

California Fair Political Practices Commission



Regarding Item 5 on the enforcement agenda, the enforcement staff alleges that SAM Action did not identify in its name "special interests" that contributed more than \$50,000. I, Julie Schauer, take issue with this filing and ask you to suspend this fine. In these charges, I object to being referred to as an economic or "special interest." My interest is the same as the Californians who voted against Proposition 64: protecting children from drugs, protecting the public health, protecting the environment, stopping violence, and stopping the proliferation of drugs across the United States.

I am not a person who has a financial interest tied to this issue. I don't invest in pharmaceutical companies, treatment centers, private prisons or any of the other businesses alleged to be preventing marijuana legalization. Politically I'm an Independent and I don't normally donate to politicians. I am being used as a scapegoat for the shady practices used by the other side.

I have friends in California whose children have been directly harmed by marijuana, including Lori Robinson whose son Shane was killed by marijuana. Another friend, a college friend has a son who is in his 3rd long-term marijuana addiction treatment. The son of a third friend had a psychotic break in reaction to marijuana edibles and was hospitalized and put into the mental health care. There's no indication that either of the young men who got "medical marijuana" cards at age 18 will ever recover.

Trying to save others from similar fate is not an "economic" or "special interest." A state which led to the long-term disabling of so many youths through medical pot isn't going to suddenly learn how to regulate.

It is inappropriate for the Fair Political Practices Committee to associate me with the **advertising campaign against Prop 64**. To claim I am in the category of people who are broadly trying to influence public policy is thoroughly dishonest and inaccurate. If I wished to influence the advertising of No on 64, I would have contributed directly NO on 64. There was a website asking for donations and I would have given to them if I wanted to be part of the advertising campaign.

Instead I gave to SAM Action because SAM is broad, national public educational association that educates about the harms of marijuana. Although SAM Action may be the biggest bulk donor against Prop 64, SAM Action did not run the campaign. No on 64 ran the campaign.

When I donated to SAM Action, I made that very clear to Kevin Sabet that it was expected to go to against 5 different ballot campaigns as well as 4 different "medical marijuana" campaigns around the country. In the process, I saw that other states had individual and group donors **who were not too hesitant to donate to campaigns against legalizing marijuana, but Californians were reluctant**. Within a period of time, and I don't remember the dates, Kevin told me that SAM would have to report to California everything I would be giving to SAM Action even though it was intended for other states. He told me there was a new law with new reporting requirements of which he did not know of at the onset of the campaign. This process set me for humiliation in your state's very dysfunctional electioneering process, while many of those who gave much more money to the Yes on 64 were shielded from reporting with the exception of Sean Parker. Parker is an exception in that he allows his name to be used publicly, and it's because he believes the false narrative that marijuana is a Social Justice issue, while the truth is that no one ever goes to jail only for possessing small amounts of pot. And rich communities such as Marin County are able to keep out dispensaries while poor communities in Denver and Pueblo and Los Angeles don't have political power to keep out the predatory weed businesses.

On October 8, 2016, Dan Morain published an article in the Sacramento Bee revealing that George Soros was the donor of \$4 Million to Drug Policy Action which donated to Yes on 64: It reads: "Ellen Flenniken of Drug Policy Action told me Soros was the source of the \$4 million that ended up in the Yes-on-64 campaign fund, **though nothing in public campaign finance filings identifies him as the donor.**" Read more here: <http://www.sacbee.com/opinion/opn-columns-blogs/dan-morain/article107006332.html#storylink=cpy>

I find it incredible that those billionaires whom newspapers had reported as having donated to the campaign supporting the PROP 64 ballot, through numerous nonprofit organizations without any disclosure of the ultimate source of those funds, do not get their names in Ballotpedia while I was singled out to be publicly humiliated. The other side gave \$36 million, 18x more money than supporters of No on 64. The staff and the cabinet members of your state government are obviously protecting the big donors from whom they hope to get more money in the future. According to Open Secrets.org, the tax returns of New Approach Pac, filed in 2016, shows that the Lewis Family gave \$3.4 Million to **New Approach** and Cari Tuna gave \$2 Million in 2015. Obviously that money went to Prop 64. Most likely this hidden giving is most of the \$6.14 million listed as the **Fund for Policy Reform** on Ballotpedia. This is "dark money."

WeedMaps, a marijuana business, gave \$1,000,000 to Prop. 64 and it's not listed on Ballotpedia. A National Families in Action report show that individuals and businesses involved in the marijuana industry gave \$12.5 million from marijuana business interests, and \$11.2 million of this money was from in state. Lori Robinson, who lost her son, it's "blood money." Some of these industry donors and political donors gave more to California than I gave to SAM Action which didn't all go to California.

These donors to Yes on 64, know exactly what they are doing in order to get their names shielded from scrutiny. I contend that employees of the secretary of state knew darn well that I was NOT giving directly to No on 64. However, by using my name and making it public, it was possible deflect attention away from the BIG DONORS who are the real players. This is corruption.

In this process, I have come to understand why normal Californians would not contribute to the campaign against Prop 64. Your state is only transparent about those who are on the "wrong" side of issue according to the elected officials of your state. From what your commission pretends is "transparency in politics" comes a real fear of how the information is used against individual people. I learned that in the past, individuals in California lost their jobs over \$500 and \$1000 donations to state ballots, simply because they were on the "wrong" side of an issue. If a California business owner were in to give to No on 64, that business owner and the family would be threatened. This is especially true in an issue involving marijuana. When the marijuana lobby calls for boycotts, they succeed. Because California assures open books, individuals who may have wanted to give \$500, \$1000 or \$5000 or \$10,000 against marijuana were deprived from doing so because they knew of the negative repercussions. This process is not transparency, it's "bullying."

Since your ballot system sets up wrestling matches between special interests and political operatives who pay high end lawyers and advertising firms, it shuts out people who will be intimidated knowing that Sean Parker had given \$8.5 million.

Ballotpedia and the Secretary of State's office are misleading the public by their so-called public records which suggest I wielded any power in the campaign against Prop 64. At the same time, those who gave far more money than I did in favor of Prop 64 do not get their names listed. Though I admit to political naivete, I suspect that the real reason I am listed as top donor to No on 64 is to cover up how much the

dark money donated and was trying to influence public policy. Your state protects them and exposes me to the whipping post, including journalists who were just looking for a sensationalist story to tell about me. Fortunately, in one case I was able to talk to a newspaper editor and a stop a reporter from prying.

