

# FISCAL IMPACT OF DEA POLICY

## COST OF MEDICAL CANNABIS PROSECUTIONS JUNE 2005-OCTOBER 2006

Since the U.S. Supreme Court decision in *Gonzales v. Raich* in 2005, the federal government has intensified its attacks on patients in California. These raids have resulted in scores of patients and providers being prosecuted. These defendants will not be permitted to mention during federal trial that their use of cannabis was for legitimate medical purposes in accordance with state law.

Despite requests from Congress, the federal Drug Enforcement Administration (DEA) and the Department of Justice (DOJ) refuse to account for the money being spent on medical cannabis raids and prosecutions. Based on averages and budget reports, ASA estimates the costs as follows:

### **California Healthcare Collective – \$776,898**

After the City of Modesto failed to shut down the California Healthcare Collective by banning dispensaries, the DEA was called in. On September 27, 2006, the collective was raided and four people were arrested (two operators and two staff) on charges of distribution of marijuana and conspiracy to distribute. The two operators were also charged with possession of firearms and money laundering. Later, an additional five people were indicted, bringing the total to nine people being prosecuted. The raids were the result of a 15-month investigation between the DEA and the Modesto Police Department. All defendants have been released on bail pending trial.

### **Dustin Costa – 86,322**

Medical marijuana patient and caregiver Dustin Costa, president of the Merced Patients Group, was being prosecuted on state charges. The Merced District Attorney turned his case over to the U.S. Attorney for federal prosecution. Costa is currently incarcerated in Fresno awaiting trial.

### **Joe Fortt – \$258,966**

One day after the *Raich* decision, on June 7, 2005, Bakersfield dispensary operator Joe Fortt was raided by the DEA. Fortt is currently incarcerated, and faces a 10-year mandatory minimum sentence if convicted.

### **Louis Wayne Fowler – \$345,288**

The DEA and Sheriff conducted a raid on Sacramento County dispensary operator Louis Fowler, 51, on July 7, 2005. Fowler is currently incarcerated in Sacramento, and awaiting trial.

### **James Holland – \$258,966**

Bakersfield dispensary operator James Holland and two associates were arrested on September 8, 2005, by DEA agents after a multi-law enforcement agency raid on his home and clinic. Holland is currently incarcerated in Fresno, and awaiting trial.

### **Richard Marino – \$172,644**

Sacramento County dispensary operator Richard Marino was raided on September 3, 2004 at Capitol Compassionate Care Center and at his home in Newcastle, CA. Criminal charges were not filed for more than a year and a half, but on January 13, 2006, Marino was indicted. The federal government also has forfeiture proceedings pending on Marino's home and the building he rented.

### **Oakland Edible Producers – \$1,035,864**

On March 16, 2006, the DEA, with the cooperation of local law enforcement agencies, raided multiple grow locations in Oakland and Emeryville, CA. Twelve people were arrested and charged.

### **Thunder Rector – \$86,322**

Modesto patient and caregiver Thunder Rector was arrested on July 18, 2005, as a result of a raid by the Stanislaus County Sheriff earlier in July. Rector is now being prosecuted on federal charges of conspiracy and manufacturing marijuana with intent to distribute. Rector is out on bail awaiting trial.

### **Vernon Rylee – \$345,288**

Trinity County patients Vernon and Janet Rylee were arrested by the Sheriff in August 2003, the Trinity County District Attorney dismissed the charges against both defendants. The Rylee's replanted in spring 2004, and were once again raided. The DA then handed the case over to the federal court. Rylee, knowing he could not properly defend himself in federal court, took a plea bargain.

### **San Diego Dispensaries – \$1,288,092**

On December 12, 2005, the Drug Enforcement Administration raided at least 13 medical marijuana dispensaries throughout San Diego, seizing patient records, computers, files, and medical marijuana. The six federal arrests connected to the San Diego dispensary raids all resulted in plea bargains.

### **San Francisco Dispensaries – \$2,848,626**

On June 22, 2005, three dispensaries in the Sunset area of San Francisco were shut down by the DEA. Twenty people were indicted. The DEA also worked collaboratively with media to sensationalize the raid by referring to the arrestees as part of an "Asian Mafia."

### **HopeNet Dispensary – \$172,644**

On December 20, 2005, DEA agents raided the home of Steve and Cathy Smith, the owners of HopeNet dispensary in San Francisco. While DEA agents waited for a warrant to raid the dispensary, public officials spoke at a press conference to voice their support for the dispensary. Two San Francisco Supervisors and spokespeople from the Mayor's office,

District Attorney's office, local Assembly and State Senate offices honored HopeNet at a press conference, presenting awards and admonishing the DEA to stay out of San Francisco. "I am utterly outraged at the actions by the DEA last month in raiding the Hope Net Cannabis Club," said a prepared statement by State Senator Carole Migden, "It's time they stop prosecuting the terminally ill, the sick and disabled."

### **David Harde & Toby Landis – \$172,644**

On June 30, 2006, El Dorado County Sheriffs and federal DEA agents arrested organic farmer and medical marijuana patient David Harde and his wife Toby Landis. The garden that was raided was that of a private five-patient collective, with which Landis had no involvement. Previously, in 2004, the collective garden had been given the green light by county and state police. Then, on September 1, 2005, the El Dorado Sheriff conducted a raid of the garden, arresting and charging Harde and Landis with sales. Unable to prosecute the case under state law, the County was eventually successful at transferring it to the federal government.

### **Sparky Rose – \$1,294,830**

Patient, provider and operator of the New Remedies Cooperative in San Francisco Sparky Rose was the target of DEA raids on October 3, 2006. DEA agents also raided several other locations in San Francisco and Oakland, including administrative offices and grow sites. In addition to Rose, fourteen other New Remedies staff were arrested. All fifteen are charged with manufacture and distribution of marijuana, and Rose was additionally charged with money laundering. All defendants have been released pending trial; Rose was released on \$1 million bail.

**ESTIMATED COST OF FEDERAL MEDICAL CANNABIS RAIDS, JUNE 2005 to OCTOBER 2006 = \$9,143,394**