



## Marijuana Use Associated With 'Superior' Cognitive Performance In Schizophrenic Patients, Study Says

**Toronto, Ontario ON, Canada:** Schizophrenic patients with a history of cannabis use demonstrate "superior neurocognitive performance" compared to non-users, according to the findings of a [meta-analysis](#) to be published in the journal *Schizophrenia Research*.

Investigators at the University of Toronto, Institute of Medical Sciences, performed a meta-analysis to determine the magnitude of the effect of cannabis consumption on cognition in subjects with schizophrenia. Eight studies met inclusion criteria, yielding a total sample of 942 subjects. Three hundred and fifty six of these participants were cannabis users with schizophrenia, and 586 were patients with no history of cannabis use. Neuropsychological tests were grouped into seven domains: general cognitive ability and intelligence; selective, sustained and divided

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### Boy, Two, With Brain Cancer Is 'Cured' After Secretly Being Fed Medical Marijuana By His Father

A desperate father whose son was suffering from a life-threatening brain tumour has revealed he gave him cannabis oil to ease his pain. And he has now apparently made a full recovery. Cashy Hyde, known as Cashy, was a perfectly healthy baby when he was born in June 2008 but became sick shortly before his second birthday.

At first he was misdiagnosed with glandular fever before his parents Mike and Kalli, from Missoula in Montana, were given the devastating news he had a serious brain tumour. The little boy had to have arduous chemotherapy treatment to reduce the growth, which had drastic side effects including seizures and a blood infection

His distraught parents were repeatedly told he was likely to succumb to the illness because

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### FDA Approves Study of Cannabis for PTSD

The long-maligned field of U.S. medical cannabis research took a step forward with the formal government approval of a study on the efficacy of marijuana to treat chronic post-traumatic stress disorder in war veterans.

Dr. Rick Doblin, executive director of the non-profit Multidisciplinary Association for Psychedelic Studies (MAPS) in Santa Cruz, Calif., said today in an interview that the Food and Drug Administration on April 28 approved MAPS' protocol for a study of smoked and vaporized marijuana use for symptoms of PTSD.

Scheduled to study 50 veterans in Arizona with PTSD, the approval represents a generational landmark in cannabis research. It's the first FDA-approved study in 30 or 40

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# About MERCY – The Medical Cannabis Resource Center

The MERCY News Report is an all-volunteer, not-for-profit project to record and broadcast news, announcements and information about medical cannabis in Oregon, across America and around the World.

For more information about the MERCY News, contact us.

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*Check it out!*

MERCY On The Tube!



in Salem, Oregon area thru Capital Community Television, Channel 23. See us on Wednesdays at 06:30pm, Thursdays at 07:00pm, Fridays at 10:30pm and Saturdays at 06:00pm. Visit –

<http://mercycenters.org/tv/>

MERCY is a non-profit, grass roots organization founded by patients, their friends and family and other compassionate and concerned citizens in the area and is dedicated to helping and advocating for those involved with the Oregon Medical Marijuana Program (OMMP). MERCY is based in the Salem, Oregon area and staffed on a volunteer basis.

The purpose is to get medicine to patients in the short-term while working with them to establish their own independent sources. To this end we provide, among other things, ongoing education to people and groups organizing clinics and other Patient Resources, individual physicians and other healthcare providers about the OMMP, cannabis as medicine and doctor rights in general.

The mission of the organization is to help people and change the laws. We advocate reasonable, fair and effective marijuana laws and policies, and strive to educate, register and empower voters to implement such policies. Our philosophy is one of teaching people to fish, rather than being dependent upon others.

## Want to get your Card? Need Medicine Now?

**Welcome to The Club!** MERCY – the Medical Cannabis Resource Center hosts Mercy Club Meetings **every Wednesday** at - **1469 Capital Street NE, Suite #130, Salem, 97301** – from **7pm to 9pm** to help folks get their card, network patients to medicine, assist in finding a grower or getting to grow themselves, or ways and means to medicate along other info and resources depending on the issue. **visit** – [www.MercyCenters.org](http://www.MercyCenters.org) - or Call **503.363-4588** for more.

