

**Senator Sherrod Brown**  
**Opening Statement**  
**“Challenges for Cannabis and Banking: Outside Perspectives”**  
**Senate Committee on Banking, Housing, and Urban Affairs**  
**July 23, 2019**

Thank you Chairman Crapo for holding this hearing, and welcome to our witnesses.

Over the past several years, voters and legislatures in nearly every state have, to some degree, legalized or decriminalized cannabis. In my home state of Ohio, medical cannabis is now legal, and dispensaries opened earlier this year.

The legal cannabis industry is one of the fastest growing in the United States. It employs hundreds of thousands of people, many of whom are represented by unions like the United Food & Commercial Workers International Union.

These Americans work hard to support themselves and their families, just like workers in any other industry, and they deserve the same rights and protections. Yet, in states like Ohio, these workers and businesses find it difficult to access the banking system. And that puts them and the Americans they do business with at risk.

No matter how you feel about marijuana itself, we have a duty to look out for all the workers and communities we represent.

Without access to the banking system, legal cannabis businesses are forced to operate in the shadows, dealing in large amounts of cash. This puts a robbery target on the backs of workers and creates a safety hazard for communities. It can also make it harder to monitor transactions and combat money laundering. And getting paid in cash means it's difficult to get a credit card, prove your income to get a loan, or even keep your personal bank account.

That can force workers to turn to shady outfits like payday lenders and check cashing services that charge high fees and interest rates, or trap people in a cycle of debt.

Companies or workers that have found a bank willing to handle their unique business often pay high fees and are limited to only the most basic financial services.

This problem doesn't just affect the cannabis industry. It also affects people that you might not think of. Plumbers, welders, and electricians service retail locations and other facilities. Lawn care and gardening companies, like Scotts Miracle Gro in my home state of Ohio, sell materials and equipment. All these businesses want to serve their customers and support their workers, but they don't want to lose their longstanding banking relationships in the process.

Community banks and credit unions in my state and others want to serve the cannabis industries in their communities. In fact, when I met with the members of the Community Bankers Association of Ohio, and the Ohio Bankers League and Ohio Credit Union League earlier this year, nearly every hand shot up when I asked if this affected them.

But we know serving this industry comes with legal and supervisory risks, because of the tension between state and federal law. It requires extra layers of due diligence that is challenging and costly for many banks and credit unions.

And, banks and credit unions play a key role in monitoring our financial system for fraud, money laundering, and other illegal activities. It's critical that we maintain our robust anti-money laundering framework. And access to the banking system is essential to keeping our communities safe and ensuring full participation in the economy.

We can't continue to ignore this industry and the thousands of workers and communities it affects.

We also know that today's hearing is just one piece of the conversation Congress must have on marijuana policy. People should not be thrown in jail or have their futures jeopardized by a criminal record over non-violent marijuana offenses. And everyone should have access to the medicine they need to care for themselves and their families.

I'm looking forward to hearing the perspectives of the witnesses today when it comes to banking policy and I hope Congress will consider it as part of a broader approach. Thank you, Chairman Crapo.