

Cannabis Lab Fraud Claims Shake New York's \$1B Market

Cannabis Testing Lab Fraud Allegations Roil New York's Adult-Use Cannabis Market Amid Growing Consumer Concerns

The adult-use cannabis industry in New York is facing an escalating controversy over allegations of marijuana testing lab fraud, with reports surfacing of vape oil cartridges exhibiting cannabinoid totals that exceed 100%. These accusations—similar to those seen in other states—suggest that some labs are inflating THC potency to appease clients, raising serious questions about consumer safety and regulatory oversight.

This crisis emerges at a crucial time for New York's cannabis market, which recently surpassed \$1 billion in sales despite a turbulent start. If left unchecked, experts warn that these fraudulent lab practices could damage consumer trust and hinder industry growth.

Widespread Concerns Over Inflated THC Potency and Consumer Safety Risks

Testing fraud in cannabis labs isn't a new phenomenon, but its emergence in New York's burgeoning adult-use market has raised alarms among industry stakeholders. The most concerning claims center around:

Artificially inflated THC percentages – Some cannabis products are reported to have potency levels well beyond realistic figures.

Falsified cannabinoid profiles – Vape cartridges have been found with cannabinoid concentrations exceeding 100%, an impossibility under scientific standards.

Potential manipulation of safety tests – There are concerns that some labs may be altering results related to pesticide contamination and other safety factors.

Two New York-based lab operators, Aaron Riley of Certified Testing and Data and Edward Lukaszek of Biotrax Testing Laboratory, have been vocal in exposing these issues. In a December letter to the Office of Cannabis Management (OCM), they detailed their findings and called for urgent regulatory action.

Industry Leaders Demand Immediate Regulatory Action to Address the Fraud

Lab operators and industry watchdogs argue that unless these fraudulent practices are swiftly addressed, New York's cannabis industry could face long-term consequences. Riley and Lukaszek's letter emphasized that inaction would allow unethical testing practices to become the norm, mirroring what has occurred in other states with less stringent oversight.

Their proposed solutions include:

Immediate product recalls – Removing suspected fraudulent or unsafe products from the market.

Stronger regulatory enforcement – Imposing penalties on labs found to be manipulating potency figures.

Greater transparency in lab testing results – Ensuring that data on cannabis potency and contaminants is readily available for scrutiny.

Despite these calls for intervention, regulators have yet to take decisive public action.

State Regulators Face Criticism for Lack of Transparency and Delayed Enforcement

The OCM has responded to these allegations by asserting that they take such concerns seriously but have not disclosed any specific actions being taken. In a response letter to Lukaszek and Riley, Nicole Rosa, the executive deputy director of the Office of Health and Scientific Affairs, confirmed that investigations are ongoing but maintained that details cannot be shared due to confidentiality rules.

This response has frustrated industry insiders who believe regulatory inaction is worsening the problem. Critics argue that delayed enforcement will allow fraudulent lab practices to persist, potentially endangering consumers and discrediting the entire legal market.

Reports of Pay-to-Play Testing Further Undermine Industry Credibility

Beyond manipulated test results, there are growing concerns that some testing labs are engaging in unethical business practices. Nic Fera, a cultivator from Goldfinch Flora and a board member of the Cannabis Farmers Alliance, claimed that a representative from a licensed lab offered him guaranteed high-potency test results—for a price.

These kinds of pay-to-play schemes undermine the integrity of the industry and could lead to widespread consumer distrust. If consumers believe lab results are unreliable, they may turn to unregulated sources, defeating the purpose of a legalized and tested marketplace.

Independent Testing in Other States Has Exposed Similar Problems

The issues facing New York's cannabis industry aren't unique. Similar allegations have surfaced in other states, prompting some regulators to take more proactive measures.

Massachusetts: Testing lab MCR Labs sued competitors after uncovering evidence of potency inflation and data manipulation that allowed contaminated products to reach consumers.

California: State regulators implemented independent reference testing, leading to numerous recalls and increased oversight. Stricter regulations forced some labs to shut down.

Colorado: Regulatory bodies perform randomized testing on products purchased from dispensary shelves, ensuring compliance with potency and safety standards.

New York, however, has yet to introduce such independent verification measures or publicly announce any recalls based on fraudulent testing.

Dangerously Inflated Potency Claims Raise Red Flags in Vape Oil Testing

One of the most alarming revelations in this controversy involves the testing of cannabis vape oil cartridges. Industry standards indicate that total cannabinoid percentages above 90% are highly questionable, given that vape products contain additional compounds such as terpenes and thinning agents.

Despite this, an MJBizDaily review found multiple vaporizer products in New York cannabis stores advertising THC contents above 90%. Independent lab testing conducted by Certified Testing and Biotrax discovered that some products certified by competing labs as containing more than 30% THC actually tested in the teens.

These inconsistencies suggest that some labs may be deliberately inflating potency results to attract more business, rather than providing accurate scientific analyses.

How New York's Regulatory Framework Could Prevent Further Testing Fraud

To restore trust and ensure consumer safety, experts recommend several policy changes:

Implement state reference laboratories – Independent lab testing would allow regulators to verify the accuracy of lab-reported potency levels and detect fraud.

Mandate stricter testing protocols – Establishing more precise THC potency variance limits could prevent manipulation.

Increase enforcement of compliance violations – Labs found guilty of data fraud should face fines, license suspensions, or revocations.

Require public disclosure of lab results – Making all testing data available for public scrutiny would deter fraudulent practices.

By learning from other states that have successfully addressed similar problems, New York regulators have the opportunity to strengthen oversight before these issues spiral further out of control.

Consumer Trust at Stake as New York Cannabis Market Hits Key Growth Milestone

This testing scandal threatens to undermine the progress New York's cannabis industry has made since launching its adult-use market. The state recently crossed \$1 billion in recreational marijuana sales, demonstrating significant demand despite initial regulatory setbacks.

However, consumer confidence is vital to sustaining this momentum. If buyers lose trust in lab results and product safety, legal cannabis businesses could struggle to compete with unregulated sources.

For New York's market to thrive long-term, regulators must act decisively to root out fraudulent practices and ensure that all lab testing adheres to the highest standards of accuracy and integrity.

Until meaningful action is taken, industry stakeholders and consumers alike will remain wary of whether the cannabis products on dispensary shelves truly meet the standards promised by state law.

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