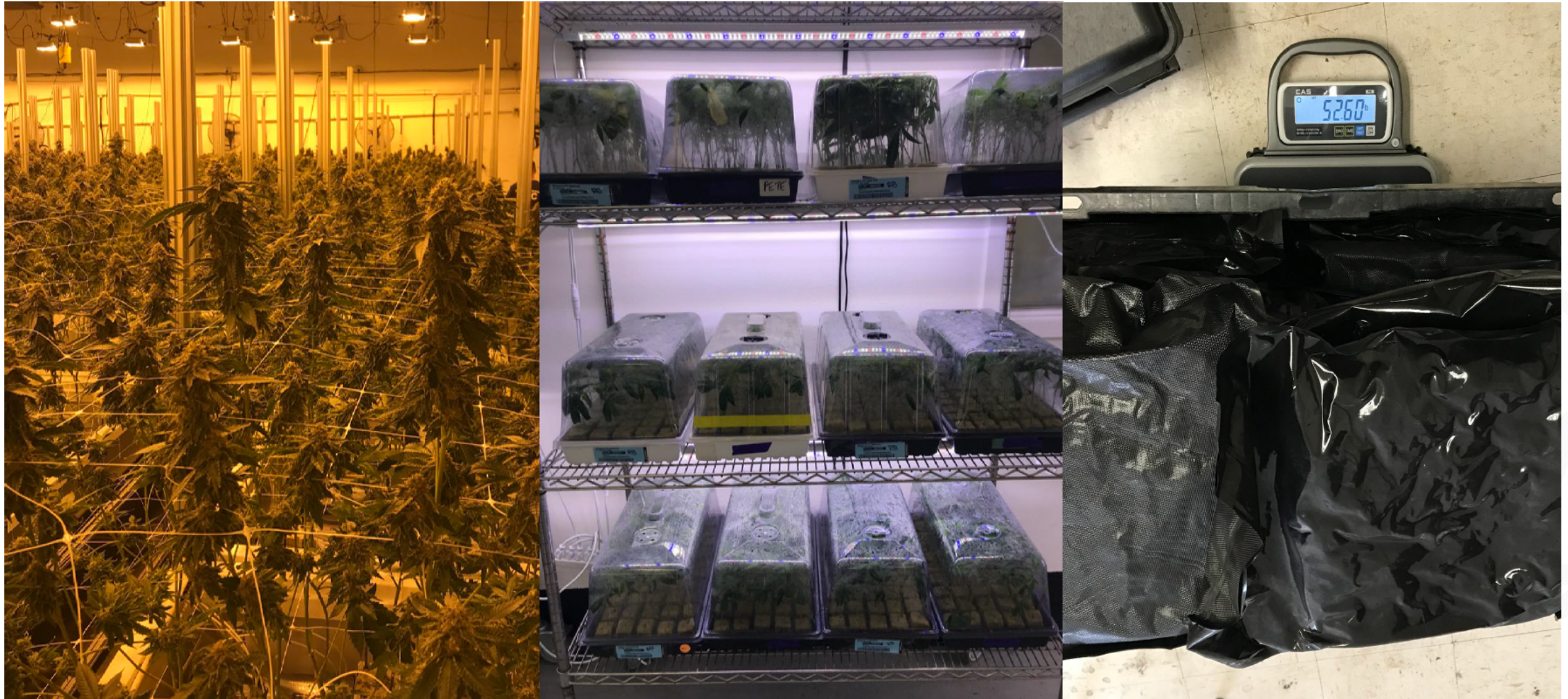
If you have other items to inventory and embargo and you do not have the time to weight out this box in its entirety, consider sealing the box and finding a way to quantify it.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim (5'x5'x4' cardboard box)		1 unit

If this is a specific item of interest and time allows for it, consider weighing out the box in increments.

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Cannabis trim		300 lbs

Initial Embargo Notice – Inventory Examples





Initial Embargo Notice

#	Description of cannabis and cannabis products under embargo	Batch # or UID	Quantity
1	Live plants – Flowering (Canopy area)	N/A	600 ea
2	Live plants – Immature (Nursery)	UID 1A406XXXXXXXXX...	98 ea
3	Cannabis – Fresh Frozen	N/A	52.6 lbs



Department of
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CALIFORNIA

PROCESS #4

Completion of Initial Embargo Notice

Explain the Embargo with the Licensee

Discussion points

- Products under embargo cannot be touched, moved, or destroyed, without prior approval from the Department; there is a penalty for violating the embargo.
- The embargo is a hold on specific cannabis and cannabis products – it's **not** a cease and desist of all operations. The licensee can continue commercial cannabis activity as long as the embargo is not broken.
- For live plants under embargo, plants can be watered and maintained to keep them alive. Anything involving moving, changing the disposition, harvesting, or processing requires permission from DCC.

Explain the Embargo with the Licensee

Discussion points

- Options for resolving the embargo:
 - Written Plan
 - Voluntary Condemnation & Destruction (VC&D)
- The business representatives signature on the Initial Embargo Notice is a signature of receipt – not an admission of wrongdoing
 - If the representative still refuses to sign – inspectors are to write “***[Licensee/representative’s name] refused to sign***” on the signature line.

Recordkeeping

- If possible, print a copy of the signed Initial Embargo Notice and leave it with the licensee
 - If staff don't have these capabilities, the licensee can take a photo of the document and DCC staff can scan and email a copy of the document to the licensee upon return to the office.
- DCC staff are expected to upload a copy of the signed Initial Embargo Notice and store in the appropriate location for file management (e.g. CLS for cultivation staff, G: drive for manufacturing, etc)
- DCC staff are expected to download photos from the embargo upon return to office



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PROCESS #5

Security of Embargo

Securing Embargoed Product

- Confirm with the licensee a location, within the licensed premises, that is secure, and, if possible, under video surveillance.
 - **NOTE:** Make best efforts to store products in the necessary environment to protect the quality of the product (e.g. refrigerated, freezer, room temp).
- Make best efforts to secure embargoed product or embargoed areas.
- Take descriptive notes about the embargo area and how the product was left on the premises.
 - If there is concern about specific product tampering, staff should consider taking notes or additional photos or using additional tamper evident methods
- Place **caution tape and/or tamper evident tape** and **post embargo tag(s)** around the cannabis and cannabis product.

Embargo Tag

EMBARGO TAG

DEPARTMENT OF CANNABIS CONTROL

This cannabis/cannabis product is embargoed pursuant to the Medicinal & Adult-use Cannabis Regulation & Safety Act (Business & Professions Code section 26000, et seq.). This tag may only be removed by a representative of the Department of Cannabis Control (Department). It is unlawful for a person to remove, sell, or dispose of embargoed cannabis or cannabis products without written permission of the Department or a court. A violation of the embargo is subject to a fine of up to ten thousand dollars (\$10,000) per item, citation, and/or disciplinary action against the person's commercial cannabis license.

Date of Embargo: _____

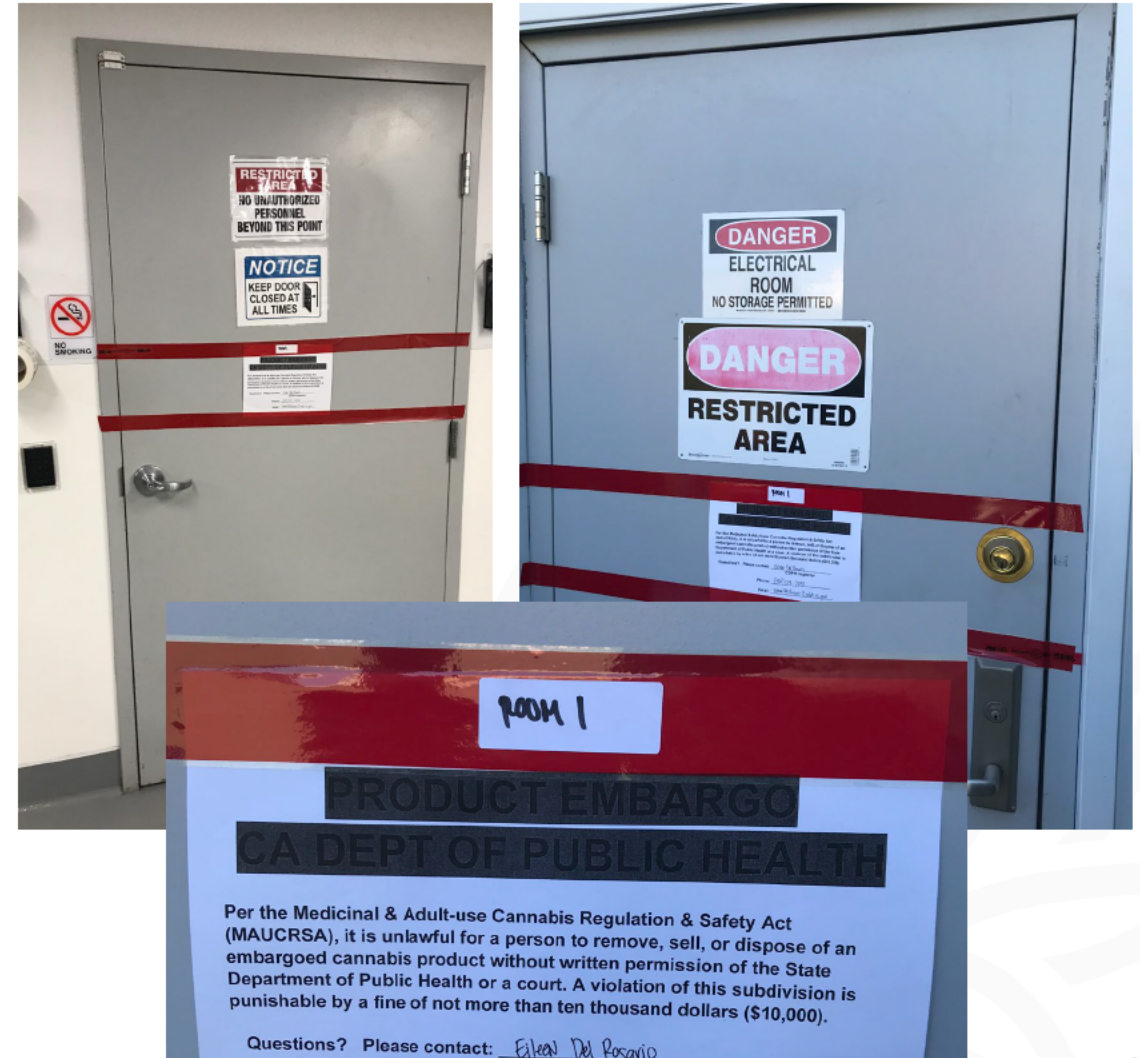
Department Representative Name and Title:

Phone: _____ Email: _____

TIP: Print some embargo tags with your information already on it so that you only need to write in the Date of Embargo on site

Considerations - Confirming a Location

- Review proposed areas for embargo with the licensee and potentially review the premises diagram.
- Determine whether there is any reason the licensee will need to go into the embargoed area.
- If there are multiple embargoed areas, do you have enough embargo tags and is there a way to differentiate your photos?



Considerations – Confirming a Location

- Volume of embargoed inventory
- Will the embargo interfere with the licensee continuing operations?
- Can anything be done about it?



Considerations – Confirming a Location

- Storage needs for the embargoed inventory
- Embargoing equipment
- Needs for processing
- What security protocols are in place?



Considerations – Live Plants Under Embargo

- Live plants take up a significant amount of space and the licensee still needs to be able to tend to their plants
- Employees still need to be able to water and do general care
- Will water damage the Embargo Tag?



Considerations – Tamper Evidence

- Consider placement of your tamper evidence and how to make it unique.
- Are multiple layers of tamper evidence needed?



Considerations – Identification vs. Tamper Evidence



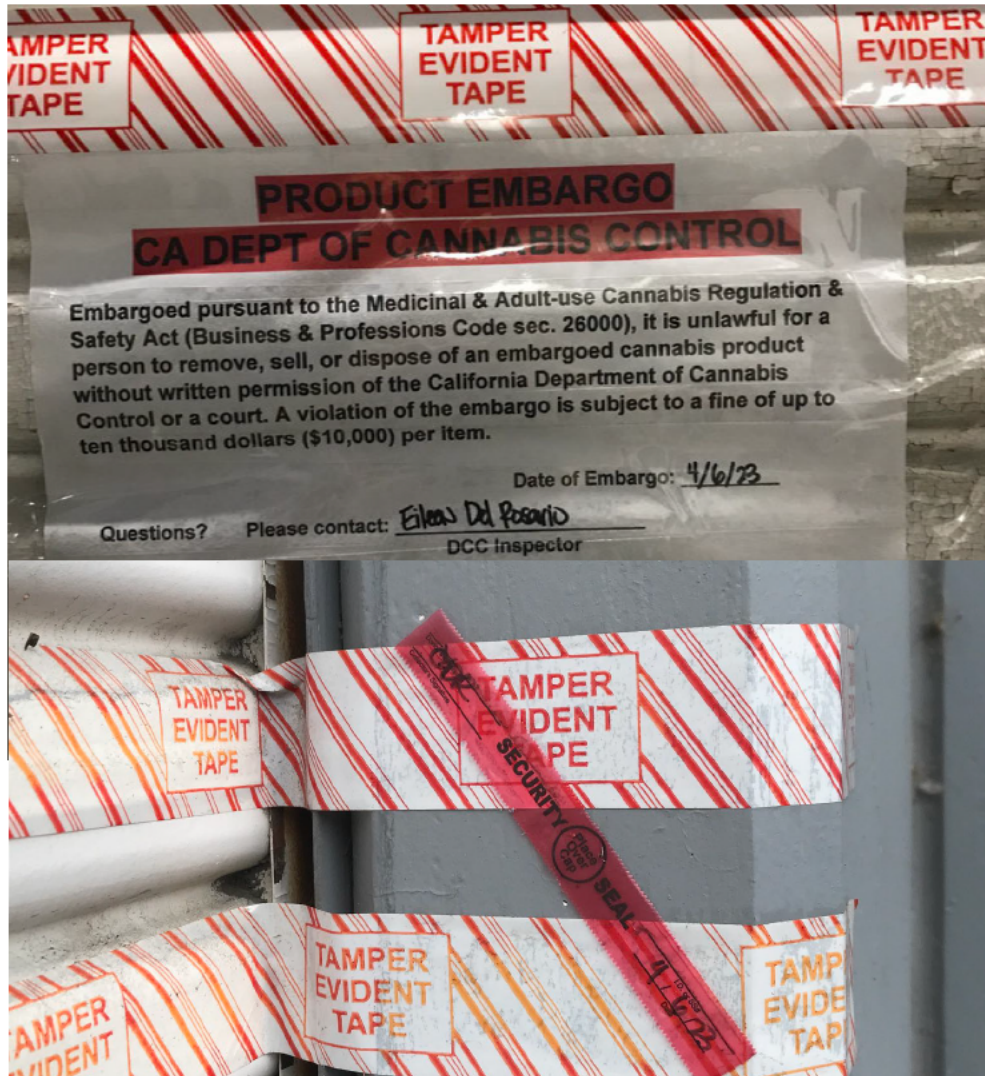
The caution tape is not meant to bar entry or be tamper evident in this instance - it is solely for identification of which plants are under embargo