Much damage has been done with the humiliation to which I have been subjected to and which could potentially cause harm to those close to me.

By using me as a scapegoat, your state has harmed my reputation. Some marijuana activists publicly humiliated me over the Internet by digging up "dirt" and posting it on the Internet. My reputation as a teacher of 30 years is now tarnished and damaged so that I can never go back to teaching again. For nearly 2 months, I received phone calls and emails from people who did not know me, but wished to intimidate me. (I don't know how they got the information.) It was harassment and some of the language they used in their insults confirmed my belief that marijuana causes vile behaviors. I'm not a "pay-to-play" type of person, I resent that your state has tried to make me out to be. Thank you, California, and thank you, marijuana activists and marijuana groups, for ruining my career and harming my reputation.

Yet the Yes on 64 Committee accuses me of being an economic interest. I had absolutely no influence on the No on 64 campaign. Using me as a weapon to accuse SAM Action of campaign violations exposes what a corrupt state this is and it turns democracy into a circus.

Julie Schauer

4/20/2017

				\$	2,300,000	\$	5,000	
	\$	26,662		\$	6,140,000			
\$	150		\$	14,075				
			\$	500,000				
			\$	3,940,000				
						\$	5,000	
						\$	50,000	
\$	1,148		\$	15,922				
\$	21,760							
		\$	2,182			\$	15	
				\$	3,511,000			
\$	25,757	\$	28,844	\$	10,609,997	\$	5,811,000	
				\$	60,015	\$	16,535,613	
\$	320,646	\$	28,844	\$	15,739,997	\$	7,061,000	
				\$	12,516,514	\$	35,667,000	
Total Contributions Proponents							\$	35,667,000
Total Contributions Opponents							\$	2,512,439
Total Raised							\$	38,179,439

Graphic: California 2016 P64	
Soros/DPA, Lewis/MPP & New Approach	\$ 22,829,841
In State from	
Individuals	\$ 174,158
Individuals in MMJ Industry	\$ 2,000,000
Nonindividuals	\$ 90,646
Nonindividuals in MMJ Industry	\$ 9,206,499
Out of State	
Individuals	\$ 29,485
Individuals in MMJ Industry	\$ 1,250,000
Nonindividuals	\$ 25,757
Nonindividuals in MMJ Industry	\$ 60,015
Out of Country	\$ 600
Total Proponents	\$ 35,667,000
Total Opponents	\$ 2,512,439
Total Raised	\$ 38,179,439

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2016

10 contribution records found.

Amount	Donor	Organization	City, State	Date
\$2,000,000	Daniel Lewis	Retired	Coral Gables FL	06/29/2015
\$1,000,000	Cari Tuna	Good Ventures	San Francisco CA	07/01/2015
\$150,000	Philip D Harvey	DKT Liberty Project	Washington DC	07/06/2015
\$200,000	Ivy Beth Lewis	Retired	Cleveland OH	12/01/2015
\$1,000,000	Cari Tuna	Good Ventures	San Francisco CA	05/06/2015
\$1,000,000	Henry van Ameringen	Van Ameringen Foundation	New York NY	08/28/2015
\$250,000	Sean Parker	Apercen Partners	Palo Alto CA	01/22/2016
\$1,000,000	Adam J Lewis	Philanthropist	Cleveland OH	05/06/2015
\$217,000	Henry van Ameringen	Van Ameringen Foundation	New York NY	05/12/2015
\$200,000	Toby Lewis	Retired	Shaker Heights OH	05/29/2015

This data is based on records released by the Internal Revenue Service on Monday, May 02, 2016.

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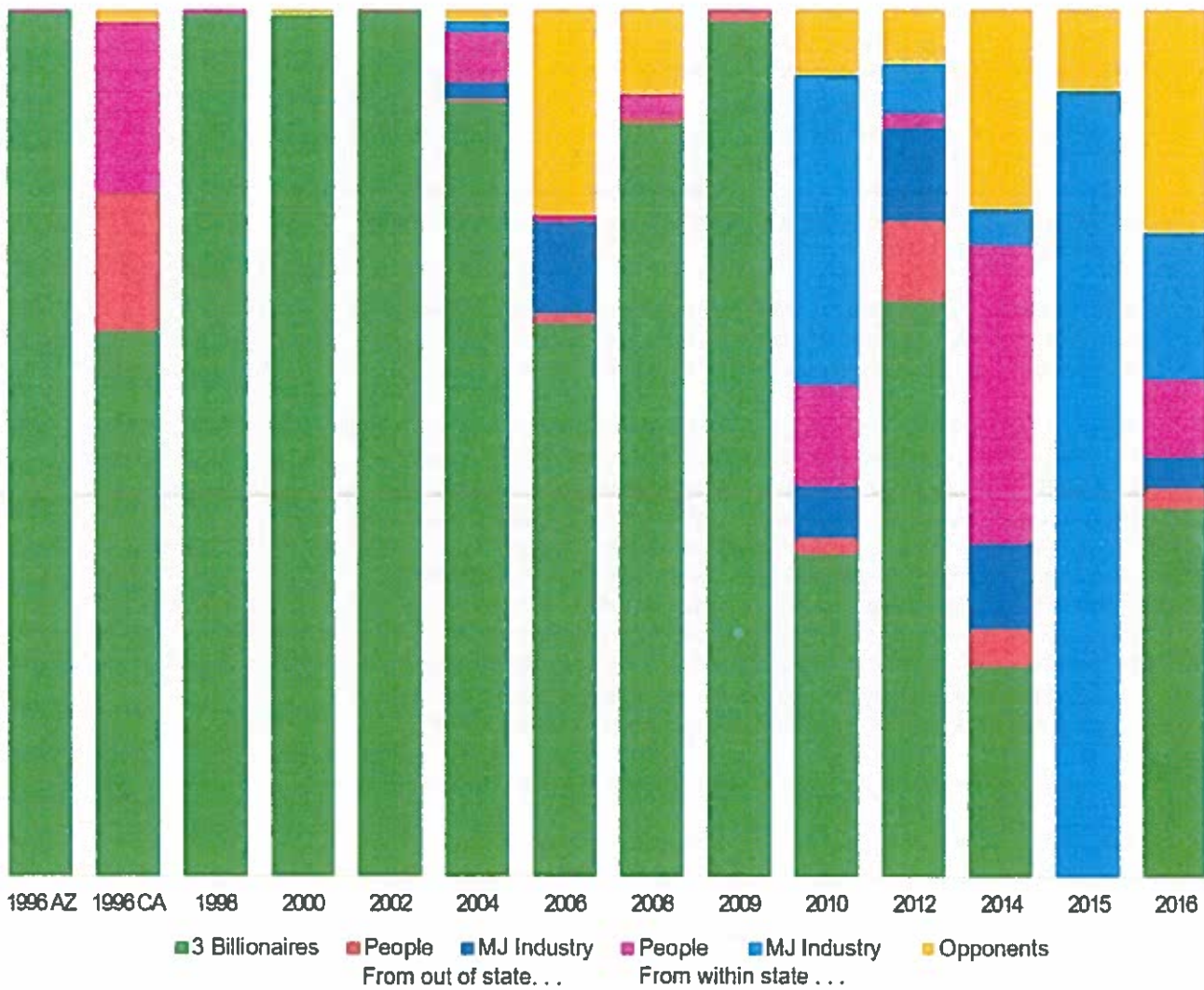
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Tracking the Money That's Legalizing Marijuana And Why It Matters