## The Doctor is In ... Salem! \* MERCY is Educating

Doctors on signing for their Patients; Referring people to Medical Cannabis Consultations when their regular care physician won't sign for them; and listing all Clinics around the state in order to help folks Qualify for the OMMP and otherwise Get their Cards. For our Referral Doc in Salem, get your records to – **1469 Capital Street NE, Suite #100, Salem, 97301** - or, in the Salem-area, fax them to **503-581-1937**, NOTE: There is a \$25 non-refundable deposit required. Transportation and Delivery Services available for those in need. For our Physician Packet to educate your Doctor, or a List of Clinics around the state, visit – [www.MercyCenters.org](http://www.MercyCenters.org) - or Call **503.363-4588** for more.

## Other Medical Cannabis Resource NetWork Opportunities for Patients as well as CardHolders-to-be. \* whether Social meeting,

Open to public –or– Cardholders Only \* visit: <http://mercycenters.org/events/Meets.html> ! Also Forums - a means to communicate and network on medical cannabis in Portland across Oregon and around the world. **A list of Forums, Chat Rooms, Bulletin Boards and other Online Resources for the Medical Cannabis Patient, CareGiver, Family Member, Patient-to-Be and Other Interested Parties. \* Resources > Patients (plus) > Online > Forums** \* Know any? Let everybody else know! Visit: <http://mercycenters.org/orgs/Forums.html> and Post It!

<continued from MARIJUANA USE, page 1 > attention; executive abilities; working memory and learning; retrieval and recognition; receptive and expressive language abilities and visuo- spatial and construction abilities.

Authors determined, "[R]elated statistics of differences in performance ... all suggest superior cognitive functioning in cannabis-using patients as compared to non-using patient."

Researchers stopped short of attributing subjects' cannabis use to the improved outcome, noting that patients with superior cognitive skills may simply be more likely to acquire cannabis than subjects with lesser abilities.

They wrote: "Given that all studies that met inclusion criteria employed a cross-sectional methodological design, poses a challenge and limits the interpretation of our findings. That is, it is difficult to determine whether it is cannabis itself that triggers alterations in neuropsychological functioning or if drug-using patients represent a subset of the schizophrenia population who exhibit better neurocognitive performance."

Authors concluded, "[C]annabis likely has modest ... effects on neurocognitive function in schizophrenia. ... Longitudinal designs studying the effects of cannabis abstinence or acute challenges are needed to parse the effects of cannabis *per se* on cognition in schizophrenia."

*For more information, please contact Paul Armentano, NORML Deputy Director: at: [paul@norml.org](mailto:paul@norml.org). Full text of the study, "The effects of cannabis use on neurocognition in schizophrenia: A meta-analysis," will appear in Schizophrenia Research.*

<continued from BOYS BRAIN CANCER CURED, page 1 > the condition was so bad. After one bout of high-dose chemotherapy, Cash was so weak he could not lift his head and was too sick to eat any solid food for 40 days.

It was at this point that Mr Hyde decided to take action and go down the route of medical marijuana to try to help his young son. Cash's doctors refused to even discuss the option but his father went and sought authorisation elsewhere and then secretly administered it through his son's feeding tube.

He also told doctors to stop giving Cash the cocktail of anti-nausea drugs he had been taking - although he never told them what he was doing. Mr Hyde

told KXLY News that his son started looking better right away. Mr Hyde said: 'He hadn't eaten a thing in 40 days - and, it was really incredible to watch him take a bite of a piece of cheese. It shows that he wants to live'.

He credits the cannabis oil with helping his son get through the chemo, and say Cash has now been declared cancer free by doctors. The boy is now back and home and living the life of a typical young boy, playing with his elder brother Colty.

Medical marijuana is legal in some states, including Montana, but its use for children is poorly understood and quite rare. The US federal government does not recognise the legality of using the drug for medical reasons and frequently clashes with states over the issue. Mr Hyde told KXLY: 'It's very controversial, it's very scary. But, there's nothing more scary than losing your child.' Read more and respond at:

<http://www.dailymail.co.uk/health/article-1383240/Boy-brain-cancer-cured-secretly-fed-medical-marijuana-father.html#ixzz1LRHDXYyh>

## Washington: Lawmakers Pass Measure To License Medical Cannabis Dispensaries

**Olympia, WA, USA:** House lawmakers have [passed](#) amended legislation, [Senate Bill 5073](#), that seeks to establish a regulatory system for the distribution of cannabis to qualified patients. Senate lawmakers had previously approved a version of the legislation.

