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## Accounting Firms

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With new industries comes the need for financial expertise that only CPAs can provide. The cannabis industry is no different, offering CPAs a bevy of prospective new clients. But the nature of the industry also opens the door to several potential challenges and pitfalls of which CPAs need to be aware.

Several states have legalized marijuana use for recreational or medical reasons,

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accounting services to clients in the cannabis industry need to navigate the nuances of Federal and State law and to avoid being charged criminally under the Racketeer Influenced and Corrupt Organizations Act or other federal drug laws, potentially resulting in fines, jail time or the loss of their license.

The American Institute of CPAs details the risks and opportunities for CPAs working in the cannabis industry in the latest [Eye on Fraud](#) report. It offers a review of many of the State Boards of Accountancy positions on working in the cannabis industry and highlights some of the issues and challenges facing both the cannabis industry and CPAs supporting it.

Among the issues CPAs need to be aware of when engaging with the cannabis industry:

- Professional risks and liabilities and which insurance policies are applicable
- Considerations for and challenges in valuing cannabis operations
- Potential fraud, such as market manipulation or suspect investment schemes

[View the AICPA Eye on Fraud report.](#)

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