**National Families in Action
2017**

A Note about the Numbers in This Report

Financial data in this report come from three sources. In 2000, National Families in Action tracked the 12 ballot initiatives floated to legalize marijuana for medical use between 1996 and 2000. All but one passed. Looking backward over four years meant we could only capture the financial information that was available retrospectively, and it was limited. Several years later, we tracked the two initiatives that attempted to legalize marijuana for recreational use in 2002. Both failed. Again, financial information was incomplete. What we were able to capture appears in an [archive](#) on the National Families website.

In 2004, the National Institute on Money in State Politics began collecting information on marijuana ballot initiatives. It publishes this data on a website called [Follow the Money](#). We cannot praise this financial data collection highly enough. Special thanks to Institute staff members for helping us understand how to interpret its data. Financial data in this report about marijuana ballot initiatives from 2004 to the present come from this collection. The data are complete for all years except 2016. That year's data are incomplete because some states do not require final campaign reports until many months into the new year. Our cut-off date is February 10, 2017.

A third source, which also began collecting marijuana ballot initiative data in 2004, is [Ballotpedia](#). This resource provides limited financial data but offers helpful narratives about sponsors who support and oppose these initiatives.

We place contributors who support marijuana ballot initiatives into one of several categories. The Three Billionaires category contains contributions made by George Soros and/or Peter Lewis and/or John Sperling and the marijuana legalization organizations the first two fund themselves (Soros) or through their families (Lewis, who died in 2013). Out of State and In State categories include donations from individuals and non-individuals. Out of State and In State MMJ (Medical Marijuana) industry categories include donations from individuals and non-individuals in the industry, wealthy people who made large contributions to legalization ballot initiatives in multiple states, and other billionaires who donated more than \$5 million in a single state. Those donations that cannot be identified as coming from In State or Out of State are split evenly between the two.

A Note about the Datasheets Linked to Each Table in This Report

We downloaded datasheets for each marijuana ballot initiative between 2004 and 2016 from Follow the Money as of February 10, 2017. (Those few not up to date or unavailable on Follow the Money were downloaded from Ballotpedia.) Once downloaded, we sorted the data by ballot initiative committee to separate proponents from opponents, then by state, and then by contributions from In State Individuals and Nonindividuals, and Out of State Individuals and Nonindividuals, including those involved with the marijuana industry, determined through Google searches. To the right of Follow the Money's sorted data on each datasheet we constructed our analysis (in blue type to distinguish our analysis from Follow the Money's data).

Tracking the Money That's Legalizing Marijuana And Why It Matters

Sue Rusche
President and CEO
National Families in Action

Where's the Money Coming From?

Americans seem to have been persuaded that cannabidiol (CBD), a marijuana component often called cannabis oil or Charlotte's Web, cures intractable seizures in children stricken with epilepsy. Polls show 90 percent want medical marijuana legalized, especially for these children.

But listen to Michael D. Privitera, MD, president of the American Epilepsy Society and director of the epilepsy center at the University of Cincinnati Neuroscience Institute, in a [letter](#) he wrote to a Pennsylvania legislator:

The families and children moving to Colorado are receiving unregulated, highly variable artisanal preparations of cannabis oil prescribed, in most cases, by physicians with no training in pediatrics, neurology, or epilepsy. As a result, the epilepsy specialists in Colorado have been at the bedside of children having severe dystonic reactions and other movement disorders, developmental regression, intractable vomiting and worsening seizures that can be so severe they have to put the child into a coma to get the seizures to stop.

Because these products are unregulated, it is impossible to know if these dangerous adverse reactions are due to the CBD or because of contaminants found in these artisanal preparations. The Colorado team has also seen families who have gone into significant debt, paying hundreds of dollars a month for oils that do not appear to work for the vast majority. For all these reasons, *not a single pediatric neurologist in Colorado recommends the use of artisanal cannabis preparations.*

How did we get here—states passing laws to legalize a marijuana product for epilepsy that no Colorado epilepsy specialist will recommend?

Alaska 2004 • Measure 2 Recreational—Failed	
Three Billionaires	\$875,240
In State from	
Individuals	\$45,363
Individuals in MMJ Industry	
Nonindividuals	\$1,150
Nonindividuals in MMJ Industry	\$24,757
Out of State from	
Individuals	\$4,816
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	\$39,161
Total Proponents	\$ 990,487
Total Opponents	\$27,210
Total Raised	\$1,017,697

Source: Follow the Money. [See data analysis.](#)

Alaska 2014 • Measure 2 Recreational—Passed	
Three Billionaires	\$938,976
In State from	
Individuals	\$13,938
Individuals in MMJ Industry	
Nonindividuals	\$8,012
Nonindividuals in MMJ Industry	\$50
Out of State from	
Individuals	\$15,836
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	\$140,000
Total Proponents	\$ 1,116,812
Total Opponents	\$189,096
Total Raised	\$1,305,908

Source: Follow the Money. [See data analysis.](#)

Ballot Initiatives

Ballot initiatives offer citizens a way to write a law if they see a need legislators won't address. Anyone who lives in an initiative state¹ can sponsor a measure, explain his law in a paragraph, and collect signatures from a certain percentage of people who voted in the last election. If the Secretary of State validates enough signatures, the citizen's proposed law goes on the ballot for an up or down vote. In some states, successful initiatives become mere laws; in others, they change the state's constitution.