The measure must now be re-approved by Senate lawmakers before heading to the Governor's desk. According to media [reports](#), Gov. Chris Gilgore has stated that she has "concerns" about the bill's language.

The measure does not limit [existing](#) legal protections afforded to patients who elect to cultivate their own cannabis for medical purposes.

The proposal also seeks to enact [added legal protections](#), avoiding arrest altogether, for patients who voluntarily register with the state. *For more information on SB 5073, please visit the website of the American Civil Liberties Union here: <http://www.aclu-wa.org/legislative-agenda/regulating-medical-marijuana>.*

<continued from FDA APPROVES PTSD STUDY, page 1 > years that will give cannabis to patients for home use, Doblin said.

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<continued from previous page> According to the protocol, neurochemical research indicates cannabis may help relieve chronic PTSD symptoms such as anxiety and depression through a variety of interactions with the endocannabinoid system.

The study still faces extremely high hurdles before it can begin. It must also be approved by the National Institute on Drug Abuse (NIDA) – which states on its website that it believes smoked marijuana is not medicine.

Doblin said NIDA has repeatedly denied approval to MAPS cannabis studies, despite repeated FDA approvals. Doblin said that while the FDA is interested in pursuing cannabis research, NIDA is not.

"I'm not very optimistic at all. Most studies never happen," said Doblin. NIDA has the unique authority to stop cannabis research, while it may not prevent research on other psychoactives such as LSD, Doblin said. Visit - <http://www.mjbusinessreport.com/wires/article.cfm?title=FDA-Approves-Study-Cannabis-PTSD&id=vcfihtwqigieejl> - for more.

## Montana: Lawmakers Resurrect, Then Pass Medical Marijuana Repeal Measure

**Helena, MT, USA:** Members of the Montana Senate on Thursday [resurrected and then passed](#) House Bill 161, which [repeals](#) the state's six-year-old, voter-approved medical marijuana [law](#).

Senate lawmakers voted 29 to 21 in favor of the GOP-backed measure, which had previously [stalled](#) in committee. In February, House representatives had voted, largely along party lines, [63 to 37](#) in favor of the repeal measure.

The bill is now expected to go before Gov. Brian Schweitzer, a Democrat, who has [voiced support](#) for the state's medical cannabis program.

Separate legislation, [Senate Bills 423](#) and 434 – which seek to limit the scope of Montana's existing law – and House Bill 175 – which would allow voters to decide whether or not to repeal the law in 2012 – [remain pending](#). Montana is one of [fifteen states](#) recognizing the physician-supervised use of cannabis. To date, no legislature has repealed such a law. For more information, please visit: <http://montananorml.org> or visit NORML's 'Take Action Center' at: <http://www.capwiz.com/norml2/issues/alert/?alertid=39086501>.

## Montana: Governor To Decide Measure To Severely Restrict State's Six-Year-Old Medical Marijuana Law

**Helena, MT, USA:** Lawmakers this week [approved](#) legislation, Senate Bill 423, which seeks to [restrict](#) the number of patients who may qualify to use medical cannabis legally under state's voter-approved [law](#).



The proposal would require the Board of Medical Examiners to review the practices of any physician who recommends [continued from previous page](#) cannabis to more than 15 patients in a twelve-month period, and it would limit patients' ability to use cannabis for chronic pain conditions. Provisions in the measure also curtail practices regarding the cultivation and distribution of cannabis to qualified patients.

Proponents of the measure say that they intend to [reduce](#) the number of existing medical marijuana patients by over 90 percent.

Senate Bill 423 now goes before Gov. Brian Schweitzer, who in April [vetoed](#) legislation that sought to repeal the state's six-year-old medical marijuana law.

Governor Schweitzer has the legal option to veto, approve, or amend the legislation.

For more information, please visit <http://www.montanannorml.org> or visit NORML's 'Take Action Center' here: <http://www.capwiz.com/norml2/issues/alert/?alertid=39086501>.

## Arizona, District of Columbia Finalize Medical Marijuana Rules

**Washington, DC, USA:** Regulations have been finalized to allow for the sanctioned-use and dispensing of medical cannabis in the state of Arizona and in the District of Columbia.

