



September 24, 2019

The Honorable Jeanne Shaheen
G55 Dirksen Senate Office Building
Washington, DC 20510-0001

Dear Senator Shaheen,

We write as a coalition of concerned citizens and associations to warn about the unintended consequences of the SAFE Banking Act to legalize the banking of federally illegal proceeds from the sale of marijuana.

We believe, along with 10 former Directors of the Office of National Drug Control Policy and Administrators of the Drug Enforcement Administration, this bill fails to do the very things it claims to do. Since marijuana remains illegal under federal law it would fail to offer banks safe harbor under the Money Laundering Control Act or the Bank Secrecy Act.

In their July 19, 2019 letter to the Chairman and Ranking Member of the Senate Committee on Banking, Housing & Urban Affairs, these former senior officials raise compelling arguments against the passage of this bill. We share their concerns:

- “The lesson that the Black Market Peso Exchange teaches us is that cartels will go to enormous lengths and use sophisticated and complex methods to move cash into banks...It is therefore a virtual certainty that cartels will seek to exploit the SAFE Banking act if it provides them with an easier and more cost-effective means to launder their money.”
- “Because the cash made from the sale of marijuana looks the same regardless of what it was used to pay for, it will be extremely difficult for banks to know whether large bundles of cash presented for deposit were made from the sale of marijuana rather than from the sale of heroin, fentanyl, or methamphetamine.”
- “...the SAFE Banking act could inadvertently allow cartels to bring into banks duffle bags of cash made from the sale of those illicit drugs that are killing tens of thousands of Americans every year.”
- “While banks know how much cash to expect from other cash-intensive businesses like dry cleaners or convenience stores, it will be very difficult to figure out when a marijuana dispensary is participating in a money laundering scheme. The scale of the marijuana industry is already such that there are huge opportunities for these dispensaries to be the destination for cartel cash.”

California and Colorado – both legal marijuana states – struggled this year to expel international drug cartels using the cover of legality to grow illegal marijuana. California’s Governor requested to use the National Guard and Colorado law enforcement busted the largest international drug trafficking and money laundering organization in state history. This bill has the potential to expand exponentially the cartels reach in every state including New Hampshire.

This bill also fails to address increased crime around retail marijuana shops. Yes, the marijuana industry is a cash-intensive business. And some may argue access to the banking system will make it safer. But Colorado law enforcement statistics demonstrate burglaries and robberies are not the result of large amounts of cash on-hand, but rather by the amount of marijuana in the business. High-potency marijuana – especially concentrates – are much more valuable on the black market.

Of utmost concern, the bill fails to address the vaping crisis now spreading across the country. More than 500 people have fallen ill with a mysterious lung illness and eight have lost their lives. The CDC reports that “most patients have reported a history of using e-cigarette products containing THC,” the psychoactive chemical found in marijuana and “many patients have reported using THC and nicotine.” Prudence dictates we better understand the nature of this crisis before we grant the marijuana industry access to the banking system and expanded investment.

We believe the health, safety and economic harms of recreational marijuana legalization far outweigh the perceived social benefits. Health and scientific evidence should guide both federal and state marijuana policies. That’s why we remain concerned this bill will be used as a backdoor attempt at legalizing marijuana rather than using science and responsible public health policy as guideposts.

Furthermore, this bill will serve as a catalyst for the Big Pot industry to expand the investment and sale of a drug that, according to almost every medical and mental health association in America, is a threat to public health.

We urge you to reject the SAFE Banking act and keep New Hampshire a safe, productive and healthy place to work and raise a family.

Sincerely,

SAM New Hampshire Organizing Committee

Janet Lannan Stevens
Lead Organizer

Chief Richard Mello
Lebanon Police Department

Dr. Joseph Ebner
Chief Medical Officer
Spere Memorial Hospital

The Honorable Jeanie Forrester
Meredith Select Board

Timothy Lena
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William Luti
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The Honorable Lara Saffo, Esq.

Elinor Wozniakowski
Concerned Citizen

[Smart Approaches to Marijuana](#) (SAM) is a nonpartisan, non-profit alliance of physicians, policy makers, prevention workers, treatment and recovery professionals, scientists, and other concerned citizens opposed to marijuana legalization who want health and scientific evidence to guide marijuana policies. SAM has affiliates in more than 30 states. [SAM New Hampshire](#) is a coalition of individuals and associations who believe that the health, safety and economic harms of recreational marijuana legalization far outweigh the perceived social benefits.