


BUSINESS POLICY

FBI Seeks Tips On Marijuana Industry Corruption

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Aug 16, 2019, 10:40am EDT

 This article is more than 4 years old.

The Federal Bureau of Investigation (FBI) is actively seeking tips on public corruption related to the marijuana industry, it announced on Thursday.



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"States require licenses to grow and sell the drug—opening the possibility for public officials to become susceptible to bribes in exchange for those licenses," FBI Public Affairs Specialist Mollie Halpern said on a short podcast the bureau released. "The

corruption is more prevalent in western states where the licensing is decentralized—meaning the level of corruption can span from the highest to the lowest level of public officials."

It is not known if any specific incident or ongoing investigation prompted the cannabis-focused episode of the FBI This Week podcast, though the bureau argued that as legalization spreads, "states should expect the corruption problem to increase."

In March, the Los Angeles Times published an [article](#) looking at several instances of alleged public corruption related to cannabis licensing in California. Such incidents include the case of a mayor pro tem who was charged with taking a bribe to fast-track approval for a marijuana business and a congressional staffer who was found guilty of accepting cash from an undercover FBI agent after pledging to defend a cannabis dispensary from being closed by local officials.

"We've seen in some states the price go as high as \$500,000 for a license to sell marijuana. So, we see people willing to pay large amounts of money to get in to the industry," Supervisory Special Agent Regino Chavez said in the podcast.

NORML Executive Director Erik Altieri said he agrees that federal law enforcement has a role to play in stopping bad actors in the cannabis industry.

"As awkward as it feels to sort of side with the FBI, it is imperative that states ensure the licensing for cannabis businesses is an open and fair process," he said. "NORML believes that we need to lower barriers to entry in the emerging legal marijuana market so it allows for small consumer oriented businesses to thrive and provides support for equity programs that would let those who were

most targeted by, and suffered under, our decades long failed war on marijuana to benefit from its now legal status."

"Cronyism, corruption, and corporate takeovers are not unavoidable side effects of legalizing marijuana and they should be rooted out immediately," he said.

Morgan Fox, media relations director for the National Cannabis Industry Association, said that while the FBI's call for tips "strikes me as a fishing trip" because marijuana-related public corruption doesn't appear to be an especially prevalent problem, he agreed with NORML's Altieri that regulatory changes are needed.

"An easy way to avoid corruption becoming an issue is to get rid of arbitrary license caps and lower the barriers of entry for the industry," Fox said. "Not only would this make it easier for small businesses and people from marginalized communities to enter the industry, but it stops licenses from being treated as limited commodities that are so valuable that people may be willing to obtain them through unethical means."

"Competition belongs in the market, not in the license application process," he said.

As an increasing number of states change their marijuana legislation, the [#FBI](#) is seeing a public corruption threat emerge in the expanding cannabis industry.

<https://t.co/LNqEpJcjT>
pic.twitter.com/reMhDZstAk

— FBI Pittsburgh (@FBIPittsburgh) [August 16, 2019](#)

The just-over-one-minute [segment](#) ends with a plea for listeners who "suspect a dispensary is operating with an illegally obtained

license, or suspect public corruption in the marijuana industry" to contact their local FBI field office.

Check out my [website](#).



Tom Angell

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