In Arizona, representatives from the Department of Health Services have [approved](#) rules governing the state's soon-to-be-implemented Arizona Medical Marijuana Program. Voters directed the state to approve regulations regarding the use and distribution of medicinal cannabis this past November when they [decided](#) in favor of

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<continued from previous page> [Proposition 203](#). Program rules, physician certification forms, and answers to frequently asked questions are now available [online](#) from the Arizona Department of Health Services.

Arizona patients may [begin qualifying](#) for the program this week, and dispensary applications will be accepted beginning on June 1. All patients initially approved by the state will [have the option to cultivate](#) their own marijuana. However, patients who reside within 25 miles of a state-licensed dispensary will lose this option once such facilities are up and running [later this fall](#).

In the District of Columbia, city leaders have [signed off](#) on long-awaited rules regulating patients' use and access to cannabis. Those rules are expected to take effect April 15. The newly finalized regulations will permit D.C. officials [to allow](#) as many as ten cultivation centers and five dispensaries in the District. Permit applications are anticipated to be available by April 17.

The forthcoming rules implement facets of [I-59](#), the Legalization of Marijuana for Medical Treatment Initiative, a 1998 municipal ballot measure which garnered 69 percent of the vote yet was never implemented. Under the new regulations, qualifying D.C. patients will be able to obtain medical cannabis at licensed dispensaries, but the personal cultivation of marijuana at home will [not be permitted](#).

Washington DC's forthcoming program is limited to residents of the District of Columbia and is not reflective of any broader change in federal policy.

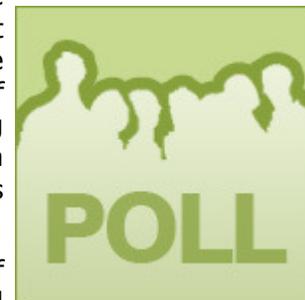
[Fifteen states](#) and the District of Columbia have authorized the physician-supervised use of cannabis since 1996. For more information, please visit: [http://norml.org/index.cfm?Group\\_ID=3391](http://norml.org/index.cfm?Group_ID=3391).

## Three Out Of Four Americans Support Legalizing Medical Marijuana In Their State

**New York, NY, USA:** Some three out of four (74 percent) Americans believe that marijuana should be legalized as a 'medical treatment' option in their state, according to an online Harris Interactive [poll](#) of 3,171 adults. By contrast, fewer than half of respondents (42 percent) say that they support 'the legalization of marijuana for ... recreational use.'

Support for marijuana law reform varies regionally the poll found. Pollsters reported that adults in the East are most supportive of legalizing marijuana for

both medical use (80 percent) and for recreational purposes (50 percent). The West is the next most supportive region of the country – with 76 percent of respondents supporting legalizing medical marijuana and 50 percent endorsing its personal use.



In the Midwest, 74 percent of respondents supported legalizing medical cannabis, but less than two in five (39 percent) endorsed legalizing its recreational use. Southerners were least supportive of marijuana law reform, with 69 percent of respondents endorsing medical marijuana legalization and only 34 percent supporting the plant's broader legalization.

Respondents between the ages of 47 and 65 were most likely (80 percent) to support legalizing cannabis for therapeutic purposes, while respondents age 18 to 34 were most likely (49 percent) to back full legalization.

Results of a [Pew Research poll](#) released earlier this month found that Americans' support for legalizing the adult use of marijuana has risen from 16 percent approval in 1990 to 45 percent today.

Complete details and methodology of the Harris Interactive poll is available online at: <http://www.harrisinteractive.com/NewsRoom/HarrisPolls/tabid/447/ctl/ReadCustom%20Default/mid/1508/ArticleId/742/Default.aspx>.

## What's Up With Obama's Cynical Approach to Medical Marijuana? By Steven Wishnia, AlterNet

In October 2009, the Justice Department declared that prosecuting medical-marijuana users and caregivers who clearly comply with state laws was not a wise use of its resources. That declaration has dominated public perception of President Barack Obama's policy on the issue-minimal progress, but is a welcome improvement on his predecessors.

