Robbers Hitting Phoenix Medical-Marijuana Dispensaries: Is Bank Reform Needed?

BY RAY STERN

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A spate of recent robberies and thefts at Phoenix-area dispensaries has medical-marijuana representatives talking about the need for improved security and better banking policies.

On Friday, Phoenix police released details about the brazen, late-night robbery of Bloom Dispensary that left several employees shaken.

In the incident, one man entered the dispensary at 14 South 41st Place at about 10 p.m. and unlocked a back door for two other men lingering behind the business. An employee locked the door. But an hour later, one of the suspects went inside with a gun. He herded employees to a back room and stole cash, police said.

All three suspects remain outstanding, but police hope clear photographs and video taken by security cameras will lead to their arrests.

A Phoenix New Times' source said the Bloom robbery was one of six, or possibly seven, robberies or burglaries of local dispensaries in the last two months.

Police have not confirmed the other crimes, so New Times is not listing the business names. However, Demitri Downing, executive director of the Marijuana Industry Trade Association of Arizona, said he was aware of three other recent incidents besides the one at Bloom.

It's unclear if any of them are related, Downing said. Statistics continue to show that Arizona dispensaries have a relatively low rate of crime compared to many other retail businesses.

However, following these incidents, "I am certain you will be seeing dispensaries review their security plans and increase their security," he said.
At some dispensaries, that might mean employing a security guard who works 24 hours, or maybe two security guards instead of one during working hours, Downing said.

Downing said he doubts the incidents are connected. In one of the crimes, an employee left a back door cracked open, and a robber came inside. Another case from a couple of weeks ago involved a "smash-and-grab" in which thieves broke a window and made off with a couple of small boxes of marijuana, he said.

One reason Arizona dispensaries have not been magnets for crime since the first one opened in December 2012 is that they already take robust security measures, including heavy use of video cameras.

"You can pretty much be assured that if you go into a dispensary and rob it, your photo will be everywhere," he said.

One local dispensary owner confirmed that a recent burglary had taken place at the store. Besides the Bloom robbery, the owner was aware of one other dispensary theft or robbery in the last few weeks.

The owner hired a private investigator to help determine any patterns that police might have missed.

The burglary was a "wake-up call" for the dispensary, the owner said.

"We got off easy," the owner said. "When I heard about Bloom, my heart broke."

The business has since reached out to Phoenix police, asking about hiring an off-duty officer to cover the late-evening hours, just before and after close.

Yet the owner was also concerned that the federal government's failure to create rational banking procedures for the state-legal cannabis industry leads to the perception that dispensaries are brimming with cash.
As *New Times* covered in a December 2014 feature article, the federal illegality of marijuana has stymied normal banking procedures for hundreds of cannabis businesses across the country.

**Banks worry about running afoul of federal law** and generally refuse to do with business with dispensaries. The problem has led to a system in which many dispensaries collect cash from patients instead of using debit or credit cards. The dispensaries then deposit the cash in accounts bearing the names of non-marijuana businesses – it's a type of money laundering that has received tentative approval from federal officials.

The reality is that dispensaries don't have huge stacks of cash sitting around like a scene from *Breaking Bad*.

But Congress should take up the cause for public-safety reasons, and make medical-marijuana banking fully legal, the owner said.

"They are leaving us vulnerable with the perception that there is a lot of cash," the owner said.

Downing agreed, saying "the money comes and goes" from the dispensaries, and they're not full of cash like a bank.

Still, the recent dispensary crimes highlight the banking problem that industry lobbyists are working to solve. Now that medical or recreational marijuana is a reality in 29 states, it's time to make a fix, he said.

"The industry is here to stay," Downing said. "We need to have cooperation from our federal officials."
On March 30, two Oregon Congressmen introduced "Responsibly Addressing the Marijuana Policy Gap Act of 2017," which would remove obstacles for banking and reform tax code to help dispensary businesses.

The legal-marijuana industry remains nervous about their future under the administration of President Donald Trump and his attorney general, marijuana foe Jeff Sessions.

Phoenix police didn't immediately return a call for this article.