



Eric Friedlander
Secretary

KENTUCKY OFFICE OF MEDICAL CANNABIS

Cabinet for Health and Family Services
275 East Main Street, 5W-A
Frankfort, Kentucky 40621

Sam Flynn
Executive Director

May 30, 2025

Sent via Electronic Mail

Shawwna Crouse
Deputy State Auditor
Auditor of Public Accounts
209 St. Clair Street
Frankfort, Kentucky 40601-1817

Re: *Preliminary Assessment of the Office of Medical Cannabis; Supplemental Response*

Dear Deputy Auditor Crouse:

On behalf of the Office of Medical Cannabis (OMC), I write to supplement the OMC's initial response to the Preliminary Assessment letter sent by your office on April 17, 2025.

On May 1, 2025, the OMC provided its initial response letter and accompanying Appendix. The OMC indicated it would attempt to provide the final versions of the 5,002 medical cannabis business license applications with supporting documentation to your office on or before May 30, 2025. OMC is providing electronic versions of these applications as well as notifications sent by OMC to applicants for cannabis business licenses as part of the application review process. These contain over 580,000 pages of records, including:

- a. New Business License Application Status Update (Return for Correction) (if applicable)
- b. New Business License Application Resubmitted Successfully (if applicable)
- c. New Business License Application Complete and Eligible for the Lottery (if applicable)
- d. New Business License License [sic] Approved (Invoice Initiated) (if applicable)
- e. New Business License Application Approved (Invoice Paid and License Number Issued) (if applicable)
- f. New Business License Application Denied (if applicable)

Again, please be advised that information contained in the medical cannabis business license applications and the supporting documents included with the applications contain information that is held to be confidential, proprietary, or trade secret information to the Applicants. The OMC does not disclose this confidential, proprietary, or trade secret information to the public through Open Records requests or for any other reason. **The OMC expects that Applicants' confidential, proprietary, or trade secret information being supplied to the APA will not be further disclosed to any other party or the public unless such disclosure is required by state or federal law.** Please also be advised that the OMC is providing the APA with the final applications and supporting documentation submitted by the Applicants for medical cannabis business licenses.

In most cases, an Applicant would submit its initial application and supporting documentation and, after review and notice of deficiencies from the OMC, would then make corrections or submit different or additional supporting documents for its final application submission. Due to the volume of documents involved, the OMC is providing the APA with the final version of the submitted applications in our supplemental response today. **The Office anticipates providing copies of the initial applications to the APA on or after October 1, 2025.**

Regarding APA Demand No. 5 (*i.e.*, All internal and external communications, emails, text messages, and Microsoft Teams messages, to and from executive staff), the OMC again requests that your office inform the OMC of the scope of the APA's inquiry so that the OMC may review, identify, and produce records relevant to the inquiry. At this time, the scope of the APA inquiry and this demand remain undefined and thus the OMC cannot provide an estimate of when it anticipates producing records within this category. Upon receipt of additional information from the APA regarding the scope of this inquiry, the OMC will provide an estimate for additional production of records. It is anticipated that any additional production will occur on a rolling basis

Our office reserves the right to object to any charges from the Auditor given the process has been fully transparent and established by the General Assembly in statute and by approved regulation. Finally, we have yet to receive any substantive information from the Auditor that there is a legitimate legal basis to conduct a "preliminary assessment" of OMC. The Auditor also failed to identify a single complaint or complainant, or describe the nature of any such complaint.

Moreover, it is concerning that the Auditor is commenting on an ongoing "investigation." Auditors have a duty to maintain confidentiality and avoid making public statements during the process or making premature findings. Making statements before the audit is complete will likely influence the outcome, leading to a distortion of the findings and calls into question the objectivity of the inquiry.

Regardless, we will continue to uphold our commitment to full transparency with this program and are proud of the work we are doing to bring much-needed relief to Kentucky patients who qualify for a medical cannabis card. We will continue to work every day to make access to legal medical cannabis a reality for Kentucky patients in need.

Respectfully,

A handwritten signature in blue ink, appearing to read 'S. Flynn', with a long horizontal flourish extending to the right.

Sam Flynn
Executive Director
Kentucky Office of Medical Cannabis