**Section 1291.70 Grounds for Discipline**

a) *The Department may deny issuance, refuse to renew or restore, or may reprimand, place on probation, suspend, revoke, or take other disciplinary or non-disciplinary action against any* licensee, *may impose a fine for any of the* actions listed in this subsection (a). Fines may not exceed $20,000 for each violation.

1) *Material misstatement in information furnished to the Department*;

2) *Violations of* the *Act or* this Part;

3) *Obtaining an authorization or license by fraud or misrepresentation*;

4) *A pattern of conduct that demonstrates incompetence or that the applicant* or licensee *has engaged in conduct or actions that would constitute grounds for discipline under* the *Act*;

5) *Aiding or assisting another person in violating any provision of* the *Act or* this Part;

6) *Failing to respond to a written request for information by the Department within 30 calendar days*;

7) *Engaging in unprofessional, dishonorable, or unethical conduct,* such as those criteria under Section 1291.60, or *of a character likely to deceive, defraud, or harm the public*;

8) *Adverse action by another United States jurisdiction or foreign nation*; a certified copy of the record of the action taken by another jurisdiction being prima facie evidence thereof. This includes, but is not limited to, an adverse action by another state agency, U.S. jurisdiction, or foreign jurisdiction against a principal officer of a dispensing organization;

9) *A finding by the Department that the licensee, after having* their *license placed on suspended or probationary status, has violated the terms of the suspension or probation*;

10) *Conviction, entry of a plea of guilty, nolo contendere, or the equivalent in a State or federal court of a principal officer or AIC of a felony offense in accordance with Sections 2105-131, 2105-135, and 2105-205 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois* [20 ILCS 2105/2105];

11) *Excessive use of or addiction to alcohol, narcotics, stimulants, or any other chemical agent or drug* demonstrating an inability to carry out the responsibilities of a license-holder with reasonable skill, safety, and judgment under the Act;

12) *A finding by the Department of a discrepancy in a Department audit of cannabis*;

13) *A finding by the Department of a discrepancy in a Department audit of capital or funds*;

14) *A finding by the Department of acceptance of cannabis from a source other than an adult use cultivation center, craft grower, infuser, or transporting organization licensed by the Department of Agriculture, or a dispensing organization licensed by the Department*;

15) *An inability to operate using reasonable judgment, skill, or safety due to physical or mental illness or other impairment or disability, including, without limitation, deterioration through the aging process or loss of motor skills or mental incompetence*;

16) *Failing to report to the Department*, within 14 calendar days, *any adverse action taken against the dispensing organization, or* its agent, *by a licensing* authority with *jurisdiction in any state or any territory of the United States or any foreign jurisdiction, any governmental agency, any law enforcement agency or any court defined in this Section*;

17) *Any violation of the dispensing organization's policies and procedures submitted to the Department annually as a condition for licensure*;

18) *Failure to inform the Department of any change of address*, including email addresses, *within 10 business days* of the change;

19) *Disclosing customer names, personal information, or protected health information in violation of any State or federal law*;

20) *Operating a dispensary* without or prior to *obtaining a license from the Department*;

21) *Performing duties authorized by* the *Act prior to receiving a license to perform such duties*;

22) *Dispensing cannabis when prohibited by* the *Act or* this Part;

23) *Any fact or condition that, if it had existed at the time of the original application for the license, would have warranted denial of the license*;

24) *Permitting a person without a valid agent* ID *card to perform licensed activities under* the *Act*;

25) *Failure to* designate a full-time *AIC as required by* *Article* 15 under the Act; for the purposes of the AIC, "full-time" means an employee who works for at least 32 hours per week;

26) *Failure to provide the training required by Section 15-40(3)(i)* of the Act *within the provided timeframe*;

27) *Personnel insufficient in number or unqualified in training or experience to properly operate the dispensary business*;

28) *Any pattern of activity that causes a harmful impact on the community*;

29) *Failing to prevent diversion, theft, or loss of cannabis*; (Section 15-145 of the Act)

30) Shielding a dispensing organization's ownership and control from the Department. (See Section 15-50(d) of the Act.) Shielding ownership and control includes but is not limited to: failing to properly disclose and register all individuals who meet the definition of a principal officer; failing to submit current and accurate tables of organization, ownership, and control; submitting false or misleading information regarding principal officers, ownership and control, or tables of organization, ownership, and control to the Department or to a unit of local government, State agency, other State, third-party, or as otherwise required by law; or any other similar action; and

31) Carrying more than 40% of products available for sale from a single source. (See Section 15-70(p)(5) of the Act.) The Department shall calculate inventory percentages over a monthly average.

b) The Department may approve a corrective action plan for any licensee. Any approval of a corrective action plan is at the discretion of the Department. In approving a corrective action plan, the Department may consider any remedial actions undertaken by the licensee, including but not limited to: the licensee's cooperation in resolving the matter; if the licensee has initiated any mitigating actions; the licensee's past practices; the licensee's self-reporting; and any other factors otherwise specified in 20 ILCS 2105/2105-130(c).

c) All fines and fees imposed under this Section shall be paid within 60 calendar days after the effective date of the order or citation imposing the fine or as otherwise specified in the order or citation. (See Section 15-145(b) of the Act.)

d) All proceedings for disciplinary action shall adhere to the rules for practice in Administrative Hearings under 68 Ill. Adm. Code 1110.

e) Upon receipt of a circuit court order establishing that an AIC or principal officer holding an agent ID card is subject to involuntary admission, as that term is defined in Section 1-119 or 1-119.1 of the Mental Health and Developmental Disabilities Code [405 ILCS 5], the Department shall suspend that card.

(Source: Added at 48 Ill. Reg. 13377, effective August 20, 2024)