Considerations - Embargo Tags and Tamper Evidence



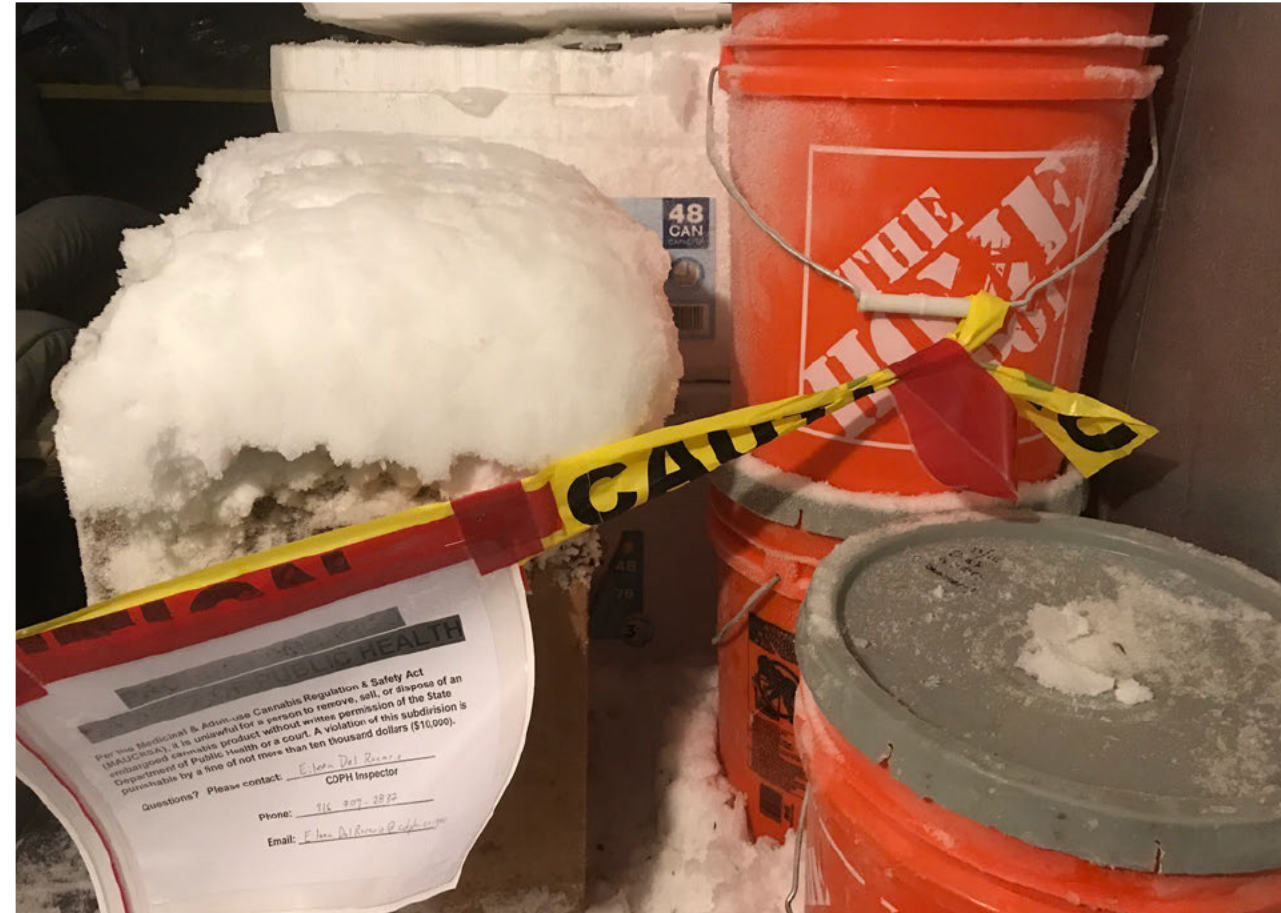
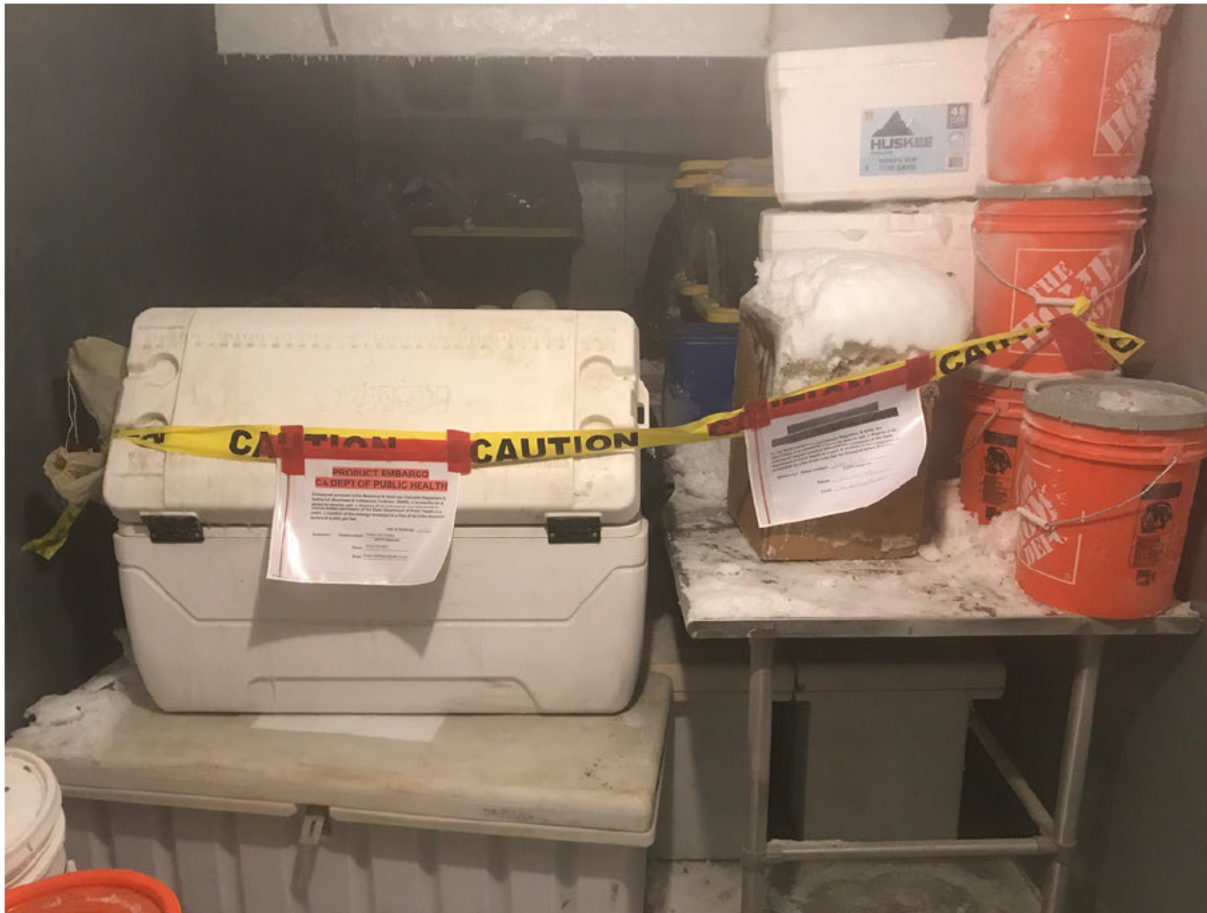
- Environmental conditions (Embargo tags and tamper evidence - indoor vs outdoor)
- Typical length of embargo
- Is there non-embargoed inventory in proximity

Considerations - Embargo Tags and Tamper Evidence



VC&D Date: 6/28/23

Considerations – Embargo Tags and Tamper Evidence



Determining if the Embargo Has Been Broken

When returning to release the embargo, look for signs of tampering



BEFORE



AFTER

Determining if the Embargo Has Been Broken

Compare the appearance of embargoed inventory to the photos from the initial embargo

BEFORE



AFTER



Determining if the Embargo Has Been Broken

Observe the condition of tamper evident tape



BEFORE



AFTER

Determining if the Embargo Has Been Broken

Signs of tampering – orientation of product



BEFORE

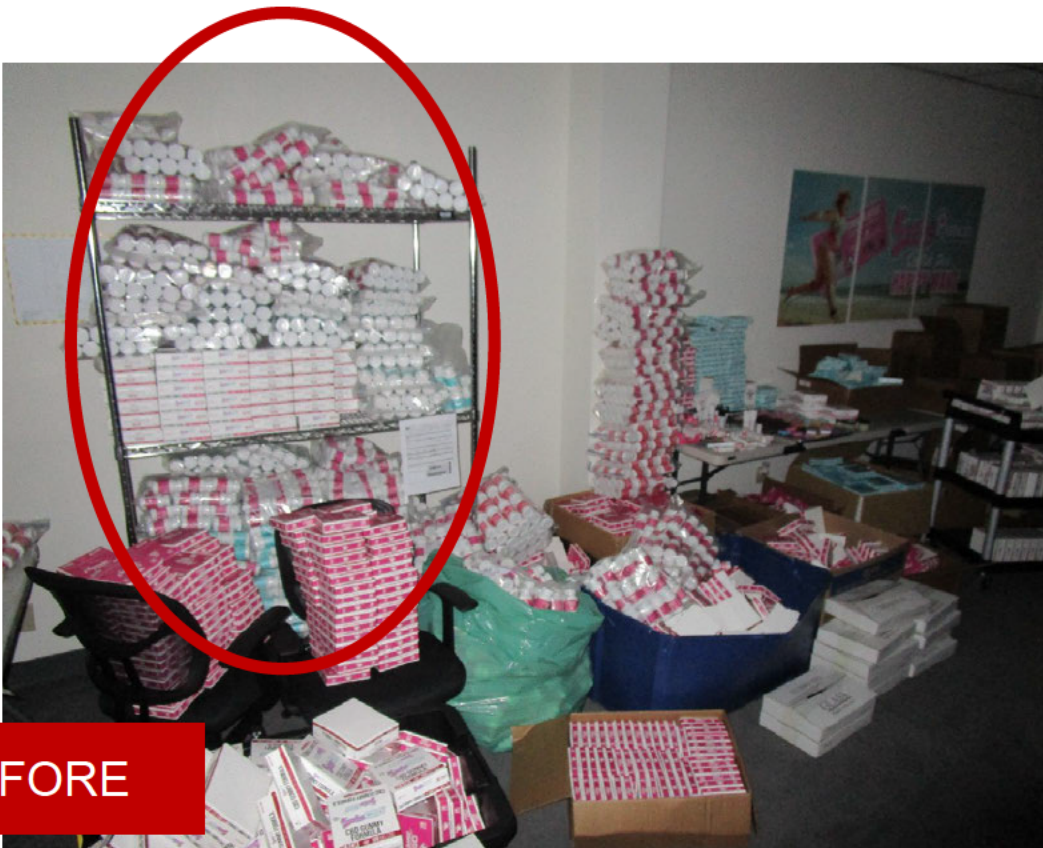


AFTER

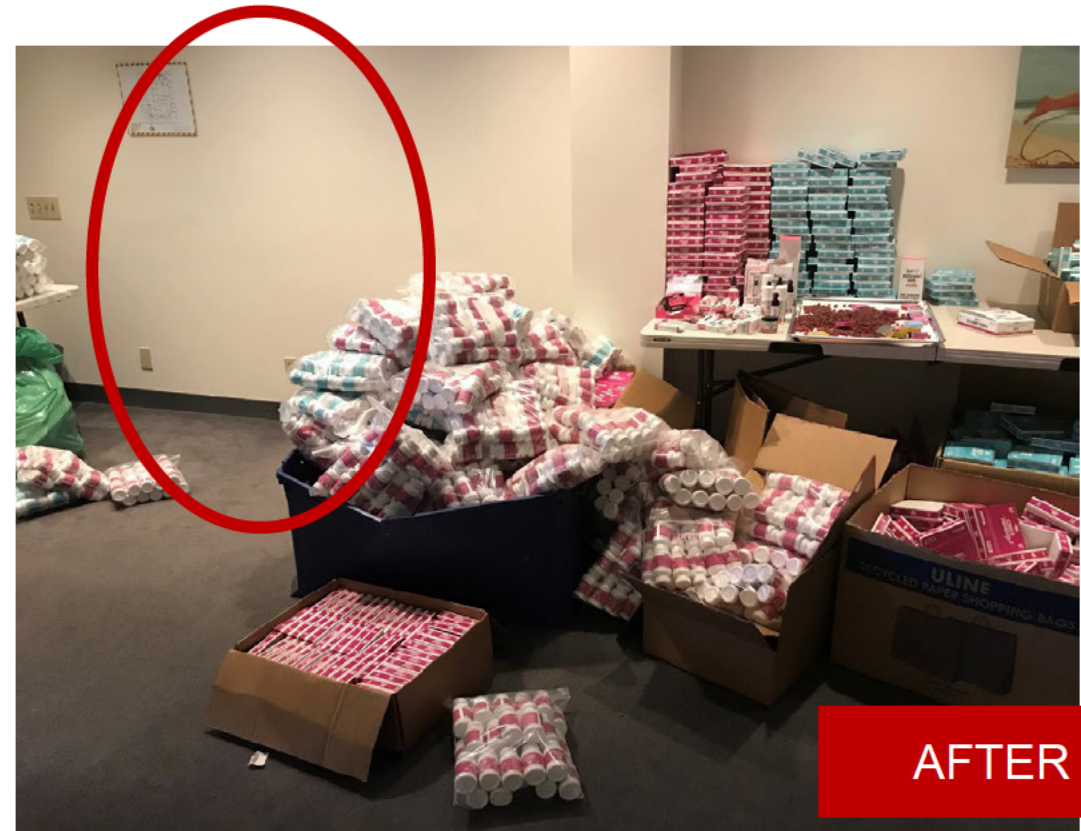


Determining if the Embargo Has Been Broken

Observe the condition of the embargoed area



BEFORE



AFTER



Department of
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CALIFORNIA

PROCESS #6

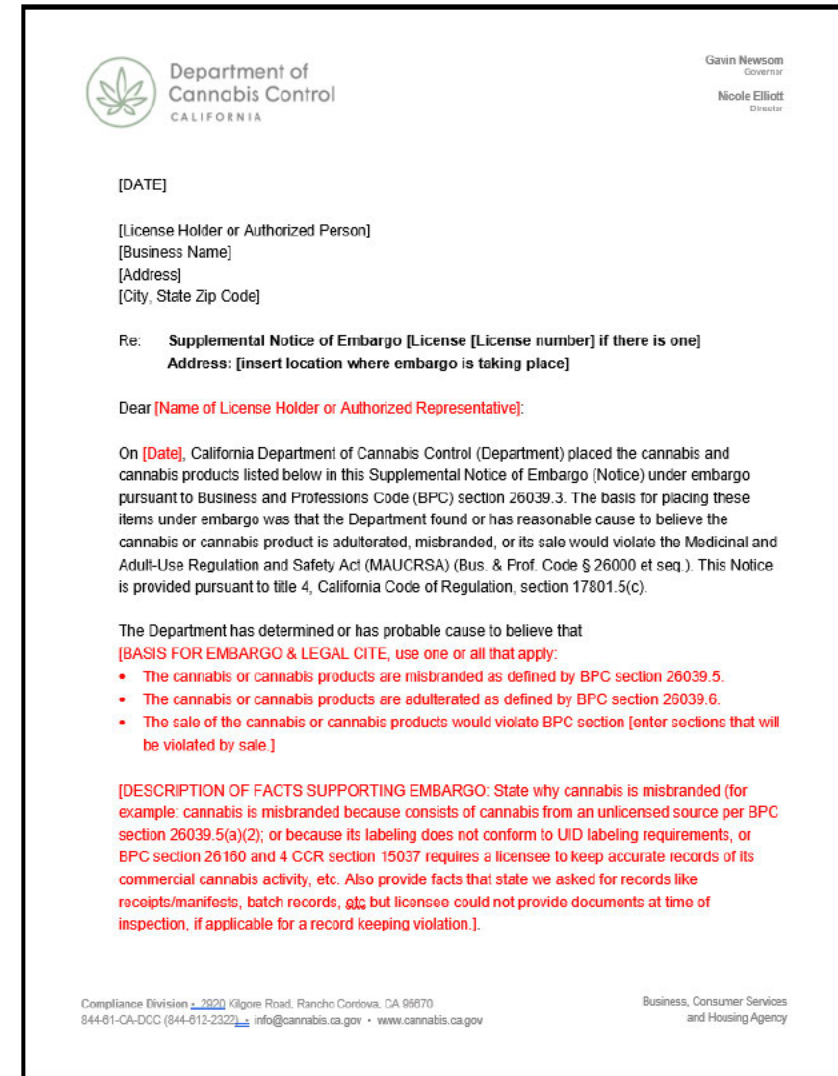
Finalization of Embargo

Supplemental Embargo Notice

Elements of the Supplemental Embargo Notice:

- Licensee information
- Basis for Embargo
- Description of facts supporting embargo
- Warning of embargo tampering
- Deadline for licensee response

Staff are required to maintain records of all finalized documents.



