



September 9, 2020

## Are Blacks Being Left Out of the Cannabis Industry?

When we passed legislation creating [Public Act 101-0027](#), legalizing the sale and consumption of recreational cannabis or marijuana for adult use in Illinois, Article 7, Section b. of this law states, “In the interest of establishing a legal cannabis industry that is equitable and accessible to those most adversely impacted by the enforcement of drug-related laws in this State, including cannabis-related laws, the General Assembly finds and declares that a social equity program should be established.”

We did this because when we looked at the medical cannabis industry, we found that “55 licenses for dispensing organizations and 20 licenses for cultivation centers have been issued. Those licenses are held by only a small number of businesses, the ownership of which does not sufficiently meet the General Assembly's interest in business ownership that reflects the population of the State of Illinois and that demonstrates the need to reduce barriers to entry for individuals and communities most adversely impacted by the enforcement of cannabis-related laws.” (Section 7-1 Findings)

So, when we recently found out that only 21 or fewer companies will get all 75 dispensary licenses for recreational cannabis in the application round after a state lottery, the implementation of this law does not seem to meet the true social equity results the General Assembly intended when we passed this bill. We believe the administration should have an opportunity to explain what happened and what is being done to fix the situation.

That is why I am joining with House Majority Conference Chair state Rep. Kathleen Willis to hear from teams who applied and to meet with top administration officials before the final tiebreaker lottery is held.

Many constituents have contacted me and have expressed concern that the African American community has been left behind yet again by a system that benefits wealthy insiders. Many questions and concerns have been raised about why some companies won and others did not. We need transparency and all questions must be answered.

Among our questions are:

1. Why was KPMG hired on a no-bid contract to do scoring?
2. Did someone in the administration audit or review the KPMG scoring?
3. When will the administration release all scoring materials for each applicant, the detailed instructions given to KPMG by IDFPR, KPMG's scoring rubric and materials as well as all emails regarding this round of applications, including all deficiency notices?

4. Was there African American or minority participation in the no-bid KPMG contract?
5. Why was KPMG especially qualified or capable in this area of cannabis scoring instead of hiring full-time or temporary workers and doing it ourselves as a state?
6. Did KPMG employees who worked on the Illinois application project sign a statement to confirm that the KPMG employees and their immediate family members had no financial interest or ownership in any Illinois proposed or existing cannabis companies?
7. When the Department of Financial and Professional Regulation (IDFPR) saw that only 21 companies made the lottery, why didn't the Secretary fix the process before announcing it or at the bare minimum, question the results and ask for a review?
8. Is there still time to stop the lottery process or does it have to be announced in the next 10 days?
9. Did all 21 teams that made the lottery have 51 percent ownership of a veteran and Illinois resident?
10. Since dispensaries have lower application and start-up costs, average families and small businesses are more likely to apply for dispensary licenses. In that light, why does the Department of Agriculture application process for the more expensive craft grow, infusion, and transport licenses include an appeals process but the IDFPR dispensary application process does not?

We voted for this legislation with the full understanding that a fair proportion of Blacks, who have been historically hurt by laws regarding marijuana, would own and participate in cannabis businesses. We need to follow through to make sure this happens.

Sincerely,

A handwritten signature in black ink, appearing to read 'LSK', with a stylized flourish at the end.

La Shawn K. Ford  
State Representative-Eighth District