In reality, however, the Obama administration has attacked medical-marijuana providers on several fronts. Since January 2010, it has staged more than 90 raids on dispensaries and growers, according to figures collected by the patient-advocacy group Americans for Safe Access. That

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<continued from previous page> represents a pace double the Bush administration's, says ASA spokesperson Kris Hermes. The administration has also threatened state officials with prosecution if they participate in licensing or regulating medical marijuana. The Internal Revenue Service has expanded auditing dispensaries for tax evasion, on the grounds that drug-trafficking enterprises cannot legally claim business-expense deductions.

In April, ASA gave Obama an F for his policy on medical marijuana. He's "no better than Bush," says Hermes.

Allen St. Pierre of the National Organization for the Reform of Marijuana Laws calls that stance "hyperbolic." "The previous ten presidents did nothing," he says. Obama has "taken the federal hand off the scale a wee bit."

Most notably, the Veterans Administration and the Department of Housing and Urban Development have revised regulations to acknowledge the use of medical marijuana. For example, although federal zero-tolerance laws prohibit illegal-drug users from living in public housing or receiving rent subsidies such as Section 8, HUD has given local housing authorities in states that allow medical marijuana the discretion to not evict users.

Still, St. Pierre worries that the combination of raids and IRS harassment is seriously endangering medical marijuana. An unfavorable court decision regarding the IRS audits "could end medical cannabis," he warns. "They're going the Al Capone route."

The VA is the bright spot, says Michael Krawitz of Veterans for Medical Cannabis Access. Although it still forbids its doctors from recommending marijuana, and possession is illegal on VA property, last year it changed its regulations so that medical-marijuana use is no longer an automatic violation of "pain contracts"-agreements patients sign in which they state that they're not going to abuse their prescription painkillers.

In practice, Krawitz says, some VA doctors still refuse to accept medical-cannabis use, but "the feedback I've gotten from veterans, especially Vietnam-era veterans, is that it's the first time the VA did something because it's the right thing to do. Vets really appreciate that."

Overall, he says, "I'm just completely baffled by what the administration is doing. They're using the DEA and the IRS, but they're trying to look like they're not going after medical marijuana."

## Raids Keep Coming

Meanwhile, federal raids on dispensaries continue. On March 14, on the eve of the Montana Senate's vote to repeal the state's medical-marijuana law, federal agencies raided 26 growers and dispensaries there. Hermes calls that "intimidation, with specific intent to undermine a state law." On April 28, DEA agents raided more than five dispensaries in Spokane, Washington.

The Spokane raids came three weeks after Michael C. Ormsby, federal prosecutor for eastern Washington, had sent letters to the landlords of more than 40 dispensaries in the area, warning them that their property could be forfeited if they continued to rent to drug traffickers. "Nearly half have reported that they have evicted their tenants to comply with federal law," says Ormsby spokesperson Tom Rice.

The touchstone here is a memorandum that Deputy Attorney General David W. Ogden sent to federal prosecutors in October 2009. In it, he told them that they "should not focus federal resources in your states on individuals whose actions are in clear and unambiguous compliance with existing state laws providing for the medical use of marijuana." Prosecuting cancer patients and their caregivers, he added, "is unlikely to be an efficient use of limited federal resources."

However, a February 2011 letter from U.S. Attorney Melinda Haag, federal prosecutor for the Bay Area and Northern California, to Oakland City Attorney John Russo significantly narrowed that policy. While the "Ogden Memorandum" says the federal government will not prosecute individual patients, she wrote, "we will enforce the [law] vigorously against individuals and organizations that participate in unlawful manufacturing and distribution activity regarding marijuana, even if such activity is permitted under state law."

The Ogden memo does not grant dispensaries anything remotely resembling immunity, Rice emphasizes. He points to clauses that state that "prosecution of commercial enterprises that unlawfully market and sell marijuana for profit continues to be an enforcement priority of the department" and "claims of compliance with state or local law may mask operations inconsistent with the terms, purposes, and conditions of those laws."

Did the department consider whether Spokane dispensaries were in compliance with state law before authorizing the raids? "No," Rice replies. One dispensary, he says, "was across the street from a grade school."

St. Pierre is not shocked by the raids. Many growers push the limits, he explains. "The regrettable thing about the medical-cannabis industry is that it's often acting in violation of state law," he says. "50,000 plants is crossing that Rubicon."

