

March 27, 2025

*Via Electronic Mail*

Travis Ahern, Executive Director  
Cannabis Control Commission  
Union Station  
2 Washington Square  
Worcester, MA 01604  
Travis.Ahern@cccmass.com

Bruce Stebbins, Acting Chair  
Cannabis Control Commission  
Union Station  
2 Washington Square  
Worcester, MA 01604  
Bruce.Stebbins@cccmass.com

**Re: Failure to Collect Prorated and Provisional License Fees**

Dear Executive Director Ahern and Acting Chair Stebbins:

I write to inform you of the Office of the Inspector General's (OIG) findings regarding an egregious operational breakdown that occurred at the Cannabis Control Commission (CCC). Specifically, the OIG has determined that the CCC failed to collect approximately \$550,000 in prorated fees for license extensions during the period from August 2022<sup>1</sup> to August 2024. The OIG also found that the CCC did not collect provisional license fees during this period, which at one point was invoiced at \$1.2 million. I recognize that neither of you held leadership positions at the CCC during that two-year period, but as the CCC's current leaders you must definitively act on the recommendations in this letter.

By way of background, the OIG received a hotline complaint in July 2024 alleging that the CCC was failing to collect required fees. In its ensuing investigation of the matter, the OIG interviewed CCC staff members and reviewed various records, including internal emails, CCC spreadsheets, and meeting minutes. The OIG found that CCC staff members did not take action on an August 11, 2022 vote by the commissioners to collect prorated fees on license extensions. This inaction resulted in more than \$550,000 in foregone revenue.<sup>2</sup> The OIG also found that for almost two years the CCC did not collect fees from more than 120 provisional license applicants, which at one point may have been as much as \$1.2 million.<sup>3</sup> While the OIG's investigation did not find fraud, it does suggest poor business practices and oversight.

The OIG's findings make it clear that (1) the CCC's senior management at that time did not adequately oversee one of the CCC's core operations; and (2) commissioners were unaware that their

---

<sup>1</sup> On August 11, 2022, the CCC commissioners voted unanimously to delegate to the executive director the Commission's authority to extend a license expiration date up to 120 days with the licensee required to pay a prorated fee to cover the extension period.

<sup>2</sup> In 2024, the CCC learned of the approximately \$550,000 in uncollected prorated fees for license extensions. The CCC informed the OIG that, as of February 2025, it had collected \$320,681 of that amount.

<sup>3</sup> The OIG determined that an audit would be necessary to understand how much of the \$1.2 million in uncollected provisional fees could have and can be collected.

directives went unimplemented. The recommendations in this letter accordingly suggest that the CCC take immediate steps to ensure greater staff accountability. And while the CCC has moved in recent months to update the agency's payment systems and has begun to recoup previously uncollected amounts, the OIG recommends that the CCC conduct an audit to confirm that licensees have paid all applicable fees. If the CCC waived any fees, current leadership should confirm that the CCC had the authority to do so.

## Background

### 1. Prorated License Fees

All licenses granted by the CCC are effective for one year.<sup>4</sup> Section 6 of Chapter 94G of the Massachusetts General Laws allows the CCC to “authorize the renewal of a license for a longer period.”<sup>5</sup>

On August 11, 2022, the CCC's then-executive director appeared at a meeting of the commission and presented a memo addressed to the commission.<sup>6</sup> In the memo, dated August 11, 2022, the executive director requested that the commission grant him the authority to administratively extend license expiration dates because licensees may need additional time to resolve compliance issues.<sup>7</sup> Furthermore, the executive director stated that license expiration dates may fall between meetings and additional time would allow for greater thoroughness and efficiency. The executive director suggested that licensees pay a prorated license fee to cover the extension period. During the meeting, the commission voted unanimously to:

Delegate to the Executive Director the Commission's authority to extend a license expiration date administratively up to 120 calendar days. During an administrative extension, the licensee shall continue to comply with the Commission's requirements for licensure and will also be required to pay a prorated license fee to cover the extension.

The then-executive director subsequently delegated the license extension process to the CCC's licensing division. OIG investigators spoke with the individual who served as the CCC's director of licensing from May 2018 until August 2024. That former director of licensing did not immediately implement the commission's directive, telling OIG investigators that he did not have the “bandwidth” to push the project along due to competing priorities. He stated that several tasks needed to be completed before the CCC could implement the commission's directive:

---

<sup>4</sup> M.G.L. c. 94G, § 6(a).

<sup>5</sup> *Id.*

<sup>6</sup> August 11, 2022 memo from the executive director to the commission.

<sup>7</sup> August 11, 2022 CCC meeting minutes.