But here's the rub. Any citizen can write a law in an initiative state, even if she doesn't live there. So long as she plays by the state's rules and collects enough valid signatures, someone from New York, say, can write a law in Colorado or any of the other 23 states that allow "direct democracy." Any resulting financial costs are borne by the state's taxpayers, not the interloper who persuaded voters to pass a measure using political ads not always known for accuracy or truthfulness.

Ballot Initiatives Have Become Big Business

Ballot initiatives originated in the 1900s in California to give citizens power over corporate influence on the legislature. But collecting signatures to place an initiative on the ballot has become such a big business that only big businesses – or billionaires – can afford to participate.

Gone are the days when an idealistic group of volunteers went door-to-door collecting signatures from neighbors and friends to support a ballot measure. Today, whole businesses exist to collect signatures at so much per name, and they usually collect double those required to guarantee enough will be valid. In California, 365,880 valid signatures were required to place a measure on the November 2016 ballot at a cost of \$2.72-\$11.31 per signature. Few initiatives pass without significant advertising budgets to persuade citizens to vote yes, so only the rich can afford to sponsor a successful ballot initiative. And few ordinary citizens can raise enough money to oppose it. Nowhere can this be seen more clearly than with the three billionaires who financed the marijuana legalization movement.

Arizona 1996 • Prop 200 Medical—Passed	
Three Billionaires	\$1,625,000
In State from	
Individuals	\$1,349
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Out of State from	
Individuals	\$1,348
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Total Proponents	\$1,627,697
Total Opponents	
Total Raised	\$1,627,697

Source: Follow the Money. [See data analysis.](#)

Arizona 2000 • Prop 201 Recreational—Did Not Make Ballot	
Three Billionaires	\$600,000
In State from	
Individuals	
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Out of State from	
Individuals	
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Total Proponents	\$600,000
Total Opponents	
Total Raised	\$600,000

Source: Follow the Money. [See data analysis.](#)

When Alaska legalized marijuana for recreational use in 2014, Alaska residents raised nine times more money to defeat the measure (\$189,096) than to support it (\$22,000). But proponents from 45 *other* states raised \$1,094,812 – 41 *times* more than residents – to convince Alaskans to legalize pot. Who was behind the Alaska legalization effort?

Peter Lewis's Marijuana Policy Project

The Marijuana Policy Project (MPP) led the Alaskan effort, contributing \$836,333 to Measure 2: The Campaign to Regulate Marijuana Like Alcohol. MPP wrote the measure, paid contractors to collect signatures to place it on Alaska's ballot, and promoted it to voters. The organization is funded by billionaire Peter Lewis, who made

Arizona 2002 • Prop 203 Recreational—Failed	
Three Billionaires	\$1,160,756
In State from	
Individuals	
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Out of State from	
Individuals	
Individuals in MMJ Industry	
Companies	
Companies in MMJ Industry	
Total Proponents	\$1,160,756
Total Opponents	\$60,000
Total Raised	\$1,220,756

Source: Follow the Money. See data analysis.

Arizona 2010 • Proposition 203 Medical—Passed	
Three Billionaires	\$593,606
In State from	
Individuals	\$35,735
Individuals in MMJ Industry	\$25,000
Nonindividuals	\$32,468
Nonindividuals in MMJ Industry	
Out of State from	
Individuals	\$2,380
Individuals in MMJ Industry	
Nonindividuals	\$3,333
Nonindividuals in MMJ Industry	\$100,000
Total Proponents	\$792,522
Total Opponents	\$28,993
Total Raised	\$821,515

Source: Follow the Money. See data analysis.

Arizona 2016 • Proposition 205 Recreational—Failed	
Three Billionaires	\$2,362,238
In State from	
Individuals	\$136,745
Individuals in MMJ Industry	\$110,599
Nonindividuals	\$315,450
Nonindividuals in MMJ Industry	\$2,574,921
Out of State from	
Individuals	\$48,825
Individuals in MMJ Industry	\$200,000
Nonindividuals	\$17,436
Nonindividuals in MMJ Industry	\$816,162
Total Proponents	\$ 6,582,376
Total Opponents	\$ 8,674,638
Total Raised	\$15,257,014

Source: Follow the Money. See data analysis.

his money as head of Progressive Insurance, which Lewis grew into one of the largest auto insurance companies in the U.S. The company found its niche by insuring risky drivers. Lewis died in 2013, but his family supports both MPP and more recently New Approach PAC, a 527 organization committed to the legalization cause. Both are based in Washington DC.

George Soros's Drug Policy Alliance

The Drug Policy Alliance (DPA) contributed \$100,000 to the Alaska campaign. DPA is funded by George Soros to do the work of legalization. Soros is the billionaire financier who famously became rich by breaking the Bank of England when he sold short \$10 billion worth of British pounds. He finances marijuana measures in his own name, through several funds like the Fund for Policy Reform at his Open Society Institute, and primarily through DPA. All are based in New York. Now that eight states have legalized recreational pot, DPA's director, Ethan Nadelmann, has set the organization's sights on legalizing *all* drugs, despite the opiate epidemic ravaging the nation. He explains why in a recent TED Talk, "Our desire to alter our consciousness may be as fundamental as our desire for food, companionship, and sex."

John Sperling

John Sperling is the only billionaire who funded marijuana initiatives in his own state of Arizona as well as in other states. Sperling amassed his fortune by founding the Apollo Group and the University of Phoenix. Roughly 90 percent of for-profit college revenues come from federal student loans, leaving graduates with heavy debt and some say inferior education. Sperling's support for legalization ended with his death in 2014.

NORML

The National Organization for the Reform of Marijuana Laws (NORML), the oldest legalization organization, contributed \$2,643 to the Alaska campaign. Contributions from other out-of-state proponents amounted to \$155,836. In all, nonresidents raised \$1,094,812 to legalize pot in Alaska and won. Residents raised \$189,096 to defeat it and lost. But then, \$189,096 doesn't buy much advertising. Nearly six times that amount, more than \$1 million, enabled MMP to spin a tale that Alaska voters bought.