One thing that provoked the backlash in Montana, he adds, is that some dispensary owners were "charismatic." "Charismatic" in this context sounds like a euphemism for the kind of evangelistic stoner who believes that because they're doing Jah's work, providing the herb for the healing of the nations, they don't have to worry about following the finicky feinschmeckery of bureaucratic details-and that making money is doing well by doing good.

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<continued from previous page> Bill Panzer, a veteran Oakland defense lawyer, voices similar sentiments. Twenty-five years ago, he says, his clients were mostly pot smugglers "who knew they were taking a risk. Now, I'm representing people who think everything they're doing is completely legal. They're in for a rude awakening."

California law is so murky, he says, that 98 percent of the state's thousand-odd dispensaries might be illegal. The only form that would be definitely legal, he adds, would be "a true socialist collective" in which all cultivated herb was divided equally among the members. Instead, he says, lots of people are setting up co-ops and "acting like sellers." The Obama administration has also continued Bush-era prosecutions of medical-marijuana providers. On May 2, Californians Dr. Mollie Fry and Dale Schafer turned themselves in to begin serving five-year federal mandatory-minimum sentences. Fry, a breast-cancer survivor, and Schafer, a hemophiliac, were raided in 2001. In 2007, they were convicted of manufacturing and conspiracy charges for growing more than 100 plants over several years. "The Obama administration vigorously fought an appeal of their sentence," says ASA.

In any case, the federal Controlled Substances Act maintains that marijuana has no valid medical use, and thus any distribution of it in the guise of "medicine" constitutes criminal sale of a controlled substance. In the last few months, federal prosecutors have sent letters reiterating that to governors and other officials in several states, including California, Colorado, Hawaii, Montana, Rhode Island, and Washington. The letters threatened that any official involvement in licensing or regulating medical marijuana would expose state employees to prosecution.

"We maintain the authority to enforce the CSA against individuals and organizations that participate in unlawful manufacturing and distribution activity involving marijuana, even if such activity is permitted under state law," the Colorado letter, dated April 26, stated. "It is well settled that a State cannot authorize violations of federal law."

On April 14, the two federal prosecutors in Washington state warned Gov. Christine Gregoire that if the state licensed medical-marijuana cultivation and distribution, government employees who worked with such a system could be prosecuted, and state property forfeited.

On April 29, Gregoire vetoed most of a bill to regulate medical-cannabis sales and production. The provisions she rejected included state licensing of dispensaries and a state register of patients. She said she feared state workers would be subject to arrest, and she urged the federal government to move marijuana to Schedule II under the Controlled Substances Act.

## The IRS

The IRS first went after dispensaries during the Bush administration, but it has greatly expanded such efforts under Obama.

More than two dozen dispensaries are now being audited, according to Henry Wykowski, a former Justice Department tax prosecutor now in private practice in San Francisco. Most are in California, he says, including the massive Harborside facility in Oakland and a smaller one in Marin County; at least one is in Colorado. Allen St. Pierre says he expects the probes to expand to Rhode Island, Maine, Montana, and New Mexico.

The law involved is Section 280E of the federal tax code, which prohibits drug-trafficking enterprises from claiming business expenses as deductions. "The government has brought 280E cases for years," says Panzer, but "as far as saying, 'hey, we can use this to go after dispensaries,' it started with Obama."

"I think the IRS didn't know what to do, because of the conflict between federal law and state law," says Wykowski. "When it became clear that there weren't going to be wholesale prosecutions, they decided it was OK to audit."

However, the one case to reach the courts so far yielded highly favorable results for medical marijuana. In 2007, the IRS assessed a defunct San Francisco dispensary called CHAMP--Californians Helping Alleviate Medical Problems--for \$426,000 in back taxes and penalties on \$2 million in sales. A three-lawyer team that included Panzer and Wykowski got the bill reduced to less than \$5,000. The IRS refused to negotiate--which is highly unusual in tax cases, says Wykowski--and lost in court.

The IRS argued that because CHAMP sold marijuana illegally, those sales should count as "an expanding drop of ink in a glass of water" to disqualify deductions, Panzer explains. But because the dispensary also provided social services, including counseling, nursing, housing assistance, and massage; hosted support groups for AIDS patients and others; and put on social events, the judge agreed that 90 percent of its rent was deductible.