- (1) The CCC’s information technology contractor needed to modify the CCC’s licensing and payment system to calculate how much a licensee needed to pay for its extension and to process the payment;
- (2) The CCC’s regulations, notices, and forms needed to be changed before the change could be implemented; and
- (3) Licensing staff would need training on the new procedures.

He estimated that those steps would take months.

The former director told OIG investigators he brought up these matters with his supervisor, the former CCC chief of investigations and enforcement, and the former CCC general counsel, but said that they were “agnostic” and focused on other priorities. He stated that prior to the commission’s August 2022 vote to allow license extensions, the CCC had already been granting license extensions without requiring licensees to pay a prorated fee.<sup>8</sup> He continued this process – granting extensions without collecting a prorated fee – after the August 2022 vote. The licensing division kept track of all extension requests on a spreadsheet.

The former director finally began working with CCC’s IT vendor in March 2024 to create an application to process extensions.

In January 2024, the CCC appointed a new chief of investigations and enforcement (CIE).<sup>9</sup> The new CIE soon became concerned about the operations of the licensing division, which was responsible for the implementation of Chapter 180 of the Acts of 2022, specifically as it related to host community agreements (HCAs).<sup>10,11</sup>

The CIE told OIG investigators that she learned in early May 2024 that the former director of licensing had not reviewed any HCAs submitted to the CCC. According to the CIE, the former director of licensing told her that he had been waiting to provide training to his staff. The CIE also learned that the former director of licensing had not created the appropriate determination letters to be sent to licensees on the results of their HCA reviews, as regulations require.

During a May 23, 2024 commission meeting, the CIE requested that the commission grant extensions of expiring licenses of up to 240 days due to the backlog of HCAs that the licensing

---

<sup>8</sup> The OIG notes that the CCC staff had no authority to proceed in this manner.

<sup>9</sup> The chief of investigations and enforcement oversees the CCC’s licensing division.

<sup>10</sup> HCAs are agreements between municipalities and marijuana establishments. HCAs set conditions for an establishment to operate in a municipality, including hours of operation, security plans, and fees paid to the municipality.

<sup>11</sup> Section 10 of Chapter 180 of the Acts of 2022 amended M.G.L. c. 94G, § 3 to require that the CCC review and approve HCAs between towns and marijuana establishments.

division was reviewing.<sup>12</sup> According to the commission’s meeting minutes, the CIE told the commission there were 100 HCAs in the queue for review and the licenses associated with the HCAs were set to expire in June 2024. During the meeting, the commission voted to:

Administratively extend a license expiration date up to 120 calendar days at the discretion of the Chief of Investigations and Enforcement or their delegee; after the first 120 calendar day extension has been exhausted, the Chief of Investigations and Enforcement or their delegee may approve additional extensions not to exceed 240 calendar days in total for the exclusive purpose of allowing a licensee to submit a compliant Host Community Agreement or Host Community Agreement waiver; during an administrative extension, the licensee shall continue to comply with the Commission’s requirements for licensure and shall be required to pay a prorated license fee to cover the extension.

Following the meeting, the CIE tasked CCC staff members with drafting a bulletin explaining how to calculate prorated fees. Shortly thereafter, the CIE learned that the licensing division had not been collecting prorated fees since August 2022. In early June 2024, the CIE alerted commissioners to the issue and continued her review of the amount of prorated fees owed to the CCC. According to the CIE, a spreadsheet showed that approximately \$550,000 in prorated fees had not been collected at that time. The CCC then sent out invoices to all licensees who had requested extensions. Upon review, the CIE learned that the CCC’s licensing platform, MassCIP, had no controls in place to accurately track license extensions and prorated fees. She subsequently suggested that control measures regarding license extensions and prorated fees be added to MassCIP.

According to multiple witnesses, in mid-May 2024 two CCC commissioners offered the former director of licensing the position of acting executive director. They withdrew the offer five or six days later, about the same time that the CIE discovered that the licensing division had not been collecting extension fees for years.

The OIG reviewed a list provided by the CCC of all license extensions between August 2022 and July 2024. The list showed that the CCC failed to collect \$552,986 in license fees related to 159 extension requests. The CCC reports that, as of February 2025, it has recovered \$320,681 of those outstanding license fees.<sup>13</sup>

## 2. Provisional License Fees

A provisional license is a license issued by the CCC “confirming that a Marijuana Establishment has completed the application process and satisfied the qualifications for initial

---

<sup>12</sup> May 23, 2024 CCC meeting minutes.