The image shows a sample Supplemental Embargo Notice form from the Department of Cannabis Control, California. The form is enclosed in a black border and contains the following elements:

- Header:** The Department of Cannabis Control logo and name are in the top left. The names and titles of Gavin Newsom (Governor) and Nicole Elliott (Director) are in the top right.
- Fields:** There are several bracketed fields for user input: [DATE], [License Holder or Authorized Person], [Business Name], [Address], and [City, State Zip Code].
- Subject Line:** "Re: Supplemental Notice of Embargo [License [License number] if there is one] Address: [insert location where embargo is taking place]"
- Greeting:** "Dear [Name of License Holder or Authorized Representative]:"
- Body Text:** A paragraph explaining the basis for the embargo, citing Business and Professions Code (BPC) section 26039.3 and the Medical and Adult-Use Regulation and Safety Act (MAUCRSA).
- Findings:** A section stating "The Department has determined or has probable cause to believe that" followed by a list of three possible reasons for the embargo (misbranded, adulterated, or sale violation).
- Description of Facts:** A section titled "[DESCRIPTION OF FACTS SUPPORTING EMBARGO: State why cannabis is misbranded (for example: cannabis is misbranded because consists of cannabis from an unlicensed source per BPC section 26039.5(a)(2); or because its labeling does not conform to UID labeling requirements, or BPC section 26160 and 4 CCR section 15037 requires a licensee to keep accurate records of its commercial cannabis activity, etc. Also provide facts that state we asked for records like receipts/manifests, batch records, etc but licensee could not provide documents at time of inspection, if applicable for a record keeping violation.)".
- Footer:** Contact information for the Compliance Division and Business, Consumer Services and Housing Agency is provided at the bottom.

Supplemental Embargo Notice - NEW

For a licensed cultivator or microbusiness engaging in cultivation activities (4 CCR 17801.5(h)), the Supplemental Embargo Notice will allow licensee to request permission to continue cultivation or harvesting of cannabis under embargo by submitting a written request to DCC to compliance@cannabis.ca.gov. The licensee must receive permission from DCC prior to processing any cannabis under embargo.

NOTE: Sending the request to compliance@cannabis.ca.gov is a regulatory requirement. The inspector can notify the compliance inbox team that they may be contacted about an embargo. The supplemental embargo notice now instructs the licensee to cc the DCC lead on the request.



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PROCESS #7

Additional Reporting

Reporting

- Embargo Checklist and Transmittal Page
- Embargo Response Letter
- DCC Investigative Report (DCC-010)
- Notice to Comply (NTC) (*if applicable*)

Embargo Checklist and Transmittal Page

- Elements of document:
 - Provides general information about the involved parties and status of embargo
 - Provides context and a summary of events **as they develop**
 - Memorializes events, approvals, deadlines, findings, analyses, and decisions
 - Allows traceability of information received from multiple sources

Embargo Checklist and Transmittal Form

- **General Information**
 - Covers information about the licensee and embargo case details
- **Embargo Abstract**
 - Summary of the major violations and context leading up to the embargo. This abstract can be used to brief staff and management on the reason/situation surrounding the embargo.

 Department of
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EMBARGO CHECKLIST AND TRANSMITTAL FORM

GENERAL INFORMATION

Licensee name:	
License #:	
License Type:	
Address:	
DRP/Subject Name:	
DCC Lead:	
Date of Embargo:	
Reason for Embargo:	
Types of Products Under Embargo:	
Embargo Resolution:	

EMBARGO ABSTRACT



Embargo Checklist and Transmittal Form

- Checklist
 - To be filled out by the DCC Lead to track case progress
 - Highlights the levels of review needed for each document
- Timeline
 - Record of site visits, requests, deadlines, and communicate interactions with licensee regarding the embargo case
 - Example: 5/1/2023 - (Licensee) requested permission to move plants via email

CHECKLIST		
Documents and Tasks	Approved By	Date
Initial Embargo Notice		
Scanned and copied Initial Embargo Notice for DCC Record		
Emailed or mailed copy of Initial Embargo Notice sent to Licensee		
Supplemental Embargo Notice		
DCC Lead completed draft of Supplemental Embargo Notice		
Supplemental Embargo Notice approved by Supervisor		
Supplemental Embargo Notice approved by Legal		
Supplemental Embargo Notice signed, archived, and issued to Licensee		
Investigative Report (DCC-010)		
DCC Lead completed draft of Investigative Report		
Consult with Legal on draft Investigative Report		
Revise draft Investigative Report		
Investigative Report approved by Supervisor		
Investigative Report approved by Legal		
Investigative Report signed by DCC Lead, finalized, and archived		
Embargo Response Letter		
DCC Lead review of Corrective Action Plan and/or Destruction Plan		
DCC Lead completed draft of Embargo Response Letter		
Embargo Response Letter approved by Supervisor		
Embargo Response Letter approved by Assistant Chief		
Embargo Response Letter approved by Legal		
Embargo Resolution scheduled (if applicable)		
Notice to Comply (if applicable)		
DCC Lead completed draft Notice to Comply		
Notice to Comply approved by Supervisor		
Notice to Comply approved by Legal		
Notice to Comply signed, archived, and issued to licensee		
TIMELINE		
DATE	DESCRIPTION	



Embargo Response Letter

- Document will communicate official determination on embargoed inventory after reviewing evidence submitted to DCC
- Requests a destruction plan for inventory with insufficient evidence
- Templates for typical situations

[DATE]

[License Holder or Authorized Person]

[Business Name]

[Address]

[City, State Zip Code]

Re: EMBARGO DETERMINATION OF [CANNABIS AND/OR CANNABIS PRODUCTS]

Dear [Name of License Holder or Authorized Representative]:

On [Date], California Department of Cannabis Control (Department) has determined that [Business Name] and/or [Product Name] cannabis products under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The embargoed inventory is documented through a Supplemental Notice of Embargo dated [date]. The basis for placing the embargo was that the Department found or has reasonable cause to believe that the cannabis product is adulterated, misbranded, or its sale would violate the California Medical Cannabis Use Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code Section 26133(f)). This Notice is provided pursuant to title 4, California Code of Regulations.

[DESCRIPTION OF EMBARGOED INVENTORY AND TABLE OF APPLICABLE EMBARGOED INVENTORY]

You are directed to submit a plan for destruction of the items listed in [Table #] to the Department for review. Your response [Email Address].

If you do not receive a response by [Date], this matter may be referred to the Office of the Attorney General to begin condemnation Proceedings in accordance with California Business and Professions Code Section 26133(f).

The items listed below will remain under embargo until the embargo is lifted by the Department. While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization of the Department or a court. The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item.



DCC Investigative Report (DCC-010)

- Will report all observations and violations associated with the inspection and embargo
- Does **not** need to be finalized immediately BUT Legal will need the draft while working on the embargo case

INVESTIGATION REPORT	
 Department of Cannabis Control CALIFORNIA	
	
CASE INFORMATION	
Case Number	Date Received
License Number	Legal Business Name of Licensee or Unlicensed Party
CNA	Premises Address
Business Phone Number	Author's Name
Date of Incident	Location of Incident
DESIGNATED RESPONSIBLE PARTY (OWNER) OR UNLICENSED PERSON(S)	
Name (First, Middle, Last)	Title
Address (include street, city, state, and zip code)	
E-mail Address	Phone Number
Miscellaneous Information	
SUMMARY	
DCC-010 (02/20/23) Page 1 of 3	

Notice to Comply (if applicable)

- NTC will cover violations observed during the inspection and throughout the embargo process
- Legal will be reviewing NTCs associated with the embargo when it's part of a larger enforcement issue (e.g. referral, evidence of unlicensed activity, need for progressive enforcement)

State of California, Department of Cannabis Control

Notice to Comply

Date of issuance: Click or tap here to enter text.

Date of inspection, if applicable: Click or tap here to enter text.

Business information

License number: Click or tap here to enter text.

License type: Click or tap here to enter text.

Premises address: Click or tap here to enter text.

Phone number: Click or tap here to enter text.

Notice recipient information

Name and title: Click or tap here to enter text.

Phone number: Click or tap here to enter text.

Email address: Click or tap here to enter text.

Mailing address: Click or tap here to enter text.

Method of service: Click or tap here to enter text.

The Department of Cannabis Control (Department) has determined that the licensee referenced above is not in compliance with statutory or regulatory requirements applicable to the license. This Notice to Comply (Notice) is issued pursuant to California Code of Regulations (CCR), title 4, section 17801. Failure to correct violation(s) in this Notice may result in disciplinary action. The violations noted in this Notice may not include all violations.

This Notice must be signed and returned to the Department. By signing this Notice below, you are acknowledging its receipt and notice of the violations listed herein. The signed Notice must be returned to the Department [either: within 30 calendar days from the date of personal service or the mailing of this Notice or no later than XX/XX/XXXX], along with a written plan if required. If a written plan is needed to address a specific violation, it will be noted in the Table of Violations that follows.

This Notice must be returned to the Department via email at [email address] or by mail at:

Department of Cannabis Control
Attention: [Division Name] Division
2920 Kilgore Road
Rancho Cordova, CA 95670

If you have any questions, please contact the Department representative listed below and include the license number and this Notice's date of issuance on any correspondence.

Department information

Department representative: Click or tap here to enter text. **ID #:** Click or tap here to enter text.

Signature:

Title: Click or tap here to enter text. **Email address:** Click or tap here to enter text.



Department of
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CALIFORNIA

Notice to Comply [date] - License #: [license number]
Form DCC-8105 | Revision Date: 07.19.2022

Page 1 of 3

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Department of
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CALIFORNIA

PROCESS #8

Resolution of Embargo

Options for Resolving an Embargo

1. Submission of a written plan
2. Voluntary Condemnation & Destruction (VC&D)
3. Consult with your supervisor and Chief about notifying the Office of Legal Affairs



Option #1 – Written Plan

1. Review the plan and evidence provided, if any, and discuss with your supervisor.
2. Consult with your supervisor to draft an **Embargo Response Letter** that communicates the determination to the licensee and engage with your supervisor, Assistant Chief, and Legal Affairs Division for approval.
3. Send a copy of the approved **Embargo Response Letter** to the licensee via email and archive in the appropriate Department location.
4. If the licensee has provided a sufficient written plan that will resolve the embargo, coordinate with the licensee to schedule a date and time for the Department to release the product from embargo.

Option #1 – Embargo Resolution

- Releasing the product from embargo could mean:
 - Going on site to confirm product is still there and removing caution tape, breaking tamper evident seals, and removing embargo tags
 - Asking for the licensee to take photos or videos to confirm the embargo is intact prior to releasing from embargo
- If the embargo is resolved but requires Metrc reconciliation:
 - Ask the licensee to provide a .csv file of corrections that need to be made on Metrc and/or UID tags and data that need to be entered and review for accuracy
 - Request assistance from DCC's track and trace team to open Metrc permissions for a limited time period

Option #2 – Voluntary Condemnation & Destruction

1. Request a Destruction Plan.
2. Review the Destruction Plan to determine if it is acceptable and discuss the Destruction Plan with your supervisor.
3. Evaluate whether the licensee's plan accounts for things like employee safety, product hazards, whether waste will be considered hazardous after destruction (e.g. vape cart batteries), use of solvents, security, and whether the plan accounts for capacity and time needed. You're checking if the plan is reasonable.

Option #2 – Voluntary Condemnation & Destruction

4. If the Destruction Plan is sufficient, draft an email to the licensee to communicate approval of the Destruction Plan.
 - Coordinate with the licensee to schedule a date and time to witness the destruction **or** how the licensee may submit evidence of destruction.
 - The licensee is not to tamper with the embargoed inventory or start the destruction without the Department being present or without Department approval.
 - On the scheduled destruction day, follow the Division's VC&D Procedure and Complete the VC&D Form.
5. Save the completed and signed VC&D form to the appropriate place for Department recordkeeping.

IMPORTANT: Staff are **prohibited** from assisting in the VC&D, if present.

Option #3 – Notify Legal Affairs Division

If the embargo cannot be resolved through a written plan or VC&D, Department staff are to notify the Legal Affairs Division.

Legal Affairs will determine what actions are to be taken next.

Embargo Resolution

Submission of
Sufficient Written Plan

Plan evidences that
the product is
compliant

**Return cannabis or
cannabis product to
Owner (Release
Embargo)**

Plan corrects
misbranding (e.g. re-
labeling)

**Return cannabis or
cannabis product to
Owner (Release
Embargo)**

Licensee opts to VC&D
and sends sufficient
destruction plan

VC&D

Submission of **insufficient**
written plan and doesn't
want to VC&D

Legal Affairs

No Response

Legal Affairs

Reminders

- Safety comes first! If at any point you feel unsafe – leave and come back when prepared
- We can't stop embargoed inventory from going missing, but our process is meant to have consequences for when it does
- Mistakes will happen and we'll all learn from them
- All of you are also building the embargo procedures with me. Tell me what resources you need and what works/doesn't.
- You're not alone in the embargo process
 - You can call for your coworkers for help and/or schedule to return to the licensed premises (and you can reschedule any upcoming inspections because of it)
 - Staff and managers will be available to provide guidance



Department of
Cannabis Control
CALIFORNIA

Questions?