Despite the imbalance in funding, Alaska's measure only garnered 53 percent support. Had the billionaires stayed out, pot likely would not be legal there. And Alaska authorities would not be struggling now with how to shield taxpayers from the financial burdens, to say nothing of the health and social consequences, legalization

Arkansas 2012 • Issue 5 Medical--Failed	
Three Billionaires	\$1,423,952
In State from	
Individuals	\$27,335
Individuals in MMJ Industry	
Nonindividuals	\$12,218
Nonindividuals in MMJ Industry	\$2,200
Out of State from	
Individuals	\$6,700
Individuals in MMJ Industry	
Nonindividuals	\$6,172
Nonindividuals in MMJ Industry	
Total Proponents	\$1,478,577
Total Opponents	\$53,170
Total Raised	\$1,531,747

Source: Follow the Money. [See data analysis.](#)

Arkansas 2016 • Initiative 6 Medical--Passed	
Three Billionaires	
In State from	
Individuals	\$850
Individuals in MMJ Industry	
Nonindividuals	\$455,077
Nonindividuals in MMJ Industry	\$272
Out of State from	
Individuals	
Individuals in MMJ Industry	
Nonindividuals	\$115
Nonindividuals in MMJ Industry	\$430,078
Total Proponents	\$ 886,392
Total Opponents	\$6,024
Total Raised	\$892,416

Source: Follow the Money. [See data analysis.](#)

brings. (Alcohol and tobacco each cost ten times more money than states receive from taxing them; legal pot will likely be no different as its health and social costs become apparent.)²

Users Alone Not Driving Legalization

Today, 1 in 12 Americans—just 8.3 percent—used marijuana at least once in the past month. That means 11 in 12 didn't. But polls show 90 percent want medical pot, and 60 percent want recreational pot. How did the billionaires persuade so many Americans that pot is medicine when most of the scientific and medical communities say it's not? And that marijuana is harmless and should be legal when those same communities say it isn't and shouldn't be?

How the Deception Began

In 1992, motivated by hints that billionaire George Soros might provide funding, several emerging advocacy groups met to develop a legalization strategy. Soros told them if they would stop advocating for legalization outright and instead "target a few winnable issues like medical marijuana,"³ he would fund the cause. He donated an estimated \$15 million to several groups, including the Drug Policy Foundation and the Lindesmith Center, which later merged to become the Drug Policy Alliance with Ethan Nadelmann as its head.

With money, the quest to legalize pot for recreational use by first medicalizing it could begin. In the words of Richard Cowen, NORML's director in 1993, at a conference celebrating the 50th Anniversary of the Discovery of LSD:

The key to it [full legalization] is medical access. Because, once you have hundreds of thousands of people using marijuana medically, under medical supervision, the whole scam is going to be blown. The consensus here is that medical marijuana is our strongest suit. It is our point of leverage which will move us toward the legalization of marijuana for personal use.⁴

Now proponents could bypass legislators, write laws themselves in ballot initiative states, hire professional campaign organizations to collect signatures, and promote their measures to voters on television. They began in California and Arizona in the 1996 election.

Arkansas 2016 • Initiative 7 Medical—Did Not Make Ballot	
Three Billionaires	\$62,500
In State	\$100,526
Out of State	
Total Proponents	\$163,026
Total Opponents	\$58,825
Total Raised	\$221,851

Source: Ballotpedia. [See data analysis.](#)

California 1996 • Prop 215 Medical—Passed	
Three Billionaires	\$1,583,088
In State from	
Individuals	\$30,011
Individuals in MMJ Industry	
Nonindividuals	\$464,916
Nonindividuals in MMJ Industry	
Out of State from	
Individuals	\$401,666
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Total Proponents	\$2,479,680
Total Opponents	\$33,612
Total Raised	\$2,513,292

Source: Follow the Money. [See data analysis.](#)

California 1996

Dennis Peron, who started the San Francisco Cannabis Buyers' Club in the early 1990s, wrote Proposition 215 along with other state activists. But their effort to get the initiative on California's ballot fell apart, and Nadelmann stepped in, hiring a Santa Monica professional campaign firm, Zimmerman and Markman, to fix things. Working under the name of Americans for Medical Rights, Bill Zimmerman said polling convinced him "that medical marijuana was a winnable issue. And that it could be used as an opening argument for the eventual legalization of recreational use."⁵

DPA raised \$2,479,680 to opponents' \$33,612 to get Prop 215 on the ballot and promote it on television. With 74 times more money than your opponents, you can sway a lot of voters. Nadelmann and Zimmerman focused their commercials exclusively on cancer. Here's the transcript from one, a testimonial from "Dr. Richard Cohen, San Francisco Cancer Specialist":

I've been treating cancer patients with chemotherapy for over 25 years. But the side effects can be very severe. Nausea. Vomiting. Loss of appetite. There is a medicine that can help. It's marijuana. I've seen it work. But we doctors are at great risk if we recommend it. Proposition 215 will allow doctors to recommend marijuana to patients who need it. Morphine works. Marijuana works. Let us physicians treat you with every medicine that can help.⁶

Another commercial featured a woman who claimed marijuana cured her breast cancer. "I broke the law and got marijuana. Today, I'm free of cancer." A third featured Anna Boyce, registered nurse, who claimed marijuana gave her husband J.J., who had cancer, "an extra year of life." But as Nurse Boyce knew perfectly well because she helped write Prop 215, the initiative legalized marijuana to treat not only cancer but also "anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief [emphasis added]."⁷ Proponents failed to tell voters this. They sold Prop 215 as a cure for cancer, period.

A few weeks after Prop 215 passed, Zimmerman spoke at NORML's annual conference to explain how they won. "We came in with outside money. We bought the signatures. We had television advertising. We had sophisticated press strategies."

