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INDUSTRY BULLETIN: 22-05

RE: Situational Awareness: Burglary Trends Impacting Regulated Marijuana Businesses

The Marijuana Enforcement Division (MED) has observed an increase in the frequency of reported incidents of burglaries, impacting the Colorado Regulated Marijuana industry. These burglaries have most often involved persons unlawfully entering a Regulated Marijuana Business after closing with the intent to steal property. This Bulletin is intended to create a heightened awareness of potential vulnerabilities and promote increased security measures. An MED analysis found that from 2019-2021 there was a reported loss of over \$2.5 million in cash and product combined as a result of burglaries. Most recently, since September 1, 2022, the Division has received 33 reports of attempted and/or successful burglaries.

Burglaries by License Type

The most frequently targeted license types are Regulated Marijuana Stores. Approximately 64% of all crimes reported to the Division through the end of 2021 occurred at Regulated Marijuana Stores. Since September 1, 2022, 32 out of the 33 reported burglaries have occurred at Regulated Marijuana Store licenses.

Method of Entry

The most common point of entry during burglaries is the front door, followed by entry through a window. The most frequently used instrument to enter the building is a crowbar or similar tool designed to pry open a door or window. The second most frequently used instrument is a vehicle. Vehicles have been used to breach security fences and ram doors.

Time of Day

The majority of the successful entries occurred between midnight and 4:00 a.m., with few, if any, staff present. While these morning hours are the most common time of day for burglary attempts, 36 incidents over several years occurred during normal business hours, with suspects walking through unlocked front doors. Some of these suspects were visibly armed. Be vigilant for any signs of criminal activity within the licensed premises as well as surrounding areas.

Success of Burglary Attempts

Follow-up investigations concluded that businesses with security standards above the minimum requirements had fewer successful entries. Examples of heightened security standards include reinforced lock anchors and door guard plates, locks for refrigerated containers or freezers, and securing marijuana products and cash in safes/vaults during non-business hours. Several local jurisdictions throughout Colorado require additional security requirements to help mitigate risk. Attempted burglaries are much less successful in the local jurisdictions with such requirements. Licensees are strongly encouraged to exceed minimum requirements for all applicable security and storage rules. In addition, licensees are encouraged to evaluate if supplemental measures to mitigate the risk of criminal activity on the licensed premises are achievable.

Best Practices to Mitigate Attempted and Successful Burglaries

- Secure marijuana and cash daily in safes or vaults at closing. (This is a requirement in several local jurisdictions).
- Regulated Marijuana Store licenses should consider installing reinforced lock anchors, hooking door locks, multi-point locking systems, and/or door security guard plates to their front doors.
- Security plans should be developed and implemented to have licensees evaluate their licensed premises to identify protocols and mitigation strategies to prevent and respond to burglaries.
 - **Effective December 1, 2022**, Rule 3-905 requires that licensees establish and maintain internal security controls that include a security plan for each licensed premises that includes *at a minimum*: protocols for end-of-day handling of Regulated Marijuana and cash; protocols for reporting theft or burglaries when they are discovered; protocols for reconciling inventory after a theft or burglary has been discovered; identification of exterior lighting, camera angles, and maintenance of the lighting and camera angles; and identification of ingress and egress routes for the property and access control measures, such as speed bumps and gates, taken outside the Licensed Premises. Licensees may consider and include other measures in their internal security controls.
- Licensees should consider annual third-party security, alarm, and video surveillance inspections/audits from security companies.
- Licensees should look for any improvements in the alarm management process to help ensure consistent and timely notification to law enforcement without unnecessary delay.

MED Rules and Reporting Requirements

Colorado Marijuana Rules 3-205(B)(3) and 3-920(B) require Regulated Marijuana Businesses and licensed employees to report any discovered plan or other action of any person to commit a crime related to the operation of the Regulated Marijuana Business to the MED, in addition to reporting criminal activity to a local law enforcement agency.

Several [Colorado Marijuana Rules](#) also address minimum guidelines for maintaining adequate security, including:

- Rule 3-220: Security alarm systems, locking mechanisms, and fencing requirements.
- Rule 3-225: Video surveillance equipment, camera placement, and video retention requirements.
- Rule 3-905: Records requirements for secure facility information, including contact information for vendors that maintain video surveillance systems and Security Alarm Systems and requirements for surveillance logs.

Licensees are encouraged to review all related rules and consider the best practices shared in this Bulletin. Regulated Marijuana Businesses continue to be the target of criminals looking to gain possession of marijuana and/or cash from the licensed premises, and often cause significant damage to property through those efforts. The MED will work with, and support, local law enforcement with these investigations, but encourage licensees to consider what proactive measures they can take to mitigate potential criminal activity at their licensed premises.