

Testimony from Alan Hanson, General Counsel, MaPS Credit Union
February 25, 2015

In February 2014, through normal compliance monitoring, Maps discovered an account that it believed may be doing business as a Medical Marijuana Dispensary. At about the same time Maps discovered this account, Department of Treasury, Financial Crimes Enforcement Network (FinCEN) issued its BSA Expectations Regarding Marijuana Related Business Memo (FIN-2014-G001) which included the Cole Memo requirements. Upon review of these onerous requirements it was decided that the Credit Union would close the account in question.

On the morning of February 28, 2014, I was about to contact this member and close the dispensary account. As it happened, the front page of the *Statesman Journal* was an article about the Marion County Commissioners passing a rule to restrict dispensaries and that rule would only impact one Dispensary in the County. This was the dispensary I was about to contact. It was not the intent for the Credit Union to serve Medical Marijuana Dispensaries, but it felt that we would draw less attention to the Credit Union by allowing this account to remain open and develop procedures to comply with the Cole Memo Priorities.

What has allowed the Credit Union to operate this account is the way Oregon established the Oregon Medical Marijuana Program (OMMP). The OMMP places significant controls on who a Dispensary can purchase its product from, who can access the Dispensary and who can purchase the product. Specifically, a Dispensary can only purchase product from an OMMP licensed grower and only OMMP cardholders can purchase product. The Dispensary must also keep records of the source of all product, how much product is on hand and how much product is sold. Further, they must keep records of who they purchase the product from, and who purchased the product and they must retain OMMP cardholder information and identification. These records must be available upon request of the State for auditing purposes. There are also strict security standards so that product cannot enter the market through theft or other illegal means. These controls allow for “cradle to grave” monitoring of the marijuana making compliance with the Cole Memo priorities possible.

In preparation of the new laws being implemented, the Credit Union has received several inquiries related to business activities from growing operations, edible manufacturing and recreational dispensaries. To date the Credit Union has declined to serve these related businesses because the State has not developed clear rules to provide a similar “cradle to grave” monitoring program that is possible in the Dispensary program.

The Credit Union takes no position on whether marijuana should be legal under Oregon or Federal Law, and will evaluate whether it will be able to serve recreational dispensaries based upon the Credit Union’s ability to comply with State and Federal Banking laws.