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Statistics

* 8% of full time and 10.2% of part time employees abuse illegal drugs.

- 2010 National Drug Threat Assessment

* Workers whose employer did not have a written drug policy were about twice as likely to report they used illicit drugs in the past month as employers with written policies about drug use.

- www.drugrecognition.com

Judge Sides With Wal-Mart In Medical Marijuana Firing Case

With many states around the country creating medical marijuana programs, it was only a matter of time before a medical marijuana program butted heads with an employer's drug testing policy in an employment lawsuit. Generally, medical marijuana programs are state programs that allow people who meet certain medical criteria and register with the state to purchase and possess a modest amount of marijuana for personal consumption.

Even with these medical marijuana programs in place, many employers see the need for a drug-free work force. Recently, Wal-Mart fired an employee who had a medical marijuana card issued by the state of Michigan. The former employee said he needed to

marijuana to treat the pain and symptoms of an inoperable brain tumor and sinus cancer.

After injuring his knee at work, he submitted to company drug test under a Wal-Mart policy requiring drug tests for all employees injured on the job. When he tested positive for marijuana, Wal-Mart terminated his employment. The fired employee then sued Wal-Mart for wrongful discharge, claiming his firing was a violation of the state medical marijuana law. He claimed that the medical marijuana program changed the rules of at-will employment and created a protected class of marijuana users who comply with the state program.

A federal judge disagreed with the terminated employee. In



dismissing the lawsuit, Judge Robert Jonker found that the state medical marijuana program protected registered marijuana users from arrest and prosecution, but the state law did nothing to regulate private employers and the medical marijuana law did not give employees the right to sue their employers.

Article Source: <http://tinyurl.com/3u89ce2>

Notes from Ray Kubacki

Dear Valued Clients and Friends,

On page three you will read about the fastest growing drug problem in the country - prescription drug abuse. While we are not pleased about this disturbing increase, we long ago recognized the need for corporations to be able to identify prescription drug abusers, and added some of the key commonly abused prescription drugs to our standard panel.

In fact, we have a history of adding key drugs to our standard panel without increasing the cost, including the addition of Ecstasy over 10 years ago. Over 6 years ago, we added Oxycodone (OxyContin) after it became a problem, which was soon followed by the addition of Hydrocodone (Vicodin) and Hydromorphone (Dilaudid) at no additional charge to our clients. Many labs only offer this expanded panel for an additional cost.

Sorry if this sounds like a bit of a commercial, but we at Psychemedics are very proud of the fact that we are the industry leader and are constantly striving to provide added value to our clients.

Best Regards,

Ray



Raymond Kubacki, Chairman & CEO, Psychemedics Corporation

New Benefit for Psychemedics Clients - Online Billing

Psychemedics is pleased to announce several changes to our billing and payment process, and we are happy to present a new online bill pay portal that allows you to make secure payments and view your bills online. We are implementing these changes in August 2011 and the information about how to log into the new website will be sent out to you in July. You can also access it through our corporate website at www.psychemedics.com.

Some of the features and benefits of the new online payment system includes access of current and archived bills, credit card processing online, and quicker receipt of new invoices (receive email notifications when invoices are ready).

New payment remit address:

Psychemedics Corporation
C/O Arizona Lockbox and Fulfillment
PO Box 52042
Phoenix, AZ 85072-2042

As always, we appreciate your business and value your feedback. If there are any questions about the new functionality, please contact Ruth Gillen in our Finance Dept at 800-628-8073.

ASTOUNDING FACTS

Originally Heroin was marketed as both cough medicine and as a **non**-addictive replacement for Morphine.

The Bayer company produced and sold Heroin for 15 years.

When it was first tested on workers at Bayer, some claimed it made them feel "heroic," which resulted in the name Heroin.

DRUGS IN THE NEWS

Subway Employee Sold Weed With Foot Longs

The employee allegedly sold marijuana with the purchase of any sandwich that required "extra meat," St. Lucie County Sheriff's Office said.

"Extra meat" was code word for a bag of weed, investigators claimed.

Customers wanting a little extra green on the side would place \$10 in the tip jar and Hunt would slip the weed in the sandwich bag, a police report said.

Undercover cops used the code word twice last month and each time came away with a foot long and some drugs.

http://www.msnbc.msn.com/id/43271837/ns/us_news-weird_news/

American Airlines Employee Smuggled Cocaine In JFK Flights

A smuggling organization relied on corrupt employees of commercial airlines, including American Airlines, at domestic and international ports of entry to smuggle drugs into the United States and throughout the Caribbean.

