



American Cannabis Bankers Association Alarmed by Border Patrol Seizures of Legal Cannabis in New Mexico

PLACITAS, NEW MEXICO, UNITED STATES, April 29, 2024 /[EINPresswire.com](https://www.einpresswire.com/)/ -- For the first time since states began legalizing the use of medical and recreational cannabis over a decade ago, federal officials have seized legal cannabis within the borders of New Mexico, a state that whose citizens have access to legal cannabis. [The American Cannabis Bankers Association \(ACBA\)](#)² is deeply troubled by the incidents of U.S. Border Patrol confiscating cannabis shipments in New Mexico. These actions pose a threat to the flow of commerce between state-licensed businesses and endanger advancements made in establishing a banking system for the legal cannabis sector.

Cannabis remains a federally illegal Schedule 1 substance, equivalent to heroin, LSD and other similar drugs. While the FDA and other federal agencies are working hard this year to either reschedule or de-schedule cannabis, federal agencies continue to remind the industry that cultivation, sale, possession, and usage are still classified as federal crimes.

To address this federal-vs-state conflict, the Cole Memo, introduced by the Department of Justice (DOJ) in 2013, assured that federal authorities would not prioritize enforcement actions against cannabis enterprises operating in accordance with state laws. This directive offered guidance to institutions enabling them to support these businesses without concerns of federal repercussions and despite the overturning of the Cole Memo by President Trump, the DOJ did emphasize at the time a willingness to continue adhering to its principles as long as states followed its restrictions and compliance procedures.

The recent seizures occurring in New Mexico, however, go against this guideline. From early reports made public, it is alleged that legal cannabis firms, duly licensed and compliant with regulations, are experiencing product seizures by agents far from the international border. "This contradictory approach undermines the trust cultivated between banks and the cannabis industry over years," said Michael Beird, Founding Partner of the ACBA based in Placitas, New Mexico. "This threat by Customs and Border Patrol will be felt throughout the entire country if banks and credit unions with cannabis-related businesses (CRBs) see this as a new, emerging risk of federal interdiction and/or seizing of inventories," Beird adds.

Disrupting a Fragile System

The legal cannabis field relies heavily on cash transactions due to lack of access to critical payment channels. This situation poses a risk to safety, making it harder for businesses to conduct customer transactions as well as for states to collect taxes. The ACBA has always advocated for reliable banking options for cannabis businesses, but the Border Patrol's seizures go against this goal by making banks hesitant to get involved in a market that now seems uncertain due to Federal interference.

Impact on State Laws Credibility

These seizures also cast doubt on the validity of state cannabis laws. In 2020 New Mexico voters overwhelmingly supported the legalization of cannabis. Federal intrusion into commerce approved by states causes confusion and disorder for both businesses and consumers. In a recent leaked recording, NM Governor Grisham (D) was heard saying she was 'offended' by the reaction of DHS Secretary Mayorkas to the seizures, saying "Who cares? They make a lot of money." In responding to an unnamed official on the new recording, the Governor said, "Well first of all, it's patients' medicine." This sets up a potential confrontation between a Blue State Governor and the Biden Administration.

Requesting Clarity and Uniformity

The ACBA is calling on the Department of Homeland Security (DHS) and the Department of Justice (DOJ) to clarify their position on cannabis banking in states with cannabis programs. The conflicting messages from the government bring about uncertainty for financial institutions and hinder the progress toward establishing a secure and compliant banking system for this rapidly expanding industry.

The ACBA urges the government to:

- Reconfirm the principles outlined in the Cole Memo
- Provide guidance to agencies regarding enforcement actions against legally operating cannabis businesses
- Collaborate with states and financial institutions to develop a framework for cannabis related banking activities.

The legal cannabis sector offers an opportunity, for the United States and by establishing a banking system, legal, safe, and compliant businesses will be able to boost tax revenues and enhance public safety efforts. The ACBA is prepared to collaborate with both state

authorities to accomplish these objectives.

About the American Cannabis Bankers Association

The [American Cannabis Bankers Association \(ACBA\)](https://theacba.org/)¹ is the leading national organization dedicated to promoting safe and secure banking for the legal cannabis industry. The ACBA advocates for clear and workable regulations that enable financial institutions to serve cannabis businesses compliantly.

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