

## California Shuts Down Cannabis Testing Lab

### California Suspends BelCosta Labs' Cannabis Testing License Indefinitely Over Alleged Potency Inflation, Mold, and Safety Violations

*Long Beach, CA* — California regulators have indefinitely suspended the license of **BelCosta Labs**, a prominent cannabis testing facility in Long Beach, citing seven alleged violations that the state claims could endanger public health and safety. The suspension order, issued by the Department of Cannabis Control (DCC) on April 10, directs the company to immediately halt all testing and transportation activities.

According to the DCC's letter, BelCosta engaged in actions that may pose harm to consumers. The company's license was suspended ahead of its provisional expiration date of April 30.

The lab, which employs 75 people and has been operating for more than eight years, is alleged to have manipulated potency test results, failed to detect harmful substances, and committed a range of compliance violations. DCC officials have not publicly commented on the suspension beyond the letter sent to BelCosta's leadership.

#### Company Responds, Denies Violations, and Considers Legal Action

BelCosta's leadership has disputed the DCC's claims. Company executives expressed confidence that their operations were compliant and argued that the lab had never posed a health or safety risk. In response to the suspension, the company is considering pursuing legal action, asserting that it must protect the business it has built over the past eight years.

#### Details of the Alleged Violations

The DCC outlined seven alleged infractions in its suspension notice:

The lab released failed product samples for retail sale, which subsequent testing revealed to contain *pathogenic aspergillus*, a potentially harmful mold.

THC potency was inflated in two flower samples, with BelCosta reporting 24.5% THC for each. State verification showed actual potencies at 17.4% and 14.7%, exceeding California's 10% allowable variance by a wide margin.

Compliance test results were not reported within the required one business day on three separate occasions.

Chain-of-custody documentation was incomplete or missing.

A receptionist was granted access to a Metrc user account belonging to one of the lab's owners, violating system security protocols.

Employees failed to follow proper sample collection procedures, as shown in surveillance footage.

The company employed eight staff members who lacked the required education credentials for their roles as lab analysts or samplers.

## **Industry Implications and Broader Oversight**

BelCosta's suspension is part of a broader effort by the DCC to tighten oversight of cannabis testing labs across the state. Allegations of inflated THC results, overlooked contaminants, and inconsistent testing protocols have plagued the cannabis industry for years. Regulatory scrutiny is now increasing, and testing labs are being held more accountable.

The use of exact and repeated potency figures—like both flower samples reporting exactly 24.5% THC—has also drawn skepticism from industry watchdogs, who view such precision as statistically suspicious.

## **BelCosta Plans to Challenge Findings**

In a publicly posted video, BelCosta's executives shared their perspective on the suspension. They acknowledged minor documentation errors but emphasized their belief that many of the alleged violations are either mischaracterizations or the result of misunderstandings.

They noted that the employees identified as unqualified were in fact lab technicians, not analysts, and therefore not subject to the same educational requirements. They also suggested that issues with chain-of-custody forms may have been caused by external partners. Regarding the mold allegations, they proposed that contamination could have occurred after their initial testing. Attempts to contact the DCC about testing methodologies in previous months, they claimed, went unanswered.

Despite acknowledging that mistakes may have been made, the company maintained that the suspension is disproportionate and expressed optimism about returning to business.

## **Future Uncertain as Legal and Regulatory Processes Unfold**

With its license currently suspended and set to expire soon, BelCosta must act quickly if it hopes to resume operations. At this time, the DCC has not outlined any clear path for remediation or reinstatement. Company representatives plan to issue a more detailed response shortly and are exploring potential next steps.

The case marks one of the most high-profile regulatory actions in California's cannabis testing sector to date, signaling a firm stance by state authorities on lab integrity and consumer safety.

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