California 2010 • Proposition 19 Recreational--Failed	
Three Billionaires	\$1,580,189
NORML	\$19,739
In State from	
Individuals	\$467,529
Individuals in MMJ Industry	\$311,318
Nonindividuals	\$88,947
Nonindividuals in MMJ Industry	\$1,833,483
Out of State from	
Individuals	\$98,859
Individuals in MMJ Industry	\$220,000
Nonindividuals	\$7,656
Nonindividuals in MMJ Industry	\$5,592
Total Proponents	\$4,633,312
Total Opponents	\$364,835
Total Raised	\$4,998,147

Source: Follow the Money. [See data analysis.](#)

California 2016 • Proposition 64 Recreational—Passed	
Three Billionaires	\$22,829,841
In State from	
Individuals	\$174,158
Individuals in MMJ Industry	\$2,000,000
Nonindividuals	\$90,646
Nonindividuals in MMJ Industry	\$9,206,499
Out of State from	
Individuals	\$29,485
Individuals in MMJ Industry	\$1,250,000
Nonindividuals	\$25,757
Nonindividuals in MMJ Industry	\$60,015
Out of Country Contributions	\$600
Total Proponents	\$35,667,001
Total Opponents	\$2,512,438
Total Raised	\$38,179,439

Source: Follow the Money. [See data analysis.](#)

Colorado 1998 • Initiative 40 Medical—Failed	
Three Billionaires	\$739,563
In State from	
Individuals	\$1,316
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Out of State from	
Individuals	\$1,316
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Total Proponents	\$742,195
Total Opponents	
Total Raised	\$742,195

Source: Follow the Money. [See data analysis.](#)

Colorado 2000 • Initiative 20 Medical—Passed	
Three Billionaires	\$15,000
In State from	
Individuals	
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Out of State from	
Individuals	
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Total Proponents	\$15,000
Total Opponents	\$3,200
Total Raised	\$18,200

Source: Follow the Money. [See data analysis.](#)

Colorado 2006 • Amendment 44 Recreational—Failed	
Three Billionaires	\$164,709
In State from	
Individuals	\$379
Nonindividuals	\$11,502
Out of State from	
Individuals	\$25,457
Total Proponents	\$202,047
Total Opponents	\$1,080,969
Total Raised	\$1,283,016

Source: Follow the Money. [See data analysis.](#)

Colorado 2012 • Amendment 64 Recreational—Passed	
Three Billionaires	\$2,846,394
In State from	
Individuals	\$51,833
Individuals in MMJ Industry	\$31,998
Nonindividuals	\$17,373
Nonindividuals in MMJ Industry	\$31,875
Out of State from	
Individuals	\$369,237
Individuals in MMJ Industry	\$0
Nonindividuals	\$7,300
Nonindividuals in MMJ Industry	\$135,065
Total Proponents	\$3,491,075
Total Opponents	\$706,826
Total Raised	\$4,197,901

Source: Follow the Money. [See data analysis.](#)

Soon afterwards, Dennis Peron told the *New York Times Magazine* that now he bought marijuana from California growers for \$3,200 a pound and sold it for \$65 for an eighth of an ounce, which is equivalent to \$8,320 a pound, or a 160 percent markup. He claimed he sold between 20 to 30 pounds per week. That works out after costs to a tax-free profit of between \$5.3 million and \$8 million a year. (Most states that have legalized pot for medical use do not tax it since it is "medicine.")

Arizona 1996

The billionaires, with Sperling in the lead, took an entirely different approach in Arizona. Their Drug Medicalization, Prevention, and Control Act of 1996 legalized not just marijuana but *all* Schedule I drugs for medical use—heroin, LSD, peyote, MDMA (Ecstasy), psilocybin, Quaaludes, etc. But none of the commercials the billionaires aired told voters that Prop 200 would turn heroin into medicine. With opponents raising no money, once again proponents controlled the message.

Here is one ad they ran:

A lot of campaigns play games with the truth. But Proposition 200 wants to give you the facts straight from the Secretary of State's ballot. A yes vote means that violent drug offenders must serve their entire prison sentence with no parole. [Arizona law already required violent offenders to serve 85

Florida 2014 • Amendment 2 Medical—Failed	
Three Billionaires	\$460,000
Morgan & Morgan	\$4,092,721
In State from	
Individuals	\$2,194,643
Individuals in MMJ Industry	
Nonindividuals	\$511,905
Nonindividuals in MMJ Industry	\$282,300
Out of State from	
Individuals & Nonindividuals	\$261,945
Individuals & Companies in MMJ Industry	
Nonindividuals in MMJ Industry	\$266,046
Total Proponents	\$8,069,560
Total Opponents	\$6,359,132
Total Raised	\$14,428,692

Source: Follow the Money. [See data analysis.](#)

Florida 2016 • Amendment 2 Medical—Passed	
Three Billionaires	\$1,130,000
Morgan & Morgan	\$2,741,971
In State from	
Individuals	\$1,529,801
Individuals in MMJ Industry	\$98,500
Nonindividuals	\$324,799
Nonindividuals in MMJ Industry	\$106,666
Out of State from	
Individuals	\$153,128
Individuals in MMJ Industry	\$15,000
Nonindividuals	\$6,800
Nonindividuals in MMJ Industry	\$91,700
Total Proponents	\$6,198,364
Total Opponents	\$3,474,686
Total Raised	\$9,673,050

Source: Follow the Money. [See data analysis.](#)

Maine 2009 • Question 5 Medical—Passed	
Three Billionaires	\$161,900
Other Out of State	\$1,745
In State	\$200
Total Proponents	\$163,845
Total Opponents	
Total Raised	\$163,845

Source: Ballotpedia. [See data analysis.](#)

Maine 2016 • Question 1 Recreational—Passed	
Three Billionaires	\$3,095,754
Other Out of State	
In State	\$349,139
Total Proponents	\$3,444,893
Total Opponents	\$294,282
Total Raised	\$3,739,175

Source: Ballotpedia. [See data analysis.](#)

percent of their sentences.] And doctors would be able to prescribe *marijuana* to terminally and seriously ill patients with special precautions. Vote yes on Proposition 200. It's a better way. Paid for by Dr. John Sperling, Peter Lewis, George Soros, and the Drug Policy Foundation.⁸

The Arizona legislature overturned Prop 200 soon after it passed, replacing the initiative with a law specifying that doctors cannot *prescribe* any drug not approved by the U.S. Food and Drug Administration (FDA). (California's Prop 215 called for doctors to "recommend" rather than "prescribe" medical pot. Because the Arizona legislators were right, "recommend" became standard in future initiatives.)

The next year, switching names from Arizonans for Drug Policy Reform to The People Have Spoken, the billionaires came back with a new measure to overturn the legislature's actions—and succeeded, initiating an ongoing battle with legislators. After 14 years and several more attempts, with Proposition 203 the billionaires finally medicalized pot (but no other Schedule I drug).