Integrity



Fairness



Innovation



Knowledge



Collaboration



Support

Thank you



State of California, Department of Cannabis Control
Licensee Notification and Request Form

Corrective Action Plan For Remediation



This Corrective Action Plan form may be used when cannabis or cannabis product is to be remediated, reprocessed, repackaged, relabeled, reformulated, or modified in any way, pursuant to California Code of Regulations, Title 4, Section 17305.

It is the responsibility of the licensee submitting the Corrective Action Plan to ensure that the activities identified in the plan comply with any other applicable local, state, and federal laws.

If you are the original manufacturer of the product and the product is adulterated, it is your responsibility to ensure that a root cause analysis is conducted to identify the source of the adulterant(s) that caused the test failure, and to incorporate measures to prevent future failures in your product quality plan, pursuant to CCR, Title 4, section 17214.

Use of this form is optional and is intended to assist you in providing a complete description of the how the cannabis product or harvest batch will be remediated so that the cannabis product or harvest batch, or any product produced therefrom, will meet all regulatory compliance testing standards and quality assurance requirements. If you would prefer not to use this form, you can type the information requested in the form directly into an email or provide other documentation supporting your corrective action plan.

The Corrective Action Plan must be approved by the Department prior to beginning any remediation, reprocessing, repackaging, relabeling, reformulation, or modification to the cannabis or cannabis product.

Instructions

Complete all sections of the form.

Include the following attachments:

- Photos of all sides of the packaging and labeling of each batch;
- Material safety data sheets if applicable,

- Any studies referenced in the Corrective Action Plan,
- Documentation that any solvent or materials to be used are food grade,
- Certification for the closed loop extraction system, if one will be used, and
- Any additional supporting documents you would like the department to consider.

The Corrective Action Plan and all attachments must be submitted to remediation@cannabis.ca.gov by the licensee that will perform the remediation, pursuant to CCR, Title 4, section 17305(e).

Department staff may ask for additional documentation on an as needed basis, which may include standard operating procedures, training documents, master manufacturing protocols, product quality plans, and batch production records.

Date of Submission:

LICENSEE INFORMATION

LICENSEE THAT WILL PERFORM THE CORRECTIVE ACTION

Legal Business Name and DBA:

License Number: Premises Address:

Name of Contact Person:

Email Address:

Phone Number:

License Type: Microbusiness ☐ Type P ☐ Type N ☐ Type S ☐ Type 6 ☐ Type 7 ☐ Distributor ☐

LICENSED DISTRIBUTOR CURRENTLY HOLDING THE BATCH

Legal Business Name and DBA:

License Number:

CORRECTIVE ACTION PLAN

Attach additional pages as necessary

1. Describe each step of the proposed remediation method and intent. For failed cannabis or cannabis products only, identify the step(s) in your remediation method that will address the adulterant so that the cannabis, cannabis product, or any product produced therefrom, will meet all regulatory compliance testing standards and quality assurance requirements.
2. For failed cannabis or cannabis products only, describe the scientific support for the remediation activity, or validation studies that you have conducted, demonstrating that this process can adequately address the specific adulterant. Please attach any supporting studies that you reference.



3. List the materials that will be utilized during this remediation, including solvents, reagents, chemicals and/or equipment and describe the purpose for each item. Provide material safety data sheets, certificate of analysis for the solvent(s), closed loop certificate, and local fire code approval to conduct extractions, if required by local ordinance. Pictures of materials may be included, as well as material safety data sheets, and documentation, to support those solvents and other materials are food grade.

4. For all corrective action plans, describe your analysis of any biological, chemical, or physical hazards that may be introduced during the remediation activity and provide details of the preventative measures intended to mitigate those hazards and ensure safety of the final product.

CANNABIS OR CANNABIS PRODUCT BATCH INFORMATION

[illegible]

From: [Track and Trace@Cannabis](mailto:TrackandTrace@Cannabis)
To: [Nelson, Hither@Cannabis](mailto:Nelson_Hither@Cannabis)
Cc: [Dandridge, Carlene@Cannabis](mailto:Dandridge_Carlene@Cannabis); [Rossetti, Lisa@Cannabis](mailto:Rossetti_Lisa@Cannabis)
Subject: FW: Natural Expiration Notice: surrender of nursery license and modification to cultivation premises diagram
Date: Wednesday, June 25, 2025 1:21:20 PM
Attachments: [nursery - surrender.pdf](#)
[image002.png](#)
[image001.png](#)

Moved to pending.

Thank you,

Antoinette Wilmarth

Associate Governmental Program Analyst
CCTT Services Office
Administrative Services Unit

844-61-CA-DCC (844-612-2322)

info@cannabis.ca.gov

www.cannabis.ca.gov



From: Licensingactions@Cannabis <licensingactions@cannabis.ca.gov>
Sent: Wednesday, June 25, 2025 11:56 AM
To: 'tonywillits18@gmail.com' <tonywillits18@gmail.com>
Cc: Track and Trace@Cannabis <trackandtrace@cannabis.ca.gov>; 'genehacker@searchbcr.com' <genehacker@searchbcr.com>; 'amanda@goldstandardpharms.com' <amanda@goldstandardpharms.com>; 'nkantjas@gmail.com' <nkantjas@gmail.com>; 'greenman.jg@gmail.com' <greenman.jg@gmail.com>; 'dana@cannabiscorplaw.com' <dana@cannabiscorplaw.com>
Subject: Natural Expiration Notice: surrender of nursery license and modification to cultivation premises diagram

Hello,

Thank you for contacting the Department of Cannabis Control (Department). Your license CCL21-0003805 will expire on 06/27/2025.

Prior to the expiration of your license, you must destroy cannabis or cannabis products that remain on the premises or transfer such cannabis or cannabis products to another licensed

commercial cannabis business in accordance with California Code of Regulations, title 4, section 15024.1. The destruction or disposition of cannabis or cannabis products from the premises must be recorded in CCTT.

Pursuant to Business and Profession Code section 26038 and California Code of Regulations, title 4, section 15000.1, it is unlawful to engage in commercial cannabis activity without a valid license. If GNT Industries, or any person associated with the business is selling, manufacturing, cultivating, distributing, or testing cannabis and/or cannabis products or otherwise engaging in commercial cannabis activity without a license, the Department may initiate further action. Such action may include but is not limited to administrative fines, civil actions, criminal actions, and denial of an annual license application.

If you have questions regarding this correspondence, please contact the Department's Licensing Division at licensingactions@cannabis.ca.gov. If you have further questions about how to complete the CCTT inventory process, please contact the Department's Track and Trace Office at trackandtrace@cannabis.ca.gov.

Thank you,

Mui Dieng

Staff Services Analyst

Licensing Division, Licensing Actions Unit

844-61-CA-DCC (844-612-2322)

www.cannabis.ca.gov



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From: Tony DeSimone <tonywillits18@gmail.com>

Sent: Wednesday, June 25, 2025 11:02 AM

To: License Change@Cannabis <licensechange@cannabis.ca.gov>; Licensing@Cannabis <licensing@cannabis.ca.gov>; Dana Cisneros <dana@cannabiscorplaw.com>

Subject: surrender of nursery license and modification to cultivation premises diagram

[EXTERNAL]: tonywillits18@gmail.com

CAUTION: THIS EMAIL ORIGINATED OUTSIDE THE DEPARTMENT OF CANNABIS CONTROL!

DO NOT: click links or open attachments unless you know the content is safe.

NEVER: provide credentials on websites via a clicked link in an Email.

Dear DCC,

We hereby surrender our nursery license.

Attached is the revised cultivation premises diagram showing assumption of the nursery spaces.

We asked Monday how to surrender the nursery license and modify the premises for the cultivation side, but have not received a response.

If you require additional action on our part to update the premises diagram, please advise and work with our legal counsel, who is authorized to act on behalf of GNT and me - Dana Cisneros, who is copied on this email.

Thank you.

Tony DeSimone

State of California, Department of Cannabis Control
Licensee Notification and Request Form
Notifications and Requests to Modify a License

This form is for use by licensees who need to provide a notification to the Department or request approval from the Department, as required under the regulations. Directions for completing the form and providing supporting documents can be found below under Form Instructions.

Licensee Name: GNT Industries, Inc.

License Number: CCL21-0003805

License Expiration Date: June 27, 2025

Email a completed copy of this form and supporting documents to licensechange@cannabis.ca.gov to update any of the following:

- ☐ Labor Peace Agreement - § 15023(b)
- ☐ Change in Ownership - § 15023(c)
- ☐ Change in Financial Interest Holders - § 15023(d)
- ☐ Change in Contact Information - § 15023(e)(1)
- ☐ Change in Legal Name of Owner or Legal Business Name - § 15023(e)(2)
- ☐ Change in Business Trade Name/“Doing Business As” (DBA) or Fictitious Business Name (FBN) - § 15023(e)(3)
- ☐ Change in Bond - § 15023(e)(4)
- ☐ Add A or M Designation (excluding cultivators) - § 15023(f)
- ☐ Microbusiness: Add or Remove an Activity - § 15023(g)
- ☐ Death, Incapacity, Receivership, Assignment of Creditors, or Other Event Rendering an Owner Incapable - § 15024(a)

- ☐ Physical Modification of Premises (excluding cultivators) - § 15027
- ☐ Criminal Conviction of Any Owner - § 15035(a)
- ☐ Civil Penalty or Judgement Against Licensee or Any Owner - § 15035(b)
- ☐ Administrative Order or Civil Judgement for Violation of Labor Standards - § 15035(c)
- ☐ Revocation of a Local License, Permit, or Other Authorization - § 15035(d)

Use space below for additional information, as needed.

GNT is hereby surrendering its nursery license.

Disclosures

Mandatory Submission

Submission of the requested information is mandatory unless otherwise noted in regulation. Failure to provide any of the required information may result in disciplinary action.



Notifications and Requests to Modify a License – Form Instructions

Pursuant to the provisions in the Department's regulations and the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), there are specific instances when licensees are required to notify the Department of changes to business operations. When completing this form, please mark the box next to the item(s) that require Department notification or request and attach any other information required and relevant to the notification requirement(s). The general requirements for each notification or request item are listed below. Specific requirements can be found in the relevant code sections of the Department's regulations. All sections are in reference to the California Code of Regulations, Title 4, Division 19.

Labor Peace Agreement - § 15023(b)

If at the time of licensure, a licensee employed less than 20 employees and later employs 20 or more employees, within 60 days of employing 20 or more employees, the licensee shall provide to the Department a notarized statement that the licensee will enter into a labor peace agreement and will abide by the terms of the agreement.

Change in Ownership - § 15023(c)

If one or more of the owners of a license change, a new license application and fee shall be submitted to the Department within 14 calendar days of the effective date of the ownership change. The business may continue to operate under the active license while the Department reviews the the qualifications of the new owner(s) to determine whether the change would constitute grounds for denial of the license, if at least one owner is not transferring ownership interest and will remain as an owner under the new ownership structure. If all owners will be transferring their ownership interest, the business shall not operate under the new ownership structure until the new license application has been approved by the Department.

A change in ownership occurs when a new person meets the definition of owner in section 15003. A change in ownership does not occur when one or more owners leave the business by transferring their ownership interest to the other existing owner(s). In cases where one or more owners leave the business by transferring their ownership interest to the other existing owner(s), the owner or owners that are transferring their interest shall provide a signed statement to the Department confirming that they have transferred their interest within 14 calendar days of the change.

Change in Financial Interest Holders - § 15023(d)

When there is a change in financial interest holder(s) in the commercial cannabis business who do not meet the requirements for a new license application, the licensee shall submit the information required by section 15002(c)(15) to the Department within 14 calendar days of the change. For financial interest holders that are individuals, this information includes the first and last name of the individual, a contact phone number and email address, and the type and



number of the individual's government-issued identification, such as a driver's license. For financial interest holders that are entities, this information includes the legal business name, the name and phone number and email address of the entity's primary contact, and federal taxpayer identification number of the entity. If an individual who was previously listed as a financial interest holder no longer has a financial interest, provide the first and last name of the individual and indicate that this individual no longer has a financial interest.

Change in Contact Information - § 15023(e)(1)

If there is any change to any contact information from the information provided to the Department in the original application or subsequent notification, the licensee shall provide the Department with the new contact information within 14 calendar days of the change.

Change in Name or Legal Business Name - § 15023(e)(2)

If the licensee is an individual, the licensee shall notify the Department within 14 calendar days of any change to their name. If the licensee is a business entity, the licensee shall notify the Department within 14 calendar days of any change to the legal business name.

Change in Business Trade Name/"Doing Business As" (DBA) or Fictitious Business Name (FBN) - § 15023(e)(3)

If there is any change in DBA or FBN, the licensee shall notify and provide the Department with the new information for the business trade name and/or fictitious business name within 14 calendar days.

Change in Bond - § 15023(e)(4)

If there is any change to the surety bond required under section 15002(c)(22), the licensee shall notify and provide the Department with a copy of the new or changed surety bond within 14 calendar days.

Add A or M Designation (excluding cultivators) - § 15023(f)

A licensee may request to add an A-designation or M-Designation to their license by sending a notification to the Department signed by at least one owner as defined in section 15003. A licensee shall not operate under the requested designation until they have received approval from the Department. The Department will be required to obtain confirmation from the local jurisdiction for the additional designation prior to approval.

Microbusiness: Add or Remove an Activity - § 15023(g)

A microbusiness licensee may add a commercial cannabis activity to their license or remove a commercial cannabis activity from their license if doing so is consistent with the requirement that licensees engage in at least three (3) commercial cannabis activities. The licensee will be required to submit all licensing requirements for the requested new activity.



A licensee shall request the modification by completing a request to modify the licensed premises pursuant to section 15027. A licensee shall not engage in a new commercial cannabis activity until they have paid for the modification and received approval from the Department.

Death, Incapacity, Receivership, Assignment of Creditors, or Other Event Rendering an Owner Incapable – § 15024(a)

In the event of the death, incapacity, receivership, assignment for the benefit of creditors or other event rendering one or more owners incapable of performing the duties associated with the license, the owner or owners' successor in interest (e.g., appointed guardian, executor, administrator, receiver, trustee, or assignee) shall notify the Department in writing, within 14 calendar days.

To continue operations or surrender the existing license, the successor in interest shall submit to the

Department the following:

- (1) The name of the successor in interest.
- (2) The name of the owner(s) for which the successor in interest is succeeding and the license number;
- (3) The phone number, mailing address, and email address of the successor in interest; and
- (4) Documentation demonstrating that the owner(s) is incapable of performing the duties associated with the license such as a death certificate, or a court order, and documentation demonstrating that the person making the request is the owner or owners' successor in interest such as a court order appointing guardianship, receivership, or a will or trust agreement.

Physical Modification of Premises (excluding cultivators) – § 15027

A licensee shall not, without the prior written approval of the Department, make a physical change, alteration, or modification of the licensed premises that materially or substantially alters the licensed premises or the use of the licensed premises from the premises diagram originally filed with the license application. A licensee (excluding cultivators) shall request approval of a physical change, alteration, or modification in writing, and the request shall include a new premises diagram, payment of a fee, and any additional documentation as requested by the Department.

Criminal Conviction of Any Owner - § 15035(a)

A licensee shall ensure that the Department is notified in writing of a criminal conviction of any owner, either by mail or electronic mail, within 48 hours of the conviction. The written notification to the Department shall include the date of conviction, the court docket number, the name of the court in which the owner was convicted, and the specific offense(s) for which the owner was convicted.



