



# LAW ENFORCEMENT ACTION PARTNERSHIP

ADVANCING JUSTICE AND PUBLIC SAFETY SOLUTIONS

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**To:** Chairwoman Maxine Waters and  
Members of the Subcommittee on Consumer Protection and Financial Institutions

**From:** Major Neill Franklin, Ret., on behalf of the  
Law Enforcement Action Partnership (LEAP)

**Re:** Challenges and Solutions:  
Access to Banking Services for Cannabis-Related Businesses

**Hearing:** Wednesday, February 13, 2019, 2:00 p.m.

**Position:** Support

Distinguished members of the Committee, thank you very much for the opportunity to present the views of the Law Enforcement Action Partnership (LEAP) in support of this legislation.

LEAP's mission is to unite and mobilize the voice of law enforcement in support of drug policy and criminal justice reforms that will make communities safer by focusing law enforcement resources on the greatest threats to public safety, promoting alternatives to arrest and incarceration, addressing the root causes of crime, and working toward healing police-community relations.

"LEAP envisions a world in which criminal justice and drug policies keep our communities safer." This is a quote directly from our website and that quote is exactly what this hearing is about. It is about enacting policy that will dramatically enhance public safety in our communities.

This hearing is not, nor should it be, a hearing about whether we should legalize, regulate, and control marijuana for adult use. It should be clear to everyone here that Americans have already decided this issue. In October, Gallup said 66% of American residents supported legalizing marijuana. More than half of states already allow marijuana for medical and/or adult-use purposes. A vast majority of Americans live in a state where marijuana can be purchased legally. This is not a niche business market; it's a significant part of our economy.

If Congress respects the rights of the states and the will of the people, as protected in the Tenth Amendment, then we don't need to debate the legalization of marijuana or medical marijuana here today. We need to decide how best to protect those states, given the choices they've democratically enacted. However, I know some opponents will try to cloud the banking issue with attacks on legalization, so I will quickly address some of these concerns.

**LawEnforcementActionPartnership.org**

Formerly known as Law Enforcement Against Prohibition

Let's talk about what's happened in Colorado, the first state to legalize marijuana for adult use. A federal study by the National Survey on Drug Use and Health showed that teen marijuana use decreased after legalization.<sup>1</sup> The American Public Health Association determined that "motor vehicle crash fatality rates... were not statistically different from those in similar states without recreational marijuana legalization."<sup>2</sup> Furthermore, legalization has resulted in a significant decrease in traffic stops, leading to fewer negative interactions between police and drivers, potentially limiting dangerous clashes and tensions with people of color.<sup>3</sup> And because police didn't have to waste their time on these stops and could concentrate on real crime, researchers studying Uniform Crime Reports data (another federal publication) concluded legalization had resulted in greater police clearance rates.<sup>4</sup> So don't listen to Chicken Little. The sky over Colorado did not fall.

Licensed marijuana businesses are legitimate contributors to our economy. It follows that regulated banking, vendor relations, payroll, and tax payments should be permitted as part of that legitimacy – a condition that will further serve to dismantle the illicit market's influence in this growing industry and help local economies.

Current conditions, which require all-cash transactions in every aspect of the business encourage tax fraud, add expensive monitoring and bookkeeping expenses, and – most importantly – leave legitimate businesses vulnerable to theft, robbery, and the violence that accompany those crimes. The SAFE Banking Act presents us with an opportunity to greatly assist in stabilizing the industry and enhancing public safety.

As more legitimate businesses are established, opportunities for cash robberies will increase as more grow-facilities and dispensaries come on line. Securing cash onsite, transporting cash to secure locations, and managing cash payroll are necessities for these businesses. And criminal entities are quite adept at conducting high-level reconnaissance of businesses and their security protocols when they know those businesses will have tens of thousands – or even hundreds of thousands – of dollars on hand.

Although extremely important for business owners and the people they employ, my greatest fear is not the loss of profits due to theft. It is the potential for serious assaults and death to the people attempting to protect that cash, or who are merely responsible for it. I fear dispensary employees being at great risk. I fear for the safety of those transporting the cash, and I fear for the well-being of employees on payday. Two weeks of pay for one employee can easily exceed a few thousand dollars. That one employee trying to get home safely from work is an attractive "score" for any criminal, and a very easy target for those who know what to look for. Beyond any concern for protecting profit, we have a duty to protect the lives of community members working to earn a living.

In 2012, Melinda Haag, the U.S. Attorney for Northern California, said, "Marijuana dispensaries are full of cash, they are at risk of being robbed, and many of them are." One example of what can happen: In October 2012, three people kidnapped the owner of a lucrative dispensary in Orange County. According to court documents, the assailants zip-tied the victim, tortured him, and drove him to a patch of desert where they believed he had buried large sums of money. When the kidnappers couldn't find it, they burned him with a blowtorch, cut off his penis, and doused him with bleach before dumping him along the side of a road.

Four of my policing years were spent investigating crimes within Maryland's Division of Corrections. I've interviewed hundreds of incarcerated civilians convicted of serious crimes, many of whom were proud to boast of their criminal activities and strategies. Their strategic thought process is minimal. The easier the target the better. The bigger the "score" the better. Casing the next target is about finding the softest target, and the current conditions in this industry have created many soft targets.

We, the police, teach target hardening when we conduct security assessments for business owners. Our advice to them is not to have large amounts of cash on hand, to make use of credit and debit card services, avoid routine

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<sup>1</sup> [https://www.washingtonpost.com/news/wonk/wp/2017/12/11/following-marijuana-legalization-teen-drug-use-is-down-in-colorado/?noredirect=on&utm\\_term=.5cfdc88d0b9e](https://www.washingtonpost.com/news/wonk/wp/2017/12/11/following-marijuana-legalization-teen-drug-use-is-down-in-colorado/?noredirect=on&utm_term=.5cfdc88d0b9e)

<sup>2</sup> <https://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303848>

<sup>3</sup> <https://www.themarshallproject.org/2017/06/21/how-to-cut-down-on-traffic-stops-legalize-pot#.DCrnVO4Wf>

<sup>4</sup> <https://journals.sagepub.com/doi/full/10.1177/1098611118786255>

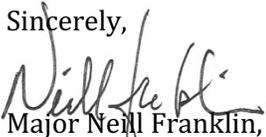
trips to the bank, and to make use of armored car services. This valuable “crime prevention 101” advice is literally useless to marijuana business owners, making them very attractive soft targets.

I’m not one for fear mongering – what I testify to here today is rooted in experience and research. Any police officer who has worked the street, or investigated enough robberies, will testify to the same regarding any business forced to handle large amounts of cash.

Members of the committee, it is up to you and other members of Congress to act upon this legislation, establishing access to banking for legitimate marijuana businesses. The safety of thousands of employees, business owners, security personnel, police officers, and community members is in your hands.

On behalf of myself and the Law Enforcement Action Partnership, I ask that you act swiftly on the SAFE Banking Act because we know it will enhance public safety within our communities. Thank you for your time.

Sincerely,

A handwritten signature in black ink, appearing to read "Neill Franklin". The signature is written in a cursive, somewhat stylized font.

Major Neill Franklin, Ret.  
Executive Director