Massachusetts 2008 • Question 2 Decriminalization—Passed	
Three Billionaires	\$1,468,156
In State	
Individuals	\$92,405
MMJ Industry	\$1,000
Out of State	
Individuals	\$13,882
MMJ Industry	
Total Proponents	\$1,575,443
Total Opponents	\$80,670
Total Raised	\$1,656,113

Source: Follow the Money. [See data analysis.](#)

Massachusetts 2012 • Question 3 Medical—Passed	
Three Billionaires	\$1,268,381
In State from	
Individuals	\$4,749
MMJ Industry	\$10,000
Out of State from	
Individuals	\$10,540
MMJ Industry	\$25,000
Total Proponents	\$1,318,670
Total Opponents	\$16,344
Total Raised	\$1,335,014

Source: Follow the Money. [See data analysis.](#)

Massachusetts 2016 • Question 4 Recreational—Passed	
Three Billionaires	\$5,967,214
NORML	\$147,800
In State from	
Individuals	\$105,874
Individuals in MMJ Industry	\$150,000
Nonindividuals	\$59,620
Nonindividuals in MMJ Industry	\$84,500
Out of State from	
Individuals	\$34,704
Individuals in MMJ Industry	\$100,000
Nonindividuals	\$44,485
Nonindividuals in MMJ Industry	\$159,200
Total Proponents	\$6,853,396
Total Opponents	\$3,059,324
Total Raised	\$9,912,720

Source: Follow the Money. [See data analysis.](#)

Revealing the Strategy to Like-Minded Advocates

At NORML's 2000 Annual Conference, with eight successful medical marijuana initiative campaigns under their belts, Bill Zimmerman told attendees:

Our polling shows that only a small minority of Americans wants to change drug policy . . . 20 percent at best when you talk about legalizing drugs. So, you need to educate them, help them understand that the position they're taking is wrong, ill-informed, misguided, whatever.

The way "to move people where we want them to go," he explained, is to put forward initiatives that "have been crafted by public opinion polling and focus group research so that we know exactly how far people are willing to go."

Approaching legalization incrementally works, he continued. It allows us "to project that 'we win every time on this issue,' which is important, he said, "because that puts increasing pressure on the federal government" to repeal the drug laws.

A Commercial Medical Marijuana Industry Emerges

And so it went. From 1996 through 2009, Soros, Lewis, and Sperling raised nearly all the money it took to float 22 legalization ballot initiatives. More failed than succeeded. Nonetheless, they persuaded ten states to medicalize pot during this period. Then an interesting thing happened. By 2010, the billionaires had pushed enough states to allow commercial marijuana cultivation, processing, and sales that a medical pot industry had emerged, one making a lot of money. To expand its market so it could make even more, the industry joined the billionaires to finance ballot initiatives legalizing *recreational* pot.

Success: Pot Goes Recreational

The billionaires achieved their long-sought goal of full legalization two years later in Colorado and Washington, and once they did, they virtually stopped financing medical pot ballot initiatives. Instead, they donated \$44 million to legalize recreational pot in Alaska and Oregon in 2014 and in California, Arizona, Nevada, Massachusetts, and Maine in 2016. (Only Arizona defeated the measure funded by the billionaires and the medical marijuana industry they created.)

Michigan 2008 • Proposal 1-8 Medical—Passed	
Three Billionaires	\$1,985,432
In State from	
Individuals	\$13,569
Nonindividuals	\$285
Out of State from	
Individuals	\$13,136
Nonindividuals	\$185
Total Proponents	\$2,012,608
Total Opponents	\$304,031
Total Raised	\$2,316,639

Source: Follow the Money. [See data analysis.](#)

Montana 2004 • Issue -148 Medical—Passed	
Three Billionaires	\$554,505
In State Individuals	\$427
Out of State Individuals	\$150
Total Proponents	\$555,082
Total Opponents	\$0
Total Raised	\$555,082

Source: Follow the Money. [See data analysis.](#)

Had they really believed marijuana is medicine, the billionaires would presumably still be sponsoring medical marijuana bills. It's only if they saw medical marijuana as a door opener to recreational pot that it made sense for them to abandon pot as medicine. For decades they denied they used the issue of medicine to legalize recreational pot. But as this report documents, numbers don't lie.

It is clear from available financial data that these initiatives were neither sponsored, wanted, nor supported by residents. Instead, the billionaires and the industry they created made legalization happen with the power of money on grossly uneven playing fields. They did it by persuading voters that pot is medicine despite a lack of scientific evidence, FDA approval, or support from the medical community. Their money overwhelmed opponents who eschewed such changes in their states but were fundamentally powerless to stop it.

Montana 2012 • Veto Referendum I-124 Medical—Passed	
(To affirm the legislature's veto of a 2004 MMJ initiative and create a more restrictive MMJ program. The marijuana industry opposed it.)	
Three Billionaires	
In State from	
Individuals	
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	\$3,321
Out of State from	
Individuals	
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	\$34,750
Total Proponents	
Total Opponents	\$ 38,071
Total Raised	\$38,071

Source: Follow the Money. [See data analysis.](#)

Montana 2016 • Initiative 182 Medical—Passed	
Three Billionaires	
In State from	
Individuals	\$6,915
Individuals in MMJ Industry	\$3,000
Nonindividuals	
Nonindividuals in MMJ Industry	\$229,500
Out of State from	
Individuals	\$100
Individuals in MMJ Industry	
Nonindividuals	
Nonindividuals in MMJ Industry	
Total Proponents	\$ 239,515
Total Opponents	\$192,322
Total Raised	\$431,837

Source: Follow the Money. [See data analysis.](#)