Civil Penalty or Judgment Against Licensee or Any Owner - § 15035(b)

A licensee shall ensure that the Department is notified in writing of a civil penalty or judgment rendered against the licensee or any owner in their individual capacity, either by mail or electronic mail, within 48 hours of delivery of the verdict or entry of judgment, whichever is sooner. The written notification shall include the date of verdict or entry of judgment, the court docket number, the name of the court in which the matter was adjudicated, and a description of the civil penalty or judgment rendered against the licensee.

Administrative Order or Civil Judgment for Violation of Labor Standards - § 15035(c)

A licensee shall ensure that the Department is notified in writing of an administrative order or civil judgement for violations of labor standards against the licensee or any owner in their individual capacity, either by mail or electronic mail, within 48 hours of delivery of the order. The written notification shall include the date of the order, the name of the agency issuing the order, and a description of the administrative penalty or judgement rendered against the licensee or owner.

Revocation of a Local License, Permit, or Other Authorization - § 15035(d)

A licensee shall ensure that the Department is notified in writing of the revocation of a local license, permit, or other authorization, either by mail or electronic mail within 48 hours of receiving notice of the revocation. The written notification shall include the name of the local agency involved, a written explanation of the proceeding or enforcement action, and the specific violation(s) that led to revocation.



#	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	UID or BATCH #	QUANTITY
1			700 g
2			0
3			0
4			0
5			0
6			0
7			0
8			0
9			0
10			0
11			0
12			0
13			0
14			0
15			0
16			0
17			0
18			0
19			0
20			0
21			0
22			0
23			0
24			0
25			0
26			0
27			0
28			0
29			0
30			0
31			0
32			0



Notice recipient information

Name:

Title:

Signature:

Department information

Dept rep:

ID #:

Signature:



From: [Lopez, Robert@Cannabis](mailto:Lopez_Robert@Cannabis)
To: [Mays, Paula@Cannabis](mailto:Mays_Paula@Cannabis)
Subject: RE: Compliance Referrals - OPEN AND RESPOND
Date: Thursday, May 29, 2025 8:57:00 AM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)

Hi Paula,

I have double checked. For 2023 – 2024, we made a total of 54 referrals. In 2025, we have made 19, so far. Together they total 73. Please note that the report itself uses up 2 header rows, so this will skew the overall line count by +2.

The tables I used to provide the counts below are included here:

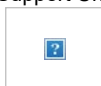
2023 - 2024	Count of Case Number
Cultivator	25
Distributor	18
Microbusiness	5
Retailer	3
Retailer	
Nonstorefront	3
Grand Total	54

2025	Count of Case Number
A-Medium Indoor	1
A-Small Mixed-Light Tier 1	1
A-Specialty Indoor	1
Distributor	6
Large Outdoor	1
Microbusiness	2
Retailer	2
Retailer Nonstorefront	1
Small Indoor	1
Small Mixed Light Tier 1	1
Small Outdoor	1
Specialty Indoor	1
Grand Total	19

Thank you,

Rob Lopez

Associate Governmental Program Analyst
Compliance Division, Field Support Unit



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From: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Sent: Thursday, May 29, 2025 8:53 AM
To: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND

69 is actually 73

Paula Mays

Staff Services Manager I
Compliance Division, Field Support Unit

(279) 777-3552

Paula.mays@cannabis.ca.gov

www.cannabis.ca.gov



From: Mays, Paula@Cannabis
Sent: Thursday, May 29, 2025 8:52 AM
To: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND
Importance: High

Hello,

Can you double check the numbers, I am getting 69 for "All Time" and below you show 75 total. For YTD I count 19 and, in the table, and you show 20 below. Am I missing something, shouldn't they add up?

Thanks!
Paula Mays
Staff Services Manager I
Compliance Division, Field Support Unit
(279) 777-3552
Paula.mays@cannabis.ca.gov
www.cannabis.ca.gov



From: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>
Sent: Thursday, May 29, 2025 8:45 AM
To: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND

Good morning, Paula,

I have scraped Compliance Referral records to gather counts by license type and these were my findings; all-time and Y-T-D, let me know if you have any questions:

All-Time –

License Type	Count
Cultivator (all types)	33
Distributor	24
Distributor Transport-Only	0
Event Organizer	0
Manufacturer (all types)	0
Microbusiness	7
Retailer	5
Retailer Nonstorefront	4
Testing Laboratory	0

Year to Date (YTD) (2025):

License Type	Count
Cultivator (all types)	8
Distributor	6
Distributor Transport-Only	0
Event Organizer	0
Manufacturer (all types)	0
Microbusiness	2
Retailer	2
Retailer Nonstorefront	1
Testing Laboratory	0

Thank you,
Rob Lopez
Associate Governmental Program Analyst
Compliance Division, Field Support Unit



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From: Mays, Paula@cannabis <Paula.Mays@cannabis.ca.gov>
Sent: Thursday, May 29, 2025 7:06 AM
To: Lopez, Robert@cannabis <Robert.Lopez@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND
Importance: High

Good morning!

Thanks for providing this information. Could you please create a breakdown of the investigations by license type and present it in a table formatted as shown below? Please prioritize this and complete it first thing this morning. Let me know if you have any questions.

License Type	Count

Thanks!
Paula Mays
Staff Services Manager I
Compliance Division, Field Support Unit
(279) 777-3552
Paula.mays@cannabis.ca.gov
www.cannabis.ca.gov



From: Lopez, Robert@cannabis <Robert.Lopez@cannabis.ca.gov>
Sent: Wednesday, May 28, 2025 12:50 PM
To: Mays, Paula@cannabis <Paula.Mays@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND

Hello Paula,

These figures reflect the number of times a referral was assigned to an investigator or environmental scientist, whether the case remains open or closed. In 2025, the cultivation licenses referred have not yet been updated in Accela. This may be due to ECO staff not using CLER regularly.

I scraped Compliance Referral Records and found the following information:

- 1. Total number of compliance referrals: **75**
- 2. Year-to-date (YTD) compliance referrals: **20 (2025)**
 - o 26.66% of referrals made (all-time) have had an investigation documented behind them.
- 3. Total number of referrals that led to an investigation: **48**
- 4. YTD number of referrals that led to an investigation: **10 (2025)**
 - o 20.83% of referrals made in 2025 have had an investigation documented behind them.

For all referrals made since inception the following has been recorded:

1. Embargoes: **5**
2. NTC's: **11**
3. VC&D: **2**

Year to date (2025), the following compliance actions have been recorded in relation to a CCTT compliance referral; 5 of 10 investigations have led to:

1. Embargoes: **2**
2. NTC's: **2**
3. VC&D: **1**

These compliance action counts represent the most severe action documented. An Embargo nearly always includes an NTC, and there are instances where an Embargo action might also include a VC&D action. Let me know if you have any questions.

Thank you,

Rob Lopez

Associate Governmental Program Analyst
Compliance Division, Field Support Unit



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From: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>

Sent: Wednesday, May 28, 2025 5:09 AM

To: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>

Subject: Compliance Referrals - OPEN AND RESPOND

Importance: High

Good morning!

I have a meeting tomorrow with the branch chiefs regarding compliance referrals. Please provide the following information by **1:00 PM today**:

- Total number of compliance referrals
- Year-to-date (YTD) compliance referrals
- Total number of referrals that led to an investigation
- YTD number of referrals that led to an investigation
-

Please include any additional information you believe may be relevant. Come by this morning and we can chat about this.

Thank you.

Thanks!

Paula Mays

Staff Services Manager I
Compliance Division, Field Support Unit

(279) 777-3552

Paula.mays@cannabis.ca.gov

www.cannabis.ca.gov



EMBARGO NOTICE

MANUFACTURED CANNABIS SAFETY BRANCH



BUSINESS INFORMATION		INSPECTOR INFORMATION	
License Number	License Type	Date of Embargo	
Business Name		Lead Inspector	ID #
Premises Address		Lead Inspector Email Address	
Business Representatives Present During Embargo (name and title)		Other MCSB Inspectors Present	

You are hereby notified that the following materials have been embargoed by the California Department of Public Health under the provisions of California Business and Professions Code (BPC) Division 10, Chapter 13, Section 26133.

	PRODUCT NAME AND DESCRIPTION	QUANTITY/ UNIT TYPE	UID# OR BATCH#
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

If more space is needed, please continue on next page.

Be advised: the items listed herein will remain under embargo until the embargo is lifted by the Department. While the embargo is in place, the items cannot be touched, moved, or destroyed without authorization of the Department or a court. Failure to abide by the embargo is subject to administrative fines up to \$10,000.

NOTICE RECIPIENT INFORMATION	INSPECTOR INFORMATION
Name of Authorized Representative	Lead Inspector Signature
Job Title/Position	Date Issued
Contact Information	Supervisor Name
Representative Signature	

Page _____ of _____

EMBARGO NOTICE

MANUFACTURED CANNABIS SAFETY BRANCH



	PRODUCT NAME AND DESCRIPTION	QUANTITY/ UNIT TYPE	UID# OR BATCH#
11			
12			
13			
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NOTICE RECIPIENT INFORMATION		INSPECTOR INFORMATION	
Name of Authorized Representative		Lead Inspector Name	ID #
Representative Signature		Lead Inspector Signature	

Page _____ of _____

EMBARGO NOTICE

MANUFACTURED CANNABIS SAFETY BRANCH



	PRODUCT NAME AND DESCRIPTION	QUANTITY/ UNIT TYPE	UID# OR BATCH#
31			
32			
33			
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40			
41			
42			
43			
44			
45			
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47			
48			
49			
50			

NOTICE RECIPIENT INFORMATION		INSPECTOR INFORMATION	
Name of Authorized Representative		Lead Inspector Name	ID #
Representative Signature		Lead Inspector Signature	

Page _____ of _____

BUSINESS INFORMATION		INSPECTOR INFORMATION	
License Number	License Type	Name of Inspector	ID #
Business Name		EMBARGO INFORMATION	
Premises Address		Date of Embargo	
Business Representatives Present During Embargo (name and title)		Start Time	End Time
		Date of Inspection (if different)	

	OBSERVATIONS

PRODUCT DISPOSITION		
EMBARGO RELEASE	PRODUCT REMEDIATION	DESTRUCTION
☐ Partial Release ☐ Complete Release	☐ Partial Remediation ☐ Complete Remediation	☐ Partial Destruction ☐ Complete Destruction ☐ Voluntary ☐ Mandated
Release Date	Plan Submission Date	Destruction Date

OBSERVATIONS (Continued)

OBSERVATIONS (Continued)

OBSERVATIONS (Continued)

OBSERVATIONS (Continued)



SUSAN FANELLI
Acting Director

State of California—Health and Human Services Agency
California Department of Public Health



GAVIN NEWSOM
Governor

[DATE]

[NAME OF AUTHORIZED REPRESENTATIVE]

[TITLE]

[BUSINESS NAME]

[ADDRESS]

[CITY, STATE, ZIP]

LICENSE # [CDPH LICENSE NUMBER]

EMBARGO OF CANNABIS OR CANNABIS PRODUCTS

Dear [NAME OF AUTHORIZED REPRESENTATIVE]:

On [DATE], California Department of Public Health (Department) Inspectors placed the following [CANNABIS BATCHES / CANNABIS PRODUCTS] under embargo pursuant to the California Business and Professions Code Section 26133.

Description	Amount	Batch/UID Number

During the inspection, it was determined that [DESCRIPTION OF REASON FOR EMBARGO].

You are directed to submit a written plan to the Department that describes the corrective action(s) you will take to address the reason for embargo. If the plan is acceptable, Department staff will supervise the completion of the plan. Please send your plan to [INSPECTOR EMAIL ADDRESS]

If the Department does not receive a response by [DATE], or the Department cannot approve your plan, this matter may be referred to the Office of the Attorney General to begin condemnation proceedings in accordance with California Business and Professions Code Section 26133(f).

Be advised: the items listed herein will remain under embargo until the embargo is lifted by the Department. While the embargo is in place, the items cannot be touched, moved, or destroyed without authorization of the Department or a court. Failure to abide by the embargo is subject to administrative fines up to \$10,000.



[NAME]
[LICENSE #]

If you have any questions regarding this letter or the embargo, please contact me via email at
[INSPECTOR EMAIL ADDRESS].

Sincerely,

[INSPECTOR NAME]
[TITLE]
[UNIT]
Manufactured Cannabis Safety Branch

CC:
[DISTRICT SUPERVISOR NAME], [TITLE]
Manufactured Cannabis Safety Branch

From: Lopez_Robert@Cannabis
To: Mays_Paula@Cannabis
Subject: RE: Compliance Referrals - OPEN AND RESPOND
Date: Thursday, May 29, 2025 11:56:00 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)

Hi Paula, thank you for allowing me to revise these figures from yesterday, I think I mistakenly included line counts for header rows, skewing the actual figures. Also, I realized that I miscalculated the percentage of referrals and inserted under the wrong bullet point entirely.

Here are the revised total figures for Compliance Referral records, these figures reflect the number of times a referral was assigned to an investigator or environmental scientist for further investigation. In 2025, the cultivation licenses referred so far have not been updated in Accela. This could be due to ECO staff not using CLEaR regularly:

1. Total number of compliance referrals (all-time): **73**
2. Year-to-date (YTD) compliance referrals: **19 (2025)**.
3. Total number of referrals that led to an investigation (all-time): **48**
 - o **65.75% of referrals made all-time have led to an investigation (48 of 73).**
4. YTD number of referrals that led to an investigation: **10 (2025)**
 - o **52.6% of referrals made in 2025 have led to an investigation (10 of 19).**
5. **For all referrals made since inception the following has been recorded:**
 - Embargoes: **5**
 - NTC's: **11**
 - VC&D: **2**
6. **Year to date (2025), the following compliance actions have been recorded in relation to a CCTT compliance referral; 5 of 10 investigations have led to:**
 - Embargoes: **2**
 - NTC's: **2**
 - VC&D: **1**

These compliance action counts represent the most severe action documented. An Embargo nearly always includes an NTC, and there are instances where an Embargo action might also include a VC&D action. Let me know if you have any questions.

Thank you,
Rob Lopez
Associate Governmental Program Analyst
Compliance Division, Field Support Unit



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From: Lopez, Robert@Cannabis
Sent: Thursday, May 29, 2025 8:57 AM
To: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND

Hi Paula,

I have double checked. For 2023 – 2024, we made a total of 54 referrals. In 2025, we have made 19, so far. Together they total 73. Please note that the report itself uses up 2 header rows, so this will skew the overall line count by +2.

