

# Massachusetts Cannabis Company Hit with \$200,000 Fine Over Mold Scandal

Massachusetts regulators recently fined Holistic Industries, a marijuana multistate operator (MSO), \$200,000 following a mold outbreak at its cultivation facility in Monson. The Massachusetts Cannabis Control Commission (CCC) alleged that Holistic knowingly sold contaminated cannabis despite being aware of the mold issue since November 2020.

## Public Response and Settlement

In response to the fine, Holistic Industries neither admitted nor denied the allegations. However, they did pay the fine. Commissioner Kimberly Roy commended employee whistleblowers for bringing attention to the problem and advocated for a dedicated whistleblower hotline.

## Increased Scrutiny and Violations

The CCC determined that Holistic violated four state regulations, including endangering public welfare. This fine is one of the largest imposed on a U.S. cannabis company for a potential health violation. Critics highlight ongoing issues with lax oversight, allowing operators to manipulate lab results to their advantage.

## Fraudulent Practices and Health Risks

Seeking favorable lab results to permit contaminated products poses significant health and safety risks. Jeff Rawson, founder of the Institute of Cannabis Science, emphasized the severity of such actions, calling it fraud and unlawful occupational hazard.

## Settlement Terms and Remediation

As part of the settlement, Holistic must submit products for testing to a third-party lab for six months. The company allegedly sought polymerase chain reaction (PCR) testing instead of plate assay testing to maximize product volume on the market.

## Employee Whistleblowers and Investigations

Employee whistleblowers alerted regulators and media about the mold issue in 2021. An independent investigation confirmed significant mold contamination throughout the facility. Holistic's alleged mishandling of the situation underscores broader concerns about safety and oversight in the cannabis industry.

## Holistic Industries' Profile

Holistic Industries, headquartered in Washington, D.C., operates across several states and holds a significant market presence. The company faced public scrutiny following the mold outbreak, highlighting the importance of stringent safety measures in cannabis production.

### **Safety Concerns in the Massachusetts Cannabis Industry**

The mold outbreak at Holistic's facility is one of several incidents involving safety concerns in Massachusetts' cannabis industry. This incident underscores the need for robust safety protocols and regulatory oversight to protect consumers and workers alike.

Email: [info@cannabisriskmanager.com](mailto:info@cannabisriskmanager.com) | Phone: +855-507-2622

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