Developing Issue:

Laboratories failing to report all quality assurance test results into Cannabis Central Reporting System (CCRS).

- The Enforcement and Education (E&E) Division has provided education and guidance informing the industry of the observed compliance issue.
- The industry has expressed concern the information E&E is providing is a change in LCB policy which has not been openly discussed.
- Rules relating to reporting requirements have not changed since the filing of permanent rules on March 19, 2014 (WSR 14-07-116.)
- Industry members have pointed to a PowerPoint presentation with questions and answers relating to the CCRS. An answer provided in the presentation indicated non-mandatory testing did not need to be reported in CCRS.
- Non-mandatory testing was not defined in the presentation, nor is there a definition in rule.
- Note: The presentations were removed from the LCB website, and a notice was sent to industry members on March 26, 2025

Background:

E&E division staff have observed laboratory testing practices occurring between licensees and certified laboratories that create health and safety risks for consumers. Using "Research and Development" (R&D) or "non-mandatory" testing when submitting samples to laboratories has established a practice of certified laboratories failing to enter Quality Assurance (QA) results on tested products. A recent observation by staff found laboratories are maintaining standard operating procedures (SOP) for specific licensees to have an opportunity to review testing results prior to reporting those results in CCRS. This approach could increase the risk of laboratories not reporting failed test results and makes the tracking of products with failing test results more difficult to identify. This practice prevents appropriate intervention of unsafe product from entering the retail marketplace.

Further, LCB staff identified through transport manifests, samples of products being delivered to laboratories for tests where the samples did not have a test result reported or uploaded to CCRS. One example involved four failed tests which were not reported into CCRS, resulting in those failed product lots being mixed with other passing products lots. A subsequent review of inventory and products developed from those lots shows that multiple items developed from these lots were delivered to retailers. Tests results not uploaded to CCRS have either been identified as R&D or non-mandatory tests. In order to avoid uploading test results for these products to CCRS, the test were treated as "R&D" or non-mandatory" tests.

Preliminary Data not reported 2024 for reference:

2024 IDs Manifested to Lab	2024 No Lab Test for Manifested ID	2024 Percent of Not Reported Lab Tests
2,210	732	33.1 %
18,742	3,865	20.6 %
8,252	658	7.97 %
4,431*	858*	19.4 %*
2,958	948	32.1 %
13,226	2,370	17.9 %

**Data is from Jan 2024 to Nov 2024.*

LCB has not issued any regulations or guidance defining R&D or non-mandatory testing. Generally, R&D is used to identify tests or studies done in the context of designing new or improved products, not products destined for sale. At no point has LCB communicated that unreported partial or preliminary testing of products intended for sale on the market is acceptable.

The industry practice of categorizing testing as R&D, or non-mandatory, to avoid reporting conducted QA test results presents many concerns and risks. LCB staff have also observed licensees inappropriately using contingent manifests, which further contributes to lack of visibility in CCRS, decreasing opportunities to identify problematic product. The contingency manifest was developed to be used to meet 314-55 WAC requirements when CCRS is unable to produce the required manifest due to a system outage (usually from producers to labs, producers to retailers etc.).

Traceability requirements under WAC 314-55-083, require producers to create manifests in CCRS and send those with the samples to be tested to the labs. The labs are then required to update the test results outlined in WAC 314-55-102 and the manifest is returned to the producer with the results. The process of using the manifest is required each time cannabis products are transported and transferred between entities in the industry.

In addition to identifying concerns and risks, LCB staff also identified contributing factors towards non-compliance. Below are identified risks, contributing factors, pertinent laws and rules, and industry concerns.

Non-compliance outcome risks:

- Increases the risk of contaminated product reaching cannabis consumers.
- Decreases the integrity and consumer confidence in cannabis quality assurance testing.
- Increases the risk of diversion.

Contributing factors to the issue:

- The cannabis industry adopting terms and practices not identified in Washington Administrative Code (WAC) commonly referred to as “rules.”
- Utilization of contingent manifests, intended to only be used during system outages to prevent work stoppage.
- Strict rules prohibiting remediation.
- Mandatory destruction rules.
- Transitions between multiple traceability systems.
- Lack of staffing resources for monitoring.

Relevant laws and rules:

- RCW 69.50.348
    a. Mandating destruction or return of remaining samples.
    b. Mandating submission of quality assurance test results.
    c. Mandatory destruction of entire lot from which the sample was taken, unless provided by the board in rule.
- WAC 314-55-102 (General product quality control testing requirements for certified labs.

    a. Certified labs must report quality control test results directly to the board in the required format.
    b. Certified labs must fail a sample if the results for any limit test are above allowable levels regardless of whether the limit test is required in the testing tables in this chapter.
    c. Analysis and screening are only required for samples that have not been previously tested, or that have failed quality control testing.
- WAC 314-55-103 (The laboratory must report all test results directly into LCB's traceability system within twenty-four hours of completion.)
    a. Note: There is an active rule project which moves accreditation regulation to WSDA, while maintaining certification regulation with LCB. As part of certification, this language is moving from subsection 103 to subsection 0995, with no regulation changes.

Industry concerns:

- The perception and belief that mandating all quality assurance test results be entered into CCRS is an LCB policy change.
- Reduction in the number of testing requests to laboratories.
- Perception that this reporting requirement could result in the disclosure of proprietary information.
- Inability to develop new products.

Additional Discussion:

Accompanying the risks, LCB concerns also include testing integrity and transparency of products moving in and out of testing laboratories. Product testing is primarily identified through manifested product delivered to laboratories for testing and subsequent test results of manifested products which are entered into traceability.

Licensees submitting samples to laboratories flagged as R&D and/or non-mandatory testing outside of CCRS is a method of preliminary testing, identifying results for potency, pesticides, solvents, etc. prior to an official submission for QA testing. Test results containing unauthorized pesticides or residual solvents could require destruction of the product lot if reported in CCRS. If the results are undesirable, the risk of non-compliant remediation and product manipulation increases towards achieving test results with higher potency, no pesticides, etc. LCB staff have identified multiple “non-mandatory” test results which were not reported in CCRS that contained pesticide and benzene results above action limits.

Ultimately, product not properly QA tested can enter the retail marketplace exceeding compliance limits for pesticide and heavy metal. This has been observed in the past and the board adjudicated a case of this nature. The R&D sampling or non-mandatory testing approach has concealed sampling results from the LCB and consumers. This lack of transparency does not promote consumer safety and is not in accordance with the product testing requirements in Sec. 11 of Initiative 502, later codified in RCW 69.50.348.

Agency Action Recommendations:

- The Enforcement and Education (E&E) division will develop and provide a guidance document focused on educating licensees and certified laboratories on current rule requirements, and appropriate use of contingency manifests.
- Director’s Office Policy Team will open rule development to address and include R&D definitions, protocols relating to submitting laboratory product testing results, and incorporating elements related to internal quality control sampling specifically related to product development.