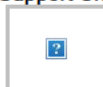
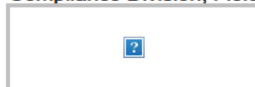
The tables I used to provide the counts below are included here:

	Count of Case
2023 - 2024	Number

Cultivator	25
Distributor	18
Microbusiness	5
Retailer	3
Retailer	
Nonstorefront	3
Grand Total	54

2025	Count of Case Number
A-Medium Indoor	1
A-Small Mixed-Light Tier 1	1
A-Specialty Indoor	1
Distributor	6
Large Outdoor	1
Microbusiness	2
Retailer	2
Retailer Nonstorefront	1
Small Indoor	1
Small Mixed Light Tier 1	1
Small Outdoor	1
Specialty Indoor	1
Grand Total	19

Thank you,
Rob Lopez
 Associate Governmental Program Analyst
 Compliance Division, Field Support Unit



cannabis.ca.gov & real.cannabis.ca.gov

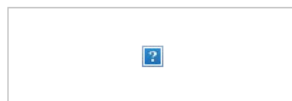
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From: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Sent: Thursday, May 29, 2025 8:53 AM
To: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND

69 is actually 73

Paula Mays
 Staff Services Manager I
 Compliance Division, Field Support Unit
 (279) 777-3552
Paula.mays@cannabis.ca.gov
www.cannabis.ca.gov



From: Mays, Paula@Cannabis
Sent: Thursday, May 29, 2025 8:52 AM
To: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND
Importance: High

Hello,

Can you double check the numbers, I am getting 69 for "All Time" and below you show 75 total. For YTD I count 19 and, in the table, and you show 20 below. Am I missing something, shouldn't they add up?

Thanks!

Paula Mays
Staff Services Manager I
Compliance Division, Field Support Unit

(279) 777-3552
Paula.mays@cannabis.ca.gov
www.cannabis.ca.gov



From: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>
Sent: Thursday, May 29, 2025 8:45 AM
To: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND

Good morning, Paula,

I have scraped Compliance Referral records to gather counts by license type and these were my findings; all-time and Y-T-D, let me know if you have any questions:

All-Time –

License Type	Count
Cultivator (all types)	33
Distributor	24
Distributor Transport-Only	0
Event Organizer	0
Manufacturer (all types)	0
Microbusiness	7
Retailer	5
Retailer Nonstorefront	4
Testing Laboratory	0

Year to Date (YTD) (2025):

License Type	Count
Cultivator (all types)	8
Distributor	6
Distributor Transport-Only	0
Event Organizer	0
Manufacturer (all types)	0
Microbusiness	2
Retailer	2
Retailer Nonstorefront	1
Testing Laboratory	0

Thank you,
Rob Lopez
Associate Governmental Program Analyst
Compliance Division, Field Support Unit



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From: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Sent: Thursday, May 29, 2025 7:06 AM
To: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND
Importance: High

Good morning!

Thanks for providing this information. Could you please create a breakdown of the investigations by license type and present it in a table formatted as shown below? Please prioritize this and complete it first thing this morning. Let me know if you have any questions.

License Type	Count

Thanks!
Paula Mays
Staff Services Manager I
Compliance Division, Field Support Unit

(279) 777-3552
Paula.mays@cannabis.ca.gov
www.cannabis.ca.gov



From: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>
Sent: Wednesday, May 28, 2025 12:50 PM
To: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Subject: RE: Compliance Referrals - OPEN AND RESPOND

Hello Paula,

These figures reflect the number of times a referral was assigned to an investigator or environmental scientist, whether the case remains open or closed. In 2025, the cultivation licenses referred have not yet been updated in Accela. This may be due to ECO staff not using CLEaR regularly.

I scraped Compliance Referral Records and found the following information:

- 1. Total number of compliance referrals: **75**
- 2. Year-to-date (YTD) compliance referrals: **20 (2025)**
 - o 26.66% of referrals made (all-time) have had an investigation documented behind them.
- 3. Total number of referrals that led to an investigation: **48**
- 4. YTD number of referrals that led to an investigation: **10 (2025)**
 - o 20.83% of referrals made in 2025 have had an investigation documented behind them.

For all referrals made since inception the following has been recorded:

- 1. Embargoes: **5**
- 2. NTC's: **11**
- 3. VC&D: **2**

Year to date (2025), the following compliance actions have been recorded in relation to a CCTT compliance referral; 5 of 10 investigations have led to:

- 1. Embargoes: **2**
- 2. NTC's: **2**
- 3. VC&D: **1**

These compliance action counts represent the most severe action documented. An Embargo nearly always includes an NTC, and there are instances where an Embargo action might also include a VC&D action. Let me know if you have any questions.

Thank you,

Rob Lopez

Associate Governmental Program Analyst
Compliance Division, Field Support Unit



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From: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>

Sent: Wednesday, May 28, 2025 5:09 AM

To: Lopez, Robert@Cannabis <Robert.Lopez@cannabis.ca.gov>

Subject: Compliance Referrals - OPEN AND RESPOND

Importance: High

Good morning!

I have a meeting tomorrow with the branch chiefs regarding compliance referrals. Please provide the following information by **1:00 PM today**:

- Total number of compliance referrals
- Year-to-date (YTD) compliance referrals
- Total number of referrals that led to an investigation
- YTD number of referrals that led to an investigation
-

Please include any additional information you believe may be relevant. Come by this morning and we can chat about this.

Thank you.

Thanks!

Paula Mays

Staff Services Manager I

Compliance Division, Field Support Unit

(279) 777-3552

Paula.mays@cannabis.ca.gov

www.cannabis.ca.gov



From: [Del Rosario, Eileen@Cannabis](mailto:Del.Rosario,Eileen@Cannabis)
To: [Briot, Daniel@Cannabis](mailto:Briot,Daniel@Cannabis)
Subject: RE: Electronic Embargos
Date: Thursday, May 30, 2024 4:33:00 PM
Attachments: [image001.png](#)
[Electronic Embargo IEN Email Template.docx](#)
[Locating Embargoed Items in CCTT Inventory.pdf](#)

Hey Dan,

So as of right now, I'm still testing it out and experimenting with the best way to do these. I'm sure a procedure will come out of this later haha.

For context, we recently did this electronic embargo for product that failed testing at distribution and was transferred to and remediated by a manufacturer without any approval from the Department. We just wanted to make sure it doesn't get distributed any further. We'd like to do an electronic embargo with the manufacturer if they have failed product that they received or remediated but may also need to electronically embargo inventory at a distro license if the distro has received inventory without Department approval. Since the distro embargo is going to have to mirror everything that happens in the manufacturing embargo, I told Jacob that MSO can take care of all embargo documents for the manufacturer and distribution license and keep him cc'd for awareness.

With the most recent electronic embargo, we filled out an Initial Embargo Notice with the UID numbers and quantities that are reported in Metrc, placed a Metrc package hold on the inventory, and emailed the Initial Embargo Notice to the DRP with instructions on locating the embargoed items on CCTT. I created an email template for the initial embargo notice as we begin to do more of these. The email template instructs the licensee to sign and return the Initial embargo notice and quarantine the inventory. I modified the language from the original ISB electronic embargoes so that it fits more of the regulatory requirements.

The follow up component is the part of the procedure that we're playing around with.

Previously, we followed up with an on-site visit to confirm the quantity on site and post the actual embargo tags. If we are on site and find a discrepancy in quantity, we have amended the initial embargo notice and will resume with the normal embargo process. We haven't done any in-person follow up for these remediation embargoes but are trying to figure out whether in-person verification should be standard practice.

If you have any feedback or suggestions for process improvements, I welcome it. I'm adapting on the fly. I'm also open to doing some more trial and error before we figure out how we want to handle these collaboratively moving forward.

From: Briot, Daniel@Cannabis
Sent: Wednesday, May 29, 2024 1:42 PM
To: Del Rosario, Eileen@Cannabis
Subject: Electronic Embargos

Hi Eileen,

Do you have any information to share regarding the Electronic Embargo Project that was mentioned during the Compliance Division Legal meeting yesterday? Nadalie asked me to follow-up with you so that ISB can be on the same page. I'm happy to help you if needed.

Thanks

Daniel Briot

Supervising Special Investigator II



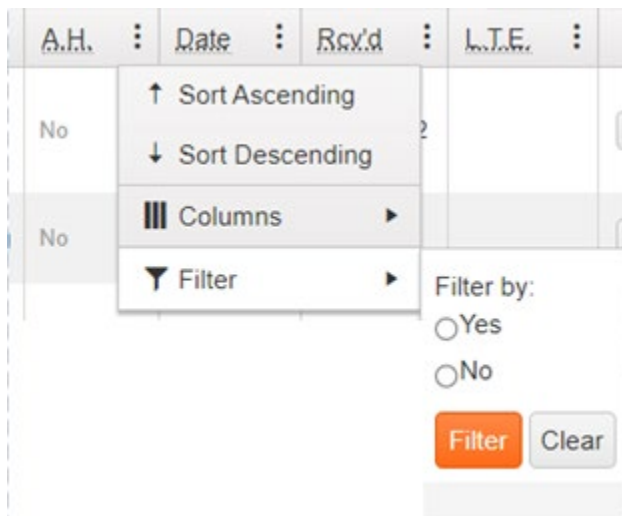
Locating your package within CCTT

The Metrc Batch referenced in the embargo notification contains the name of the product and the UID this cannabis product was tracked under in the CCTT System when the product's Certificate of Analysis was issued.

In most cases, the Metrc Batch No./UID contained within the embargo notice will be printed on each individual unit subject to this embargo.

This will not be the UID the product is currently tracked under within your CCTT inventory. To identify the UID the product is currently tracked under within your inventory, do the following:

If there is a hold in CCTT placed alongside this embargo, the item within your inventory will be changed to a red text and a banner will be present, notifying you of the hold. You can also locate the package by filtering for Yes under the A.H. Column located under the Packages page as shown below.



Attachments: Initial Embargo Notice and "Locating Embargoed Items in CCTT Inventory.pdf"

Subject: INITIAL EMBARGO NOTICE – License Name (License Number)

DRP Name,

The California Department of Cannabis Control (Department) has placed cannabis products currently at License Name (License Number) under embargo, pursuant to Business and Professions Code (BPC) section 26039.3. The embargoed inventory is suspected of being adulterated (BPC § 26039.6 (a)(3)(4)), and/or its sale would violate the Medicinal and Adult-Use Regulation and Safety Act (BPC § 26000 et seq.). Enclosed with this email is a copy of the Initial Embargo Notice, which provides an inventory of the items included in the embargo and the legal basis for placing the items under embargo. The Department will be contacting you with additional information and instructions.

What you must do:

- Review the attached Initial Embargo Notice and the list of inventory under embargo
- Place the items identified in the embargo notice under quarantine
- Respond to this email confirming receipt of the notice and confirm the quantity of embargoed inventory in your possession by COB XX/XX/XXXX
- **Return the signed Initial Embargo Notice to me via email by COB XX/XX/XXXX**

The Department will be placing a hold on the embargoed items in your California Cannabis Track and Trace (CCTT) system inventory. The embargoed items will appear in your CCTT inventory in red font within the next 24 hours. Please refer to the document attached to this email containing instructions for locating the items under embargo in your CCTT inventory.

Be advised, the items listed below will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization of the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item.

If you have any questions, please contact me via email.

From: [Del Rosario, Eileen@Cannabis](mailto:Del.Rosario.Eileen@Cannabis)
To: [White, Travis@Cannabis](mailto:White.Travis@Cannabis); [Chavez, Tabatha@Cannabis](mailto:Chavez.Tabatha@Cannabis)
Cc: [Ruiz, Zarha@Cannabis](mailto:Ruiz.Zarha@Cannabis)
Subject: RE: Embargo Label
Date: Tuesday, February 15, 2022 12:32:00 PM
Attachments: [image001.png](#)

I agree that it may be helpful with identifying but I worry about the time constraints. If we know, before going in the field, that an embargo is going to happen, it's possible to prepare the label with that information. If we're doing an inspection that leads to an embargo and there are a lot of items to be inventoried, it may be too time consuming to hand write the license and item number while simultaneously inventorying and filling out the notice. The only way I can see it working is if we put the license number in the template and print the labels on site with the mobile printers. That's putting a lot of faith in the mobile printers working though.

From: White, Travis@Cannabis
Sent: Tuesday, February 15, 2022 12:21 PM
To: Chavez, Tabatha@Cannabis ; Del Rosario, Eileen@Cannabis
Cc: Ruiz, Zarha@Cannabis
Subject: Re: Embargo Label

We don't always have a case number. However, I think a license number placeholder could be helpful.

Travis White

Special Investigator

844-61-CA-DCC (844-612-2322)
info@cannabis.ca.gov
www.cannabis.ca.gov

Image



From: Chavez, Tabatha@Cannabis <tabatha.chavez@cannabis.ca.gov>
Sent: Tuesday, February 15, 2022 11:33:06 AM
To: Del Rosario, Eileen@Cannabis <Eileen.DelRosario@cannabis.ca.gov>; White, Travis@Cannabis <Travis.White@cannabis.ca.gov>
Cc: Ruiz, Zarha@Cannabis <Zarha.Ruiz@cannabis.ca.gov>
Subject: Embargo Label

Can we add another identifier to the label besides just the item number? My thought is if a cop interdicts a vehicle and they discover a bag of flower with a label – how do we know where it came from? I suggest a case number. Before we go into the field we should be creating/assigning a case number. Just something to think about.

Tabatha Chavez

Chief

Compliance Division, Investigative Services Branch

desk: 916-576-6404
844-61-CA-DCC (844-612-2322)

| www.cannabis.ca.gov



From: [Track and Trace@Cannabis](mailto:TrackandTrace@Cannabis)
To: [Greg Walker](#)
Cc: dana@cannabiscorplaw.com
Subject: RE: Metrc Credentialling for app no. LCA24-0000628
Date: Thursday, October 2, 2025 4:03:00 PM
Attachments: [image001.png](#)

Hi Greg,

Thank you for reaching out to Track and Trace.

Track and Trace doesn't order tags for licensees. Once a licensee is credentialed into the system, they order tags themselves in Metrc. The tags can take anywhere from 10-14 days to arrive.

It is possible to expedite a tag order. For assistance with rushing a tag order or expedited shipping please contact Metrc Support directly.

Please know, for expedited shipping services, you may contact Metrc Support directly at support.metrc.com or 877-566-6506 all Tag orders are processed through Metrc directly.

If you have any questions about how to order tags, please contact support.metrc.com.

Please note- your tag limit is a rolling limit, as you receive tags and use them you are able to reorder additional tags from the Admin Menu to replace the quantity used.

Thank you,
Track-and-Trace Staff
844-61-CA-DCC (844-612-2322)
trackandtrace@cannabis.ca.gov
www.cannabis.ca.gov



From: Greg Walker <gfedtogo@gmail.com>
Sent: Thursday, October 2, 2025 3:22 PM
To: credentialing@metrc.com; Track and Trace@Cannabis <trackandtrace@cannabis.ca.gov>; Dana Cisneros <dana@cannabiscorplaw.com>
Subject: Metrc Credentialling for app no. LCA24-0000628

[EXTERNAL]: gfedtego@gmail.com

CAUTION: THIS EMAIL ORIGINATED OUTSIDE THE DEPARTMENT OF CANNABIS CONTROL!

DO NOT: click links or open attachments unless you know the content is safe.

NEVER: provide credentials on websites via a clicked link in an Email.

Dear Metrc,

We understand that we cannot receive access to the Metrc system until the license is issued. we are hoping it will be issued the week of October 13, 2025.

We will be receiving about 15,000 teen plants from our nursery partners, if all goes well, on October 27, 2025 and then receiving about 15,000 plants every 8 weeks.

As such, can you please get the tags ready to ship to us as soon as possible so that we can order them as soon as our license is issued?

Please advise of the average time it takes to receive Metrc tags for teen plants received from a licensed nursery.