<sup>13</sup> On March 25, 2025, the CCC informed the OIG that the CCC has yet to recover fees from 42 licensees in an amount totaling \$170,794. The OIG notes that the information the CCC provided on March 25 does not appear to reconcile with the list it previously provided, and the OIG has not performed an audit. Therefore, the OIG stands by its recommendation herein that an audit needs to be conducted.

licensure.”<sup>14</sup> Once the commission approves a provisional license application, the applicant must submit the required fee within 90 days to be issued a provisional license.<sup>15</sup> If the applicant does not pay the provisional license fee within 90 days, the provisional license approval will expire and the applicant is required to complete an initial application again.<sup>16</sup>

The CIE told OIG investigators that soon after she learned prorated license fees were not being collected, she also learned that 121 applicants whose provisional licenses were granted by the commission had not paid the required provisional license fee within 90 days. She learned that those 121 applicants owed the CCC \$1.2 million in provisional license fees. According to the CIE, her investigation revealed that the CCC’s licensing department failed to send out notices to applicants whose 90-day period had expired. Furthermore, MassCIP did not have controls in place to rescind applicants’ provisional license approvals if their fees were not paid within 90 days. Applicants were essentially able to pause their application process for an indefinite amount of time and then log into MassCIP and submit the required provisional license fee and continue the licensing process.

The OIG understands that no licensees have been able to operate without paying the required provisional license fee because applicants are unable to continue the licensing process without payment. However, per the CCC’s regulations, after their provisional license approvals had expired, these applicants were required to restart the application process, submit a new application, and pay all applicable fees.

The CCC sent notice to the 121 applicants whose provisional licenses had expired. CCC personnel also required the agency’s software vendor to add controls to MassCIP to ensure that applicants are not allowed to submit provisional license fees past the 90-day window.

### 3. Total Fees Not Collected

Figure 1 below reflects the amount of prorated and provisional license fees not collected by the CCC from August 2022 to August 2024.

Fee Type	Number of Licensees/Applicants	Fees Not Collected
Prorated	159	\$ 552,986
Provisional	121	\$ 1,200,000
Total	280	\$ 1,752,986

**Figure 1. Prorated and provisional license fees not collected by the CCC.**

---

<sup>14</sup> 935 CMR 500.002.

<sup>15</sup> *Id.* at 500.103(1).

<sup>16</sup> *Id.*

## Findings

### **1. CCC staff members granted license extensions prior to the commission granting the staff the authority to do so.**

Section 6 of Chapter 94G of the Massachusetts General Laws allows the commission to extend the expiration date of a license.<sup>17</sup> According to witnesses, prior to the commission's August 2022 vote to grant the executive director the authority to administratively extend license expiration dates, CCC staff members were already granting license extensions even though the commission did not delegate the authority to CCC staff members. The OIG is unaware of any instances in which the commission voted to extend a license expiration date. Because the commission did not delegate its authority to extend license expiration dates, CCC staff members did not have the authority to grant license extensions without the commission's approval.

### **2. CCC staff failed to implement the actions required by the commission's August 11, 2022 vote regarding license extensions and prorated fees.**

On August 11, 2022, the commission voted to grant the executive director the authority to extend license expiration dates for up to 120 days. The commission's vote required licensees to pay a prorated fee for the length of their extension. The responsibility of collecting payment ultimately fell to the director of licensing. While the former director of licensing outlined several challenges associated with that task, he admitted that he did not implement the commission's directive because he did not have the time.

It was not until March 2024, more than a year and a half after the commission's August 2022 vote, that the former director took any action regarding prorated fees. By this time, however, the CCC had already granted extensions to nearly 100 licensees and failed to collect \$339,394 in prorated license fees.<sup>18</sup>

### **3. The CCC's licensing platform lacked the necessary controls to collect prorated and provisional license fees.**

The CCC's licensing platform, MassCIP, lacked the necessary controls to collect prorated license fees. Furthermore, its licensing platform did not have the appropriate controls to ensure applicants whose provisional license applications were approved paid their provisional license fees within the allotted time. Witnesses acknowledged that there was no mechanism within MassCIP to allow for the collection of prorated fees or to track license extensions. Moreover, MassCIP lacked a process to lock applicants out of the system after their provisional license expired.

---

<sup>17</sup> M.G.L. c. 94G, § 6(a).

<sup>18</sup> Between March 2024 and early August 2024, the CCC granted another 64 extensions to licensees and failed to collect an additional \$213,592 in prorated fees.



When the CIE discovered issues regarding the collection of fees, she took action to implement the appropriate controls within MassCIP to ensure prorated fees and provisional license fees are paid in a timely manner.

