



ADVISORY BULLETIN

May 24, 2022

Increased Criminal Activity and Social Engineering Attacks Against Licensed Marijuana Businesses

The Cannabis Regulatory Agency (CRA) is issuing this bulletin to notify marijuana businesses about an increase in criminal activity and incidents of fraud or attempted fraud.

During the months of April and May 2022, the CRA has seen an increase in reported criminal activity at licensed locations, including the following:

- Individuals breaking into, or attempting to break into, secured trash receptacles and removing items.
- Individuals or groups of individuals breaking into, or attempting to break into, marijuana sales locations at night. These incidents have the following themes in common:
 - Usually, the individuals are in multiple vehicles and park in the outer portions of the parking lot or across the street from the licensed business.
 - One individual will approach the business and gain entry through a rear door.
 - Once the rear door has been opened, the remaining individuals exit the vehicles and enter the store. The individuals will take whatever they can find in a short amount of time and leave the business.

The CRA has also seen an increase in fraud or attempted fraud. These incidents have the following themes in common:

- Licensees are contacted about an upcoming CRA inspection, but this contact is not made by CRA staff. The contacting individual requests information about operating hours, security staffing and protocols, and information on marijuana product.
- Licensees are contacted by someone impersonating an owner/manager of the marijuana business requesting that an employee remove money from the marijuana business and meet with them or someone else to drop off the money.
- Purported vendors requesting payment for equipment using crypto currency, and not providing the equipment ordered.

This advisory bulletin does not constitute legal advice. Applicants and Licensees are encouraged to seek legal counsel to ensure their operations comply with all applicable laws and administrative rules.



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- Individuals impersonating vendors and changing payment directions for product, equipment, or services provided at the last minute by email or text message.
- Licensees are contacted by an individual claiming to be with the Bureau of Fire Services, who need to drop items off at the location prior to a scheduled inspection, and when the licensee does not provide information, the individual becomes abusive and threatening on the telephone.

When an individual appears onsite, licensees may request business cards and/or to view enforcement credentials to verify the identity of a CRA Regulation Agent or Regulation Officer. Licensees can also email CRA-Enforcement@michigan.gov to verify identity and whether an inspection has been scheduled. Licensees may request CRA staff provide their name and what section they work for during a telephone call.

Marijuana licensees and applicants for marijuana licenses are encouraged to have their staff verify the validity of a call or text with a manager or owner before acting in response to any unusual or suspicious requests.

Licensees and applicants are reminded that the administrative rules require they notify the agency and local law enforcement authorities within 24 hours of becoming aware of – or within 24 hours of when the licensees should have been aware of – the theft or loss of any product or criminal activity at the marijuana business.

All suspicious activity should be reported to CRA-Enforcement@michigan.gov and local law enforcement. Questions can be sent to the Cannabis Regulatory Agency Field Operations Section at the above email address also.