Thank you.

From: [Del Rosario, Eileen@Cannabis](mailto:Del.Rosario.Eileen@Cannabis)
To: [Ruiz, Zarha@Cannabis](mailto:Ruiz.Zarha@Cannabis); [Wonder, Erin@Cannabis](mailto:Wonder.Erin@Cannabis); [Meyer, Renee@Cannabis](mailto:Meyer.Renee@Cannabis)
Subject: RE: Modifying Supplemental Embargo Notice template
Date: Wednesday, August 16, 2023 2:08:00 PM
Attachments: [image001.png](#)

Sounds good! I'll make a draft version of the supplemental notice for her review. I also have some draft embargo response letters for VC&D and embargo release situations that I may want to package with it for her review. Should I run the response letters by Sups and all of you before Lindsay?

From: Ruiz, Zarha@Cannabis
Sent: Wednesday, August 16, 2023 1:22 PM
To: Del Rosario, Eileen@Cannabis ; Wonder, Erin@Cannabis ; Meyer, Renee@Cannabis
Subject: RE: Modifying Supplemental Embargo Notice template

Hi Eileen, I can't think of a reason why not
Eileen-FYA we also were told by Jeff M today that we can engage with Lindsay as out official legal assignment for meetings/filed consultations etc but that case referrals still go through the regular process. I'm assuming you will run these final edits through Lindsay

From: Del Rosario, Eileen@Cannabis <Eileen.DelRosario@cannabis.ca.gov>
Sent: Wednesday, August 16, 2023 11:33 AM
To: Wonder, Erin@Cannabis <erin.wonder@cannabis.ca.gov>; Meyer, Renee@Cannabis <Renee.Meyer@cannabis.ca.gov>
Cc: Ruiz, Zarha@Cannabis <Zarha.Ruiz@cannabis.ca.gov>
Subject: Modifying Supplemental Embargo Notice template

Hi,

I believe I found this language when I was reviewing supplemental notices approved by Legal. I remember that in the notice it requested a written plan and then this paragraph followed in case the licensee to decided they want to VC&D. I saved the paragraph when I started making Embargo Response Letter templates. Can/should we incorporate the language into the Supplemental Notice template?

"Alternatively, pursuant to CCR section 17801.5, subdivision (e), you may provide your agreement in writing for the voluntary condemnation and destruction of embargoed [cannabis and/or cannabis product]. Be advised that per CCR section 17801.5, subdivision (f), licensees may not undertake the destruction of embargoed items unless the Department has provided written approval and removed the embargo tag."

Eileen Del Rosario

Senior Environmental Scientist

(916) 709-2837 - Mobile
844-61-CA-DCC (844-612-2322)
info@cannabis.ca.gov
www.cannabis.ca.gov



From: [Del Rosario, Eileen@Cannabis](mailto:Del.Rosario,Eileen@Cannabis)
To: [Bordeaux, Michael@Cannabis](mailto:Bordeaux,Michael@Cannabis)
Subject: RE: MSO Embargo Template Language for Misbranding
Date: Friday, August 23, 2024 3:56:00 PM
Attachments: [image002.png](#)
[image003.png](#)

Happy Friday!

I went down a rabbit hole while trying to figure out if the verbiage would work for every (a) (1) or (a)(2) embargo scenario. I'd appreciate some extra time with it to be sure. I can send you back a track changes version of the doc whenever I finish and then maybe we can follow up at the Friday meetings.

Eileen Del Rosario

Senior Environmental Scientist

(916) 709-2837 - Mobile
844-61-CA-DCC (844-612-2322)
info@cannabis.ca.gov
www.cannabis.ca.gov



From: Bordeaux, Michael@Cannabis
Sent: Friday, August 23, 2024 3:43 PM
To: Del Rosario, Eileen@Cannabis
Subject: RE: MSO Embargo Template Language for Misbranding

Happy Friday, Eileen!

I'm thinking you probably didn't get a chance to review this yet? That's OK – it's not a high priority. I don't want to rush it. Thinking it's best if we just push the template NTC verbiage to the next TAC. That way we can have the Sups review it too.

Have a great weekend!

- Mike

Michael Bordeaux (*he/him/his*)

Senior Environmental Scientist (Supervisor)

Compliance Division

cell: 916.926.9473
844-61-CA-DCC (844-612-2322)
www.cannabis.ca.gov



From: Bordeaux, Michael@Cannabis
Sent: Wednesday, August 21, 2024 3:20 PM
To: Del Rosario, Eileen@Cannabis <Eileen.DelRosario@cannabis.ca.gov>
Subject: MSO Embargo Template Language for Misbranding
Eileen,

Let me know what you think. I tried to capture both misbranding scenarios here:

1. Embargo #1 - Holding cannabis or cannabis product that doesn't trace to a licensed source
2. Embargo #2 - Holding/manufacturing/processing/etc. cannabis or cannabis products that contain other cannabis/cannabis products that do not trace back to a licensed source.

Could definitely use your expertise here to make sure it works...

Thanks,

- Mike

Michael Bordeaux (*he/him/his*)

Senior Environmental Scientist (Supervisor)

Compliance Division

cell: 916.926.9473

844-61-CA-DCC (844-612-2322)

www.cannabis.ca.gov



From: [Genus, Rachel@Cannabis](mailto:Genus.Rachel@Cannabis)
To: [Mays, Paula@Cannabis](mailto:Mays.Paula@Cannabis)
Subject: RE: NLB Collective, Inc (C10-0001133-LIC)
Date: Tuesday, May 13, 2025 2:50:00 PM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Of course!

Rachel Genus

Associate Governmental Program Analyst
Compliance Division, CCTT Field Support Unit
(279) 217-3649
Rachel.Genus@cannabis.ca.gov
www.cannabis.ca.gov



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From: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Sent: Tuesday, May 13, 2025 2:37 PM
To: Genus, Rachel@Cannabis <Rachel.Genus@cannabis.ca.gov>; Briot, Daniel@Cannabis <Daniel.Briot@cannabis.ca.gov>
Subject: Re: NLB Collective, Inc (C10-0001133-LIC)

Rachel,

Thank you for handling this!

From: Genus, Rachel@Cannabis <Rachel.Genus@cannabis.ca.gov>
Sent: Tuesday, May 13, 2025 1:28:02 PM
To: Briot, Daniel@Cannabis <Daniel.Briot@cannabis.ca.gov>
Cc: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Subject: FW: NLB Collective, Inc (C10-0001133-LIC)

Hi Dan!

To answer your questions:

1. The batch number is defined in the Regulations **§15000. Definitions (nn)**

(nn) "Lot number" or "batch number" means a distinctive group of numbers, letters,

or symbols or any combination of these that is unique to a group of cannabis or cannabis products.

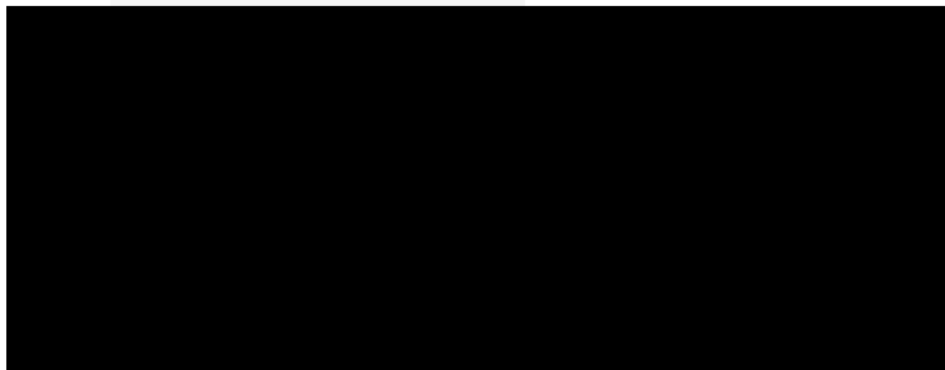
Based on this definition, the batch number can only be the source batch UID assigned to source batches in Metrc. The Regulations are not going to specifically name Metrc as they are a contracted provider to the state.

Further on in the Regulations, it is stated:

§15406. Cannabis Goods for Sale. (e) *The batch number, if any, is labeled on the package of cannabis goods and matches the batch number on the corresponding certificate of analysis for regulatory compliance testing;*

The batch number will always be on the label of the product.

It can also be noted that there is not consistency on how the labs identify the source batch on the COA. Some call it the source package and some call it the Metrc batch. Here are a few examples of how each are documented on COA's. One calls it s Source Package and the other calls it a Metrc Batch.



2. If a package is not directly derived from the source batch, the source batch UID may not be immediately viewable in Metrc. The licensee would have to view the COA (by clicking on the COA for each package (under "Lab Results" tab) to find the source batch UID which is always located on the COA. Because of this, they may not have success searching for the source batch UID in their Metrc grid as it may not be in their inventory as a package or source package for the packages in their inventory. If they search for the item using a description and then view the COA, then they could find the source batch UID.

If the package was derived directly from the source batch, then the UID would be named as the source package in the Metrc grid for that package.

It should be noted that the Metrc source batch UID is always on the label of the product.

The licensee is responsible for knowing the Regulations that apply to their license type.

Please let me know if you have any questions.

Rachel Genus

Associate Governmental Program Analyst
Compliance Division, CCTT Field Support Unit
(279) 217-3649
Rachel.Genus@cannabis.ca.gov
www.cannabis.ca.gov



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From: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Sent: Tuesday, May 13, 2025 12:00 PM
To: Briot, Daniel@Cannabis <Daniel.Briot@cannabis.ca.gov>; Genus, Rachel@Cannabis <Rachel.Genus@cannabis.ca.gov>
Subject: Fw: NLB Collective, Inc (C10-0001133-LIC)

Hi Dan,

Adding Rachel to this email reply, I am in the field this week, Rachel can you assist Dan with this request?

Thanks!

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From: Briot, Daniel@Cannabis <Daniel.Briot@cannabis.ca.gov>
Sent: Tuesday, May 13, 2025 11:27:36 AM
To: Mays, Paula@Cannabis <Paula.Mays@cannabis.ca.gov>
Subject: NLB Collective, Inc (C10-0001133-LIC)

Hi Paula, I'm trying to get some CCTT related answers for questions asked by legal, hoping you can help me out.

The attached email was part of an electronic embargo notification sent by DCC; it references to "METRC Batch Numbers." The licensee that DCC cited for sales after an electronic embargo is claiming they didn't know what a "METRC Batch Number" was. Is there documentation, either from METRC or DCC, that identifies this term? Basically we (DCC) know what it is, but would a retailer know what it is.

Also, the licensed retailer is claiming that retailers cannot see the "METRC Batch Numbers" (Source Packages) in their METRC account. Is there a way to prove that they can? Preferably some kind of document that this licensee would have had access to prior to 11/9/2023.

Thanks

Daniel Briot

Supervising Special Investigator II
Compliance Division

844-61-CA-DCC (844-612-2322)

www.cannabis.ca.gov



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CALIFORNIA

From: [DelRosario, Eileen@CDPH](mailto:DelRosario,Eileen@CDPH)
To: [Yargeau, Tedd@CDPH](mailto:Yargeau,Tedd@CDPH)
Subject: RE: Updated embargo procedures
Date: Tuesday, July 14, 2020 11:27:00 AM
Attachments: [image001.png](#)
[Embargo Procedures 071420 EDR.docx](#)

Hey Tedd,
Attached is the updated embargo procedures. Sorry for the delay.
Eileen

Eileen Del Rosario
Environmental Scientist
Inspection and Compliance Unit
Manufactured Cannabis Safety Branch
California Department of Public Health
www.cdph.ca.gov/mcsb
www.cannabis.ca.gov

Tools are available to assist you with application and regulatory requirements. Visit [our website](#) for checklists, guidance materials and answers to common questions, or contact our team at MCSB@cdph.ca.gov.

MANUFACTURED CANNABIS SAFETY BRANCH

EMBARGO PROCEDURES



This procedure is intended to provide guidance and support to MCSB staff to ensure consistency and that proper departmental policies and procedures are followed and to reduce risk and liabilities for the branch.

Inspection & Compliance Unit Procedures Embargo

Background

WHAT IS AN EMBARGO?

An embargo is an enforcement action that places a hold on cannabis or cannabis products. This “hold” prohibits the movement of the embargoed items from the location. Embargos can be placed on licensed as well as unlicensed cannabis products. Embargo Notes, Embargo Notices, Embargo Tags, and Embargo Letters are the four documents specific to issuance of an embargo.

An embargo is one tool that MCSB can use to ensure that only cannabis products that are safe and legal are available for sale.

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) provides CDPH the authority to embargo (26133) if the Department finds or has probable cause to believe that:

- The cannabis product is adulterated (Section 26131)
- The cannabis product is misbranded (Section 26121)
- The sale of the cannabis product would violate the law
 - Examples: prohibited products, unapproved additives, cannabis product that is not traceable through the regulated market

WHEN TO ISSUE AN EMBARGO

If the Department has concerns over the legitimacy of a manufactured cannabis product or concern from it entering the licensed or unlicensed market the Department may utilize its embargo authority to mitigate the violation. To date, the Department has used its embargo authority for products that were misbranded, lack of documentation to demonstrate the product originated from a licensed source, the

product contained a prohibited ingredient (adulterated) and the manufacturing license expired leaving cannabis product on site.

HOW TO ISSUE AN EMBARGO

Steps	Actions & Responsibilities
Step #1 : Identification	- Take detailed notes of the public health risk or other basis for embargo that you observed, including the description of the items to be embargoed or their condition. - Inspectors should gather as much evidence about the violations to support concern for the product. The NOV that is sent to the licensee post inspection will paint the picture of what factors contribute to concern over the embargoed product and the Department's decision to embargo the product. - Take pictures and acquire evidence that supports the basis for the embargo prior to disclosing to the licensee. - Collect evidence that would support an embargo before establishing whether an embargo is necessary and before the licensee is aware that the Department is considering an embargo. Avoid giving the licensee a reason to alter their responses or withhold documents and evidence.
Step #2 – Determination	Contact your supervisor to discuss (<i>do this in private—not in the presence of the licensee, their employees, or the public and away from audio recording devices, if possible</i>): - Whether embargo is the appropriate enforcement tool and is justified for the situation; and - The recommended extent of the embargo (for example, all cannabis and cannabis products or just a portion); refer to the items in step 1 above.
Step #3 - Documentation	If an embargo is approved: - Take a thorough and complete inventory of product to be embargoed – use Embargo Notice form and ensure it contains accurate information, including: Qualitative descriptions; and - If the product does not have an identifier, such as a UID number or batch ID, inspectors can provide a qualitative description and place a label sticker with a CDPH assigned number (e.g. Product: Cannabis distillate, Identifier: CDPH #01). - Keep detailed notes about what products fall under your qualitative descriptions in case another inspector needs to understand what happened, inventory recount, or referral to the Attorney General's Office. Quantitative count of each product. - When weighing products, take photos of the product with its scale reading. This is helpful if a licensee tries to challenge the quantity of product under embargo. - Inspectors can do a unit count for products that are packaged and/or retail ready, if the qualitative description is adequate (e.g., 1 g jar of rosin – 100 units). - Take thorough pictures of items to be embargoed.