#### **4. The CCC staff lacked supervision and accountability.**

The findings outlined in this report highlight an apparent lack of supervision from CCC management, its former executive directors, and the commission, as well as a lack of staff accountability to the commission.<sup>19</sup> The former director of licensing did not take any action to implement the actions required by the commission's August 2022 vote until March 2024. It is apparent that the then-executive directors did not ensure that the former director of licensing followed through on the commission's delegation. The OIG found no evidence that the commission checked that its August 2022 directive was carried out. The commission was unaware of the director of licensing's inaction until the new CIE, who began managing the licensing division in January 2024, brought it to their attention in May or June 2024. The former director's inability to implement a key commission initiative should have been readily apparent to his supervisors. Moreover, just prior to learning about the licensing division's failure to collect prorated fees, commissioners offered the former director the position of executive director. That fact further highlights the commission's lack of awareness of its staff's performance.

### **Recommendations**

Based on its investigative findings, the OIG recommends the CCC take the following steps:

1. Ensure that MassCIP, or any other software used by the CCC, has the appropriate controls in place for the CCC to operate effectively and efficiently, including the ability to (a) accurately track license extensions; (b) collect prorated fees; and (c) collect provisional license fees within the appropriate time frame;
2. Conduct an audit of all IT systems to ensure that proper capabilities and controls are in place;
3. Ensure that any future procurement of CCC's licensing platform services contains appropriate capabilities and controls;
4. Clarify the roles and responsibilities of the CCC chair, commissioners, executive director, and directors to ensure that (a) the commission's delegated authority is executed properly; (b) the executive director does not act outside of properly delegated authority; (c) revenue projections are in place; and (d) the proper mechanisms and oversight are in place to invoice and collect required fees;

---

<sup>19</sup> The CCC's inaugural executive director served in that position until December 4, 2023. The CCC then appointed an acting executive director who served in that role until recently.

5. Develop greater (a) leadership accountability of the executive director and directors, and (b) staff accountability by requiring periodic updates from CCC management on all requests, delegations, or directives;
6. Conduct an audit of all accounts receivable and collect any outstanding money owed;
7. Conduct an audit to confirm that CCC leadership or staff did not waive or discount any fees without the delegated authority to do so; and
8. Conduct an audit to ensure that the CCC properly handles its accounts receivable, aging, and write-off procedures consistent with the policies and regulations of the Commonwealth's Office of the Comptroller.

### **Conclusion**

The failure to have collected fees is a significant problem, whatever its underlying causes, and should be a call for action. Viewed most narrowly, this operational deficiency occurred because licensing division officials failed to update the CCC's payment processing system to handle extensions for existing licensed operators and to bill provisional licensees for renewals. In both instances, those officials did not bring the matters to the attention of their supervisors or the commission. Further, the former executive director inappropriately delegated a responsibility to a division that he knew or should have known did not have the capacity to execute the directive on their own.

However, our investigation found that other factors played a role in this organizational malfunction. For example, certain staff members within the licensing division knew the CCC was not collecting these fees and withheld that information from CCC commissioners for about two years. Senior managers chose to forgo implementing policies approved by the commissioners, focusing on other priorities. The commissioners themselves did not hold the executive directors or staff accountable.

Upon discovering that the CCC failed to collect prorated and provisional license fees, the current CIE took appropriate action to bring the matter to the commission's attention. The CIE then began the process of collecting missing revenue and putting appropriate controls in place.

Within 30 calendar days of receiving this letter, please notify this office in writing of your plans to implement the recommendations herein or of any steps already taken. If you have any questions, please contact George Xenakis, director of the OIG's Audit, Oversight and Investigations Division, at 617-722-8853 or at [George.Xenakis@mass.gov](mailto:George.Xenakis@mass.gov).



Travis Ahern, CCC Executive Director  
Bruce Stebbins, CCC Acting Chair  
March 27, 2025  
Page 9 of 9

Thank you for your immediate attention to the OIG's findings and recommendations.

Sincerely,



Jeffrey S. Shapiro, Esq., CIG  
Inspector General

cc (by email):

Her Excellency Maura Healey  
The Hon. Kim Driscoll, Lieutenant Governor  
The Hon. Karen E. Spilka, President of the Senate  
The Hon. Ronald Mariano, Speaker of the House  
The Hon. Andrea Joy Campbell, Attorney General  
The Hon. Deborah B. Goldberg, Treasurer and Receiver General  
Nurys Camargo, Commissioner, CCC  
Ava Callender Concepcion, Commissioner, CCC  
Kimberly Roy, Commissioner, CCC  
The Hon. Daniel M. Donahue, Chair, Joint Committee on Cannabis Policy  
The Hon. Adam Gomez, Chair, Joint Committee on Cannabis Policy  
Kate R. Cook, Chief of Staff, Office of the Governor  
Eugenia M. Carris, General Counsel, OIG  
George A. Xenakis, Director, Audit, Oversight and Investigations Division, OIG  
Josh Giles, Director, Government Outreach and Public Policy Division, OIG  
Nataliya Urciuoli, Senior Executive Assistant, OIG