The organization then paid dispatching crew chiefs at American Airlines to assign crews of baggage handlers, who were also paid by the smuggling organization, to retrieve the cocaine upon arrival.

"The use of commercial aircraft to smuggle narcotics creates a serious threat to both national security and public safety," said ICE Special Agent-in-Charge Hayes.

<http://www.justice.gov/dea/pubs/states/newsrel/2010/nyc101510.html>

Prescription Drugs - The Fastest Growing Drug Problem In The Country

Prescription drug abuse, now the fastest-growing drug problem in the country, has created a ballooning street market for highly-addictive pain relief, anxiety and depression drugs. Given the money involved, it's no wonder.

For decades, Marijuana was the gateway drug for first-time drug abusers in the United States. But two years ago, prescription drugs won that dubious distinction. In 2009, there were seven million Americans abusing prescription pain and anxiety drugs, up 13% from the prior year, according to the most recent data from DEA. The agency expects 2010 numbers to show another double-digit increase. And there's big money in it for criminals. The

trafficking in prescription drugs is close to becoming a billion-dollar industry, industry experts say.

Here's a sampling of the street prices for a single tablet of some commonly trafficked drugs, compared to their retail prices:

--Oxycontin: \$50 to \$80 on the street, vs. \$6 when sold legally

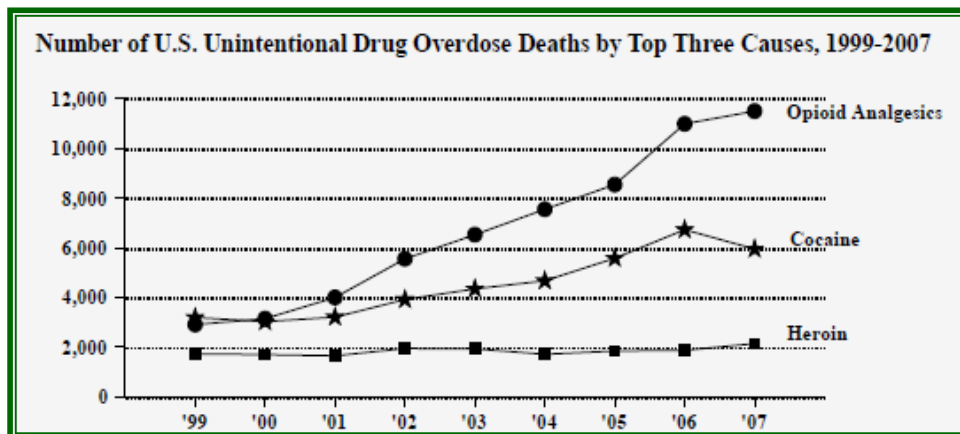
--Oxycodone: \$12 to \$40 on the street, vs. \$6 retail

--Hydrocodone: \$5 to \$20 vs. \$1.50

--Percocet: \$10 to \$15 vs. \$6

--Vicodin: \$5 to \$25 vs. \$1.50

http://money.cnn.com/2011/06/01/news/economy/prescription_drug_abuse/?section=money_latest



Sales of opioid analgesics, such as Oxycodone and Hydrocodone, have increased more than 600% since 1997. The number of opioid analgesic deaths in the United States has nearly quadrupled over the past decade. In fact, opioid analgesics have been responsible for more unintentional drug overdose deaths in the United States than Cocaine and Heroin combined since 2003.

<http://www.cesar.umd.edu/cesar/cesarfax.asp>

Did You Know ??

Psychemedics has gone social!

“Like” our Facebook Page to receive company announcements, “Follow” us on Twitter to get breaking drug news and “Stay Connected” with us on LinkedIn.



*Superior Detection
of Drug Abuse*

**PSYCHEMEDICS
CLIENT SERVICES INFO:**

Client Services hours:
6:00 AM - 5:30 PM PST
Monday – Friday

5832 Uplander Way
Culver City, CA 90230

Phone: 800.522.7424
Fax: 800.643.2354



About Psychemedics

Psychemedics was established in 1987 to provide testing for drugs of abuse using hair analysis, and has been successfully operating for over 20 years. Thousands of corporations currently rely on Psychemedics' patented hair analysis technology for their pre-employment and employee drug screening. Psychemedics is headquartered in Boston and has offices in Dallas, Chicago, Los Angeles and Las Vegas. Our Laboratory is located in Culver City, CA. Psychemedics is a publicly-held corporation listed on NASDAQ under the ticker symbol PMD.