	○ Take photos and/or take notes of any relevant identifiers and tare weights that currently exist on the products to be embargoed. • Fill out Embargo Notice • Verbally communicate to the licensee the extent of the embargo; that products under embargo cannot be touched, moved, or destroyed; the penalty for violating the embargo; and the next steps, including options for resolution: ○ Remediation under a corrective action plan; ○ Voluntary condemnation & destruction. • Fill out a handwritten Notice of Violation. ○ Inspectors only need to write a violation for the main reason for the embargo. Inspectors will issue a thorough follow up NOV upon returning to the office, which will cite all other violations and provide context for the conditions of the embargoed product. • Have the licensee or a representative of the licensee, if the licensee is not available, sign and date the Embargo Notice and handwritten NOV form. ○ <i>NOTE:</i> <i>If the licensee or their representative refuses to sign the document, write “[Representative name] refused to sign” on the signature line.</i> • Provide the Embargo Notice and NOV to the licensee prior to leaving the facility ○ When scanning/copying is not an option at the manufacturing premises, inspectors can send a copy to the licensee via email when back at the office. Suggest that the licensee take a photo of the document before you leave if they have concerns about unauthorized edits.
<u>Step #4 –</u> Execute the Embargo	• Establish, with licensee, agreed upon area(s) to move and hold the embargoed products. Ensure that the agreed upon location(s) is under video surveillance. • Place caution tape or tamper evident tape around product and post embargo tags. ○ <i>NOTE:</i> <i>If there are concerns about products being tampered with or removed from the embargo, consider placing tamper evident seals and taking additional photos and notes about the product, such as appearance, viscosity, etc.</i> • Take pictures of embargoed product with caution tape and posted embargo tags. ○ Take photos that will help determine whether the embargo has been broken and/or if product was taken upon re-inspection of the embargoed product. Signs of tampering may help identify whether specific products from the embargo should be reweighed or recounted.

**Step #5 –
Finalization of
Embargo**

- When you return to the office, type up inspection notes and Embargo Notes.
 - Inspection notes should be detailed enough to explain the violations and why the embargo was needed.
 - Embargo Notes will be a guide for detailing how the inspector conducted the embargo. The Embargo Notes document should be informative enough for an inspector to recreate what happened.
 - Examples: explanations of what products are included under a qualitative description; if items that were too heavy to be weighed on the same scale; whether or not products had tare weights.
- Place the inspection notes, Embargo notes, scanned Embargo Notice, handwritten NOV, and all photos in the licensee folder. These documents will be used as evidence to substantiate the embargo if MCSB commences with condemnation proceedings before an administrative law judge.
- Within **one week** of returning to the office, prepare a draft Embargo Letter requesting a corrective action plan that will be sent to the licensee. Use the Embargo Letter Template in the Inspection Forms folder.
 - The Embargo Letter identifies a date for the licensee to submit a Corrective Action Plan; inspectors should make the response deadline to be **one week** from the day the letter is issued.
- Send the draft Embargo Letter and your supporting documentation to your supervisor.
- **After the Letter is approved, send a scanned copy to the licensee via email and send a hardcopy by overnight mail to the licensee.**
- Create a timeline, as a Word document, reflecting the timeline of events and to assist with tracking the embargo over time. The timeline can serve as a place to highlight notes and analyses.

**Steph #6 –
Resolution**

- Use the embargo timeline to log when and what documents the Department has sent to the licensee and what the licensee's responses. Ensure that the licensee is meeting response deadlines.
 - The timeline can also be used to highlight documents of interest or important developments (e.g., complaints received about the licensee breaking the embargo or analysis of documentation).
- **If the licensee submits a corrective action plan:**
 - Review the plan – will it result in correction of the adulteration or misbranding or sales violation?
 - Draft an Embargo Response Letter
 - If the CAP is sufficient, notify the licensee that the plan is approved and the Department's determination for each product.
 - If the CAP is not sufficient, notify the licensee that the plan is denied and the embargo and why.
- **If the licensee elects to VC&D the embargoed items:**
 - Review the VC&D plan to determine if it is acceptable
 - Determine whether the licensee's plan accounts for topics such as: employee safety, product hazards, use of solvents, security, and whether the plan accounts for the capacity and time needed for the destruction
 - Determine whether you want to be present at destruction or if evidence of destruction is sufficient, and if so, what type is required to meet this standard.
- **If the embargo cannot be resolved and/or when the licensee disagrees with the Department's determination of products:**
 - Draft a letter notifying the licensee that the case has been referred to the Attorney General's office for condemnation proceedings.
- **If the licensee does not respond, inform your supervisor and unit chief.**

NOTE: *Inspectors must still release product from embargo in person before any action is taken, regardless of a CAP and/or VC&D plan being approved.*

All letters to the licensee should always include the following language:

- ***“Be advised, the items listed herein will remain under embargo until the embargo is lifted by the Department or a court. While the embargo is in place, the items cannot be touched, moved, or destroyed without authorization of the Department or a court. Failure to abide by the embargo is subject to an administrative fine up to \$10,000 for each item.”***



[DATE]

[License Holder or Authorized Person]

[License Name]

[Business Address]

[City, State Zip Code]

Re: **SUPPLEMENTAL EMBARGO NOTICE – License Name (License No. XXXXXXXXXX)**
Premises Address: [insert location where embargo took place]

Dear [Name of License Holder or Authorized Representative]:

On [Date], the Department of Cannabis Control (Department) placed [cannabis and/or cannabis products] under embargo pursuant to Business and Professions Code (BPC) section 26039.3. The embargoed inventory is documented in the table below. The basis for placing the items under embargo was that the Department found probable cause to believe that the cannabis or cannabis product is adulterated, misbranded, or its sale would violate the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code § 26000 et seq.). This Notice is provided pursuant to California Code of Regulations (CCR), title 4, section 17801.5, subdivision (c).

Pursuant to CCR, title 4, section 17801.5, subdivision (e), you have provided your agreement in writing for the voluntary condemnation and destruction of embargoed [cannabis and/or cannabis product].

You are directed to send a plan for destruction of the items listed in the table below to the Department for review. If the plan is acceptable, Department staff will supervise completion of the plan. Please send your plan to [Inspector Email Address]. Be advised that per CCR, title 4, section 17801.5, subdivision (f), licensees may not undertake destruction of embargoed items unless the Department has provided written approval and removed the embargo tag.

If the Department does not receive a response by [Date], or the Department cannot approve the plan, then the Department may begin condemnation proceedings in accordance with BPC section 26039.3, subdivision (f). Condemnation proceedings provide the person or licensee affected with a statement of the charges, an opportunity to exchange relevant information between parties, and the opportunity for a hearing to contest the charges in front of an Administrative Law Judge in accordance with Chapter 5 (commencing with section 11500) of the Government Code. Additionally,

failure to adhere to the destruction plan approved by the Department and complete the destruction within the deadline identified may result in initiation of condemnation proceedings or other disciplinary actions.

Be advised: *The items listed herein will remain under embargo until the embargo is lifted by the Department. While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization of the Department or a court. The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item, and additional administrative or disciplinary action.*

If you have any questions regarding this notice, please contact [Inspector Name] via email at [Inspector Email Address].

Sincerely,

[Inspector Name]

[Inspector Title]

INVENTORY OF CANNABIS AND CANNABIS PRODUCTS UNDER EMBARGO

	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	UID OR BATCH #	QUANTITY/ UNIT TYPE
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	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	UID OR BATCH #	QUANTITY/ UNIT TYPE
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	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	UID OR BATCH #	QUANTITY/ UNIT TYPE
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INITIAL EMBARGO NOTICE TEMPLATE

Subject: INITIAL EMBARGO NOTICE **XX/XX/XXXX**

Business Name:

License number:

Address:

Date of Notice:

The Department of Cannabis Control (Department) has placed cannabis and/or cannabis products currently at **License Name (License number)** under embargo, pursuant to Business and Professions Code (BPC) section 26039.3. The Department has probable cause to believe that cannabis and/or cannabis products are **[INSERT DESCRIPTION]** adulterated, misbranded, or its sale would be in violation of the Medicinal and Adult Use Cannabis Regulation Act.].

The Department has placed a hold on certain packages of cannabis product in your California Cannabis Track and Trace (CCTT) system account to mark those items that are the subject of the embargo. The embargoed items will appear in your CCTT inventory in red font. Please contact the Department if you have trouble locating the UID numbers and packages in your CCTT account.

For the products described in Table A:

- You must immediately cease sale and distribution of any of the cannabis and cannabis products identified.
- You must collect, segregate, and quarantine all items identified.

The Department will contact you with a supplemental embargo notice that includes additional information and instructions. Pursuant to California Code of Regulations (CCR), title 4, section 17800, subdivision (b), failure to cooperate with and participate in any Department investigation pending against the licensee may result in a licensing violation subject to discipline.

Be advised, the items listed in this notice will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization of the Department or a court.** Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item, and additional administrative or disciplinary action.

If you have any questions, please reply to this email without changing the subject line.

TABLE A: Embargoed Cannabis and/or Cannabis Products

	Product Description (UID, Item Description, and Quantity)
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SUPPLEMENTAL EMBARGO NOTICE & VOLUNTARY RECALL

Subject: Supplemental Embargo Notice & Notification of Voluntary Recall of [Brand and/or Description of] Products – MM/DD/YYYY

Business Number:

License Number:

This Supplemental Embargo Notice is provided pursuant to California Code of Regulations (CCR), title 4, section 17801.5, subdivision (c). On MM/DD/YYYY, the Department of Cannabis Control (Department) placed the cannabis products listed below under embargo pursuant to Business and Professions Code section 26039.3. The basis for placing the items under embargo is that the Department found or has probable cause to believe the cannabis products [are misbranded, are adulterated, and/or its sale would violate the Medicinal and Adult-Use Cannabis Regulation and Safety Act] (Bus. & Prof. Code § XXXXX, subd. (x) OR Cal. Code of Regs. §XXXXX, subd. (x)).

The Department placed a hold on the package(s) and associated UID(s) in your California Cannabis Track and Trace (CCTT) system account to mark those items that are the subject of the embargo. The embargoed items appear in your CCTT inventory in red font.

License Name, license number **License Number**, is implementing a voluntary recall to address the cannabis products under embargo. You may participate in the voluntary recall and/or resolve the embargo by taking the following steps:

1. Collect, segregate, and quarantine any units from the batch(es) listed in Table A.
2. Submit a written plan that states the corrective action you intend to take that describes how you will address the embargoed cannabis product(s). For each batch under embargo, you must select one of the following corrective actions:
 - Voluntary Condemnation and Destruction (VC&D) of the cannabis good(s) on your premises; or
 - Transfer the good(s) to **License Name** pursuant to the recall; or
 - If you have no embargoed cannabis products in your possession, provide a statement of when you will mark their associated packages as “finished” in your CCTT account after the hold is removed so that the package UID(s) no longer appear within your CCTT account’s list of active inventory.

3. Complete the last two columns of Table A below by identifying the quantity of inventory in your physical possession and the corrective action you will take for each package UID number listed, including for example, destroy, transfer, or mark finished in CCTT.

The Department requests that you reply directly to this email with your written plan and completed Table A.

If the Department does not receive a response by **Month Day, Year**, or the Department cannot approve the submitted plan, then the Department may begin condemnation proceedings in accordance with Business and Professions Code section 26039.3, subdivision (f). Condemnation proceedings provide the person or licensee affected with a statement of the charges, the opportunity to exchange relevant information between parties, and the opportunity for a hearing to contest the charges before an Administrative Law Judge in accordance with Chapter 5 (commencing with section 11500) of the Government Code.

Be advised: The items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization of the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item, and additional administrative or disciplinary action.

TABLE A: Embargoed Cannabis Products

	Product Description (UID, Item Description, and Quantity)	Physical Quantity Remaining Onsite [Licensee to Complete]	Corrective Action [Licensee to Complete]
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SUPPLEMENTAL EMBARGO NOTICE TEMPLATE

Subject: SUPPLEMENTAL EMBARGO NOTICE – MM/DD/YYYY
OR SUPPLEMENTAL EMBARGO NOTICE for [BRAND NAME/RESPONSIBLE LICENSEE]
Products – MM/DD/YYYY

Business Name:
License Number:
Address:

Date of Notice:

This Supplemental Embargo Notice is provided pursuant to California Code of Regulations (CCR), title 4, section 17801.5, subdivision (c). On MM/DD/YYYY, the Department of Cannabis Control (Department) placed the cannabis products listed below under embargo pursuant to Business and Professions Code section 26039.3. The basis for placing the items under embargo is that the Department found or has probable cause to believe the cannabis products [are misbranded, are adulterated, and/or its sale would violate the Medicinal and Adult-Use Cannabis Regulation and Safety Act] (Bus. & Prof. Code § XXXXX, subd. (x) **OR** Cal. Code of Regs. §XXXXX, subd. (x)).

The Department placed a hold on the package(s) and associated UID(s) in your California Cannabis Track and Trace (CCTT) system account to mark those items that are the subject of the embargo. The embargoed items appear in your CCTT inventory in red font. You may resolve the embargo by taking the following steps:

1. Collect, segregate, and quarantine any units from the batch(es) listed in Table A.
2. Submit a written plan that states the corrective action you intend to take that describes how you will address the embargoed cannabis product(s). For each batch under embargo, you must select one of the following corrective actions:
 - Voluntary Condemnation and Destruction (VC&D) of the cannabis good(s) on your premises; or
 - Transfer the good(s) to License Name; or
 - Submit a remediation plan for the good(s); or
 - If you have no embargoed cannabis products in your possession, provide a statement of when you will mark their associated packages as “finished” in your CCTT account after the hold is removed so that the package UID(s) no longer appear within your CCTT account’s list of active inventory.
3. Complete the last two columns of Table A below by identifying the quantity of inventory in your physical possession and the corrective action you will take for each package UID number listed, including for example, destroy, transfer, or mark finished in CCTT.

The Department requests that you reply directly to this email with your written plan and completed Table A.

If the Department does not receive a response by **Month Day, Year**, or the Department cannot approve the submitted plan, then the Department may begin condemnation proceedings in accordance with Business and Professions Code section 26039.3, subdivision (f). Condemnation proceedings provide the person or licensee affected with a statement of the charges, the opportunity to exchange relevant information between parties, and the opportunity for a hearing to contest the charges before an Administrative Law Judge in accordance with Chapter 5 (commencing with section 11500) of the Government Code.

The initiation of an embargo and/or condemnation proceedings does not prevent the Department from taking further administrative or disciplinary action based on the licensee's violations or acts that caused the Department to initiate an embargo. However, the Department may consider the licensee's good faith in response to the embargo as a mitigating factor in any administrative or disciplinary action.

Be advised: The items will remain under embargo until the embargo is lifted by the Department. **While the embargo is in place, the items cannot be removed, sold, or disposed of without authorization of the Department or a court.** The tag or marking may only be removed from the cannabis or cannabis products by a Department representative. Failure to abide by the embargo is subject to administrative fines up to \$10,000 for each item, and additional administrative or disciplinary action.

TABLE A: Embargoed Cannabis and/or Cannabis Products

	Product Description (UID, Item Description, and Quantity)	Physical Quantity Remaining Onsite [Licensee to Complete]	Corrective Action [Licensee to Complete]
1			
2			
3			
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