Paradoxically, the judge also let CHAMP deduct the wholesale cost of the medical pot it sold. This is a principle called "cost of goods" that dates back to Prohibition, Wykowski explains. The issue is complex, but basically, he says, there is legal authority that people cannot be forced to incriminate themselves in order to pay taxes. The '70s Harlem heroin dealer Nicky Barnes used to file tax returns anonymously, and "the right to selectively assert Fifth Amendment privilege has been recognized by the courts."

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<continued from previous page> It would be self-incriminatory for a taxpayer to report their occupation as "marijuana grower," Wykowski adds. Disallowing the cost-of-goods deduction "would have made it impossible for any dispensary to remain in business." Still, with the IRS continuing to audit dispensaries under Section 280E, that makes lawyers in the field fear a bad precedent. Other dispensaries may not have as strong a case, keep good records, or have the financial and legal resources to defend themselves.

"We are concerned that someone who doesn't know what they're doing will take a bad case to court and lose, and jeopardize everyone else in the industry," Wykowski says." The conflicts between federal and state law and between tax and criminal law also create a massive record-keeping dilemma for dispensaries. If they keep accurate and complete records, they can prove that they're acting like a legitimate business, a legitimate medical-services provider-but they're potentially handing the federal government a cut-and-paste indictment.

"The same records that can help you in state court can screw you over in federal court," says Panzer. If the amount of cannabis a dispensary grows, buys, or distributes is tallied cumulatively over several years, it can be large enough to trigger a five- or ten-year mandatory-minimum sentence.

## Rescheduling

The overriding fact is that the Controlled Substances Act, enacted in 1970, puts marijuana in Schedule I, saying it has "a high potential for abuse, has no currently accepted medical use in treatment in the United States, and has a lack of accepted safety for use under medical supervision." Thus, the law does not recognize "medical use" as a valid defense to charges of possession, sale, or cultivation. As far as federal law is concerned, medical-marijuana users are the equivalent of junkies, no matter how sick they are, and the dispensaries and growers that supply them are little different from crack dealers and meth-lab operators.

This rule is tied into a host of other laws intended to prohibit money-laundering and the like. Medical-marijuana users in public housing and landlords who rent to dispensaries run afoul of laws intended to close crackhouses.

The obvious solution, at least to those in the medical-marijuana movement, would be for the federal government to move marijuana out of Schedule I and into the realm of legitimate prescription drugs. Even

moving it to Schedule II would gain it that status, although under controls as strict as those for OxyContin or medical cocaine. Marinol, the synthetic THC that is the prime legal cannabinoid drug, is in Schedule III, along with codeine.

That is not likely to happen soon. The Drug Enforcement Administration has jurisdiction over scheduling. In 2002, a coalition including NORML, ASA, and Virginia cannabis-policy expert Jon Gettman filed a petition to reschedule marijuana for medical use. It "has been languishing without a response from the DEA for nearly nine years," says an angry Dale Gieringer of California NORML. "They're sitting on our petition."

The DEA, he says, has also "blocked efforts to establish a legal medical marijuana research garden," which would provide the scientific background needed to obtain Food and Drug Administration approval.

"If the federal government would stop fighting the rescheduling process, we could have a resolution," says St. Pierre. "They're not choosing to lead."

The DEA, headed by Bush holdover Michelle Leonhart, remains resistant. Its official stance, the lead item in "DEA Position on Marijuana," a 54-page booklet issued in July 2010, is that medical marijuana is a "fallacy," that "smoked marijuana is not medicine," and there is "no sound scientific evidence that smoked marijuana can be used safely and effectively as medicine."

It blames "organizers of the 'medical' marijuana movement" for failing to ensure that "the product meets the standards of modern medicine?." [There is] no safety regulation, no way to measure its effectiveness (beyond anecdotal stories), and no insurance coverage." It calls the entire idea that marijuana has medical use "false-trickery [sic] used by those promoting wholesale legalization."

"I don't think that's happening any time soon," a DEA spokesperson who refused to give his name said of rescheduling. "I don't see any movement on that. The science hasn't borne it out."

View this story online at: <http://www.alternet.org/story/150840/> - for more. Steven Wishnia is a New York-based journalist and musician. The author of *Exit 25 Utopia* and *The Cannabis Companion* <<http://www.powells.com/partner/32513/biblio/9780762421497>>, he has won two New York City Independent Press Association awards for his coverage of housing issues.