

# Massachusetts Lab Alleges Fraud in Lawsuit Against Competitors

## Massachusetts Cannabis Testing Lab Sues Competitors Over Alleged Fraudulent Practices Involving THC Potency and Safety Results

A major legal battle is unfolding in Massachusetts as MCR Labs, a prominent marijuana testing lab, has filed a lawsuit accusing eight of its competitors of engaging in fraudulent practices. These practices allegedly include inflating THC potency levels and manipulating safety results, which MCR Labs claims allow potentially contaminated and tainted cannabis products to enter the market. The lawsuit, filed on January 30 in Suffolk County Superior Court, highlights an ongoing issue within the marijuana industry: the alleged falsification of data by testing labs, a practice that MCR Labs argues undermines public health and safety.

### Allegations of Fraudulent THC Potency Inflation and Safety Manipulation in the Massachusetts Cannabis Industry

MCR Labs' legal action comes amid growing concerns in the cannabis industry that labs are deliberately altering test results to satisfy clients, ultimately allowing substandard or unsafe cannabis products to flood the market. This lawsuit marks the latest chapter in a long-running saga of alleged misconduct within the cannabis testing industry, with MCR Labs accusing competitors of falsifying results to give cultivators higher THC potency readings and manipulate mold test results.

The complaint also references public records data obtained by MCR Labs through public-records requests, which the company claims supports its allegations of inflated THC potency levels. According to the lawsuit, these inflated results mislead consumers about the true potency of the products they are purchasing, potentially putting public health at risk. The lab's legal team argues that judicial intervention is necessary to restore integrity to the marketplace and rebuild consumer trust in cannabis testing.

### The Problem of Lab Shopping and Market Manipulation in the Cannabis Testing Industry

One of the central themes of MCR Labs' lawsuit is the phenomenon of "lab shopping." This term refers to the practice in which cannabis producers intentionally seek out labs that will provide inflated test results, particularly for THC potency. According to the lawsuit, this "race-to-the-bottom" mentality in the testing industry has created an environment where unethical labs are undercutting the competition by offering favorable test results that misrepresent the true quality of products.

MCR Labs claims that as competitors engaged in this practice, the company lost market share—once holding nearly 50% of the Massachusetts market, MCR Labs has seen its position steadily erode due to dishonest practices by rival labs. The lawsuit suggests that labs offering inflated potency numbers and manipulated safety test results are distorting the competitive landscape, leaving ethical labs at a disadvantage.

According to data from the Massachusetts Cannabis Control Commission (CCC), the state currently has 15 licensed independent testing labs. The lawsuit names eight of these labs as defendants, accusing them of being involved in these fraudulent activities. The named defendants include:

Analytics Labs

Assured Testing Laboratories

CDX Analytics

Green Analytics Massachusetts (formerly Steep Hill Massachusetts)

Green Valley Analytics

Kaycha MA

Massbiolytics Corp.

SafeTiva Labs

While the defendants have yet to respond or secure legal counsel, the lawsuit claims that the actions of these labs have led to a significant public safety issue, as consumers and patients are unknowingly purchasing products that have been falsely marketed as more potent or safer than they actually are.

### **Cannabis Potency Inflations and Mold Testing Manipulations Raise Major Concerns**

The MCR Labs lawsuit provides specific examples of alleged misconduct. For example, one cultivator that switched from MCR Labs to Analytics Labs saw its reported THC potency increase by an astonishing 43.7%. According to the complaint, another defendant, Assured Testing Laboratories, is consistently reporting THC potency results that are approximately 14.5% higher than the state average.

The lawsuit further highlights a troubling trend: Massachusetts recorded 37 instances of cannabis flower testing at THC levels of 40% or higher—levels that are considered impossible for non-concentrated products. The lawsuit alleges that 36 of these 37 instances were attributed to Green Valley Analytics, raising questions about the legitimacy of the lab's testing practices.

Beyond THC potency, the lawsuit also raises concerns about mold contamination in cannabis products. MCR Labs claims that several cultivators who switched from MCR Labs to certain defendant labs saw a dramatic decrease in their failure rates for mold testing. For example, one cultivator's failure rate reportedly dropped from 16.4% to 0% after switching to Assured Testing. Another cultivator saw a similar drop in failures after switching to Green Analytics. The lawsuit argues that such drastic improvements in testing results can only be explained by manipulated data.

### **MCR Labs Seeks Legal Action to Halt Fraudulent Practices and Demand Compensation**

MCR Labs is calling for judicial intervention to put an end to what it describes as widespread manipulation of test results in the cannabis industry. The lawsuit demands a court order barring the defendant labs from engaging in further fraudulent practices and calls for the labs to surrender "all profits derived" from their actions.

In its statement, MCR Labs emphasized the importance of honest and accurate testing for the safety of consumers, public health, and the integrity of the cannabis market. "Fraudulent testing practices harm

patients, consumers, industry workers, and ethical businesses,” MCR Labs said. The lab has been an outspoken advocate for accurate testing standards in the cannabis industry and has long fought against result manipulation, calling for reforms to protect both the public and legitimate businesses.

MCR Labs also highlighted that the inflated THC potency and manipulated safety results are not only detrimental to consumers, but they also undermine the credibility of the state’s cannabis testing infrastructure. “Honest and accurate testing is essential for consumer safety, public health, and a fair and prosperous market,” the company added.

### **The Impact of Fraudulent Testing Practices on the Cannabis Industry**

The allegations laid out in MCR Labs’ lawsuit shine a spotlight on the challenges facing the cannabis testing industry, particularly as states like Massachusetts continue to grow and refine their legal cannabis markets. As consumers demand more transparency and accountability from cannabis businesses, the issue of inaccurate testing has become an urgent concern.

The outcome of this lawsuit could have far-reaching implications for the industry, especially if it results in stronger regulations or judicial action against labs that engage in fraudulent testing. MCR Labs’ move to take legal action is an attempt to restore confidence in the marketplace and hold unethical players accountable for practices that harm both consumers and ethical businesses.

As the case moves forward, the cannabis industry and state regulators will be closely watching to see how the courts handle these serious allegations of fraudulent testing practices. If successful, this lawsuit could set a precedent for future cases in the cannabis sector, driving reforms that ensure more ethical practices and greater transparency in cannabis testing.

### **The Future of Cannabis Testing: The Need for Industry Reform**

This legal battle serves as a reminder of the ongoing need for reform within the cannabis testing industry. As cannabis markets continue to expand, ensuring that testing labs adhere to rigorous standards of integrity is crucial for protecting public health and promoting a fair market. Whether this lawsuit will lead to significant changes remains to be seen, but it underscores the growing need for a more transparent and accountable cannabis industry in Massachusetts and beyond.

Email: [info@cannabisriskmanager.com](mailto:info@cannabisriskmanager.com) | Phone: +415-226-4060

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