



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 6, 2025

*Sent via Electronic Mail*

The Honorable Barbara Dickens  
Inspector General  
Finance and Administration Cabinet  
200 Mero Street, 5th Floor  
Frankfort, Kentucky 40622

**Re: *Office of Medical Cannabis Request for Independent OIG Review of OMC Program and Procedures***

Dear Inspector General Dickens:

On behalf of the Office of Medical Cannabis (OMC), I write to request the Inspector General, within the Finance and Administration Cabinet, conduct an independent review of Kentucky OMC's licensing processes and procedures.

On April 17, 2025, the Auditor of Public Accounts (APA) issued a press release indicating she was launching an "investigation" into OMC. That same day, APA sent a letter to OMC that it was conducting what it styled a "preliminary assessment" of the "execution of the Kentucky medical cannabis program." *See attached*, Letter from APA to OMC (April 17, 2025).

OMC has led the way in creating a process that embraces and builds transparency into every step of the set up and implementation of the program from its inception, by:

- Publicly announcing regulations at Team Kentucky Updates;
- Issuing licensing guidance to assist all applicants with the process<sup>1</sup>;
- Following the full administrative and legislative review process<sup>2</sup>;
- Building opportunities for applicants to correct application deficiencies into the process;
- Ensuring an experienced, independent third party, the Kentucky Lottery Corporation, conducted OMC license lotteries; and

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<sup>1</sup> See OMC CANNABIS BUSINESS LICENSEES ADVISORIES AND RESOURCES page, available at <https://kymedcan.ky.gov/businesses/Pages/Resources.aspx> (last visited April 17, 2025).

<sup>2</sup> Notably, no individual or entity ever testified against any Office of Medical Cannabis licensing or application regulation before any legislative committee.

- Broadcasting all license lottery drawings live and archiving the videos online.<sup>3</sup>

For these reasons and others, OMC has serious concerns about the basis, scope, and intent of the APA’s “preliminary assessment.” Our key concerns are as follows:

**1. APA fails to produce any of the alleged concerns referenced in the letter, email, or press release.**

APA has failed to produce a single complaint, the name of any complainants, the nature of any complaints, or any details about a specific complaint, such that would allow our office to understand the purpose and nature of such an “investigation” or understand why the records and information requested may be relevant to it.

OMC has already provided the APA with over 4,000 pages of records. APA’s demands will likely require OMC to produce over a million pages of records in total. Those requests will put a strain on the functions of the OMC and will pull dozens of employees away from their core mission – ensuring Kentuckians suffering with serious medical conditions have safe, secure access to tested medical cannabis.

Further, since APA is interested in conducting a “preliminary assessment” of OMC’s “execution” of the Kentucky Medical Cannabis Program, it is highly relevant that the processes and procedures related to the initial application, review, and award of medical cannabis business licenses were the direct product of the Kentucky General Assembly’s passage of SB 47, codified as KRS Chapter 218B, and the General Assembly’s approval of OMC’s administrative regulations, 915 KAR Chapter 1. In passing SB 47, the legislature provided the parameters of the program and empowered OMC to create the regulations that would provide the details for the management of the Medical Cannabis Program. *See* KRS 218B.140(1)(c) and (6).

The detailed regulations drafted by OMC to govern the Kentucky Medical Cannabis Program complied with KRS Chapter 13A, including following the public notice-and-comment rulemaking process, and were reviewed and approved at the time by two separate legislative committees that were created to oversee the rollout of the program.

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<sup>3</sup> *See* OCTOBER 28, 2024, KENTUCKY OMC LOTTERY (CULTIVATORS AND PROCESSORS) available at <https://www.youtube.com/watch?v=7aUa5gaJ6bA&t=2711s> (last visited Apr. 17, 2025).

*See* NOVEMBER 25, 2024, KENTUCKY OMC LOTTERY (DISPENSARIES – REGIONS 3-11) available at <https://www.youtube.com/watch?v=vD4hR80Z1DM> (last visited Apr. 17, 2024).

*See* December 16, 2024, Kentucky OMC Lottery (Dispensaries – Regions 1-2) available at <https://www.youtube.com/watch?v=gGi6kVrj-do&t=3152s> (last visited Apr. 17, 2024).

**2. APA has no legal authority to grant relief to aggrieved parties.**

The APA cannot grant relief to anyone complaining that they did not receive a license. The APA lacks the legal authority to grant or revoke licenses or increase the number of licenses available.

Any applicant who is concerned or feels they were entitled to something they have not yet received under the law, has the right to an appeal under KRS Chapter 13B to the Office of Attorney General's (OAG) Administrative Hearings Branch. The OAG, which is independent from us, is already holding prehearing conferences for applicants who have chosen to appeal.

If applicants believe they have legal claims against OMC, they have had full access to the courts from the beginning. To date, no individual or business has filed suit.

From the outset, OMC has been focused on ensuring our application and licensing process was both fair and transparent, so that medical cannabis could be available to qualifying Kentuckians in need as quickly and safely as possible.

For these reasons and others, OMC invites you to conduct an independent review of our processes. OMC welcomes the opportunity to continue demonstrating to Kentuckians our absolute commitment to transparency, through an independent, objective and unbiased review.

Respectfully,



Sam Flynn  
Executive Director  
Kentucky Office of Medical Cannabis

Enclosed:

1. 2025-4-17 – APA Preliminary Assessment Letter to OMC
2. 2025-5-1 – OMC Response Letter to APA with Appendix
3. 2025-5-1 – First Records Production