



LAW ENFORCEMENT ACTION PARTNERSHIP

ADVANCING JUSTICE AND PUBLIC SAFETY SOLUTIONS

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Date: March 17, 2021

RE: SAFE Banking Act

Position: Support

The Honorable Ed Perlmutter
Member of Congress
Washington, DC 20515

The Honorable Nydia M. Velázquez
Member of Congress
Washington, DC 20515

The Honorable Steve Stivers
Member of Congress
Washington, DC 20515

The Honorable Warren Davidson
Member of Congress
Washington, DC 20515

Dear Representatives Perlmutter, Velázquez, Stivers, and Davidson,

Thank you for the opportunity to once again participate in this historic discussion of the SAFE Banking Act. LEAP's previous executive director, Major Neill Franklin (Ret.), was honored to have testified in the subcommittee hearing in 2019 and we would like to affirm our ongoing support of this important bill.

I spent 21 years in law enforcement, and upon leaving, I continued to serve the public. My mission has always been, and will always be, to promote safety and justice. As the executive director of the Law Enforcement Action Partnership (LEAP), a nonpartisan, nonprofit of police prosecutors, judges and other criminal justice professionals, I've helped ensure our mission is to mobilize the voice of law enforcement in support of policies that will make us all safer.

At a time when more than a dozen states have voted to regulate and control marijuana, and dozens more have implemented programs for medical marijuana, it is beyond time for the federal government to update the banking system to support these democratic choices.

When my predecessor testified in 2019, he told the story of a dispensary owner from Orange County, California, who was kidnapped, tortured, permanently mutilated, and left for dead. By the grace of God, he survived this despicable act of violence, but the conditions under which marijuana industry workers risk similar victimization persist.

The conditions persist because one of the fastest growing markets in the country has nowhere to legally put its money. When thieves know a business is operating in cash, it becomes a fairly simple matter to target the owners and employees. Suddenly, something as mundane as making a tax payment becomes a potentially lethal situation.

This lack of regulatory framework is precisely why voters have made the drug legal in some parts of the country. Underground markets enrich criminals at the expense of everyone's safety. We cannot simply acknowledge marijuana is now legal in some states or look the other way while it happens; we have to build a model for how to keep people safe while voters decide to move the industry above-ground.

Police agencies can access financial records more easily when the transactions are documented in secure banking records. Banks can assist with investigations by flagging suspicious activity and alerting authorities to businesses that may be involved in organized crime. Financial records are used to locate people, estimate the size of an organization, and build cases against hardened criminals. A well-known example is Al Capone, who, after a lifetime of notoriety, was finally arrested for tax-evasion. When marijuana businesses have to work with cash, banks have limited ability to flag suspicious activity – and otherwise legal businesses are more likely to be overrun by cartels in the absence of a paper trail.

I'm not one for fear mongering – what I testify to 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.

The SAFE Banking Act presents us with an opportunity to help stabilize the marijuana industry and enhance public safety. I believe it is my responsibility as a lifelong public servant to stay involved in this legislation to the very end.

Thank you for your time and for bringing the SAFE Banking Act to a vote.

Respectfully,

Lieutenant Diane Goldstein (Ret.)
Executive Director, Law Enforcement Action Partnership (LEAP)