Financing Marijuana Legalization Laws, 1996-2009

State	Initiative	Kind	Status	Soros, Lewis	In State		Other Out of State		Total	Total
				& Sperling	Others	MMJ Industry	Others	MMJ Industry	Proponents	Opponents
AZ 1996	P-200	Med	Passed	1,625,000		1,349		1,348	1,627,697	
CA 1996	P-215	Med	Passed	1,583,088	494,927			401,666	2,479,680	33,611
AK 1998	M-8	Med	Passed							
AZ 1998	P-300	Med	Failed							
AZ 1998	P-301	Med	Passed							
CO 1998	I-40	Med	Failed	739,563	1,316		1,316		742,195	
NV 1998	Q-9	Med	Passed	232,733					232,733	
OR 1998	M-67	Med	Passed							
WA 1998	I-692	Med	Passed							
ME 1999	Q-2	Med	Passed							
AZ 2000	P-201	Rec	Withdrawn	600,000					600,000	
CO 2000	I-20	Med	Passed	15,000					15,000	3,200
NV 2002	Q-9	Rec	Failed	575,000			275		575,275	
AZ 2002	P-203	Rec	Failed	1,160,756					1,160,756	60,000
AK 2004	M-2	Rec	Failed	875,240	46,513	24,757	4,816	39,161	990,487	27,211
MT 2004	I-148	Med	Passed	554,505	427		150		555,082	
OR 2004	M-33	Rec	Failed	484,395	78,724	1,081	4,220		568,420	
CO 2006	A-44	Rec	Failed	164,709	11,881		25,457		202,047	1,080,960
NV 2006	Q-7	Rec	Failed	3,042,325	15,189		23,669	604,995	3,686,179	272,000
SD 2006	M-4	Med	Failed	463,001	15,592		16,200		494,793	3,430
MA 2008	Q-8	Decrim	Passed	1,468,156	92,405	1,000	13,882		1,575,443	80,670
MI 2008	P-8-1	Med	Passed	1,985,432	13,854		13,321		2,012,608	304,030
ME 2009	Q-6	Med	Passed	161,900	200		1,745		163,845	
Subtotal 1996-2009				15,730,805	772,377	26,838	508,065	644,156	17,682,240	1,865,130
Percent 1996-2009				80%	4%	0.1%	3%	3%		10

Financing Marijuana Legalization Ballot Initiatives, 2010-2016

State	Initiative	Kind	Status	In State			Other Out of State		Total	
				Soros, Lewis & Sperling	Others	MMJ Industry	Others	MMJ Industry	Proponents	Opponents
AZ 2010	P-203	Med	Passed	593,606	68,203	25,000	5,713	100,000	792,522	28,99
CA 2010	P-19	Rec	Failed	1,599,928	556,476	2,144,801	106,515	225,592	4,633,312	364,83
OR 2010	M-74	Med	Failed	37,800	71,910		4,242	33,600	147,552	34,47
SD 2010	M-13	Med	Failed	49,850	17,649	7,081	315	3,820	78,715	28,37
AR 2012	I-5	Med	Failed	1,423,952	39,553	2,200	12,872		1,478,577	53,17
CO 2012	A-64	Rec	Passed	2,846,394	69,206	63,873	376,537	135,065	3,491,075	706,82
MA 2012	Q-3	Med	Passed	1,268,381	4,749	10,000	10,540	25,000	1,318,670	16,34
MT 2012	I-124	Med	Passed			3,321		34,750	38,071	
OR 2012	M-80	Rec	Failed		71,413	484,000	4,300	10,000	569,713	71,15
WA 2012	I-502	Rec	Passed	3,734,700	35,909	230,000	879,418	1,291,508	6,171,535	15,99
AK 2014	M-2	Rec	Passed	938,976	21,950	50	15,836	140,000	1,116,812	189,09
DC 2014	I-71	Rec	Passed							
FL 2014	A-2	Med	Failed	460,000	6,799,269	282,300	261,945	266,046	8,069,560	6,359,13
OR 2014	M-91	Rec	Passed	5,965,410	3,573,268	962,283	1,032,277	2,514,486	14,047,724	324,01
OH 2015	I-3	Med-Rec	Failed	-	7,670	21,218,596	4,774		21,231,040	2,173,93
AZ 2016	P-205	Rec	Failed	2,362,238	452,195	2,685,520	66,261	1,016,162	6,582,376	8,674,63
AR 2016	I-6	Med	Passed		455,927	272	115	430,078	886,392	6,02
AR 2016	I-7	Med	Passed	62,500	100,526				163,026	58,82
CA 2016	P-64	Rec	Passed	22,829,841	264,804	11,206,499	55,242	1,310,615	35,667,001	2,512,43
FL 2016	A-2	Med	Passed	1,130,000	4,596,571	205,166	159,928	106,700	6,198,364	3,474,68
ME 2016	Q-1	Rec	Passed	3,095,754	174,570		174,569		3,444,893	294,28
MA 2016	Q-4	Rec	Passed	6,115,014	165,494	234,500	79,189	259,200	6,853,396	3,059,32
MT 2016	I-182	Med	Passed		6,915	232,500	100		239,515	192,32
NV 2016	Q-2	Rec	Passed	1,119,652	1,476,325		1,476,325		4,072,301	3,771,50
ND 2016	M-5	Med	Passed	22,660	8,615			971	32,246	
Subtotal 2008-2016				\$55,656,656	\$19,039,167	\$39,997,962	\$4,727,012	\$7,903,593	\$127,324,387	\$32,410,35
Percent 2008-2016				35%	12%	25%	3%	5%		20
Total 1996-2016				\$71,387,461	\$19,811,544	\$40,024,800	\$5,235,077	\$8,547,749	\$145,006,627	\$34,275,52

As of 2/10/2017. Sources: Follow the Money, Ballotpedia, National Families in Action Archive. Note: Follow the Money added \$1,015,880 more contributions to California's Proposition 64 sometime after our cutoff date of 2.10.2017 bringing total contributions for marijuana ballot initiatives between 1996 and 2016 to \$180,298,035.

Why It Matters

By using "medical" marijuana as the means to achieve recreational pot, the billionaires have taken us back to the days before Congress created the Pure Food and Drug Act of 1906 when profit motives drove the sale of impure food and impure, worthless medicines, some of which addicted, maimed, or killed people. Whether they meant to or not, the billionaires have created a commercial marijuana industry that is so intensely motivated by profit it is willing to destroy the food and medicine regulatory process that has protected public health for more than a century.

Why Were Regulatory Controls Needed?

While it is true that addictive drugs have been used medically throughout history, for centuries addictive drugs were all we had. Anesthetics weren't developed until the 1840s. Before then, a broken leg had to be set or an infected tooth pulled without anesthesia. Doctors either administered alcohol to get patients very drunk, knocked them out with blows to the head, or hired up to four large men to hold patients down while they did their work.

Patent Medicines of the 1800s

Medicines weren't regulated until the 20th century. Before then, anyone could produce a medicine, patent it, make claims for its curative powers, and sell it. Popular patent medicines in the 19th century included such "medicines" as *Fatoff Obesity Cream* and *Hamlin's Wizard Oil* claiming to cure rheumatism and a host of other conditions with no scientific evidence to back up such claims.

