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ON PUBLIC SAFETY

October 13, 2022

The Honorable Rob Bonta
Attorney General, State of California
1300 I Street
Sacramento, CA 95814

Dear Attorney General Bonta,

I write to you today to respectfully request that you consider forming a statewide Task Force on Cannabis but focus the first part of the investigation in Southeast Los Angeles County. This task force should evaluate the contracting practices, cannabis licensing procedures, and related issues of the contracting of cities in Southeast Los Angeles County (SELA) and other regions of the state that warrant additional oversight.

Many of the cities in SELA contract for a variety of services, including cannabis. However, it is well-documented that many of these cities have not had the taxpayers' best interests in mind when awarding contracts for services. In fact, the contracting issues are so problematic that the region is often referred to as the "corridor of corruption." During my tenure in office, a number of southeast cities and local governments have made headlines over their contracting and cannabis practices. Various cities in SELA have been identified by the State Auditor, law enforcement or whistleblowers as high-risk municipalities that pose significant financial and organizational risks; or have made headlines for questionable practices. With the local governments now regulating the cannabis industry, we need to be sure their contracting and licensing procedures are adequate.

The State of California legalized the use of recreational cannabis via the Adult Use of Marijuana Act, Proposition 64 in 2016. The Medicinal and Adult Use Cannabis Regulation and Safety Act in 2017 established a comprehensive licensing and regulatory framework for medical and adult use commercial cannabis activity. There were also regulations developed at both the state and local (City and County) level to help establish and regulate the cannabis industry in California.

Currently, an individual or business that wishes to obtain a cannabis license in California must gain a state license and local authorization. The state and/or local authorization processes ensures that the location of the facility is within locally designated "green zones", mitigation for other affected businesses or agencies are identified, and the proper licenses are obtained prior to operation of the business.

There are over 600 retail cannabis stores that have received local and state cannabis licenses in the state. In September, the LA Times reported and in October the U.S. Attorney's office has released documents on pay-to-play schemes across the state, including several SELA cities. Law enforcement is beginning to hold those accountable for showing favoritism in cannabis licensing within local government. There have been recent convictions handed down for illegal conduct in awarding cannabis licensing and more to come soon. Given

recent media highlighting contracting concerns in some of the Southeast county contract cities, I believe a task force, run by your office, is necessary.

Here are some questions for the task force to consider:

Cannabis Licensing

1. Do the cities' policies and practices for seeking, awarding, and monitoring cannabis business permits and licenses comply with state and local laws and regulations?
2. Are policies and practices in place to ensure fairness and prevent conflicts of interest, abuse and favoritism? Is the level of transparency throughout the process appropriate?
3. What cannabis business permits and licensing procedures are in place, and have the cities followed these procedures? Are they clearly presented and accessible to potential licensees and the public?
4. How do the cities oversee licensees to ensure compliance with state and local laws and regulations? Is this oversight sufficient or do opportunities exist for improvements?

For many years, I have advocated for review of SELA cannabis licenses. As I leave the legislature next month, I hope that this request can be implemented in a timely manner. My hope is that this task force will investigate and prosecute any illegal activity tied to awarding cannabis licenses. I also hope that your office is able to create a road map for future cities to ensure pay-to-play schemes and any illegal activity associated with cannabis licensing ends. I appreciate your consideration of this request. Please do not hesitate to reach out to me should you have questions about this request.

Sincerely,



CRISTINA GARCIA
CHAIR, LEGISLATIVE WOMEN'S CAUCUS
ASSEMBLYMEMBER, 58TH DISTRICT