

February 13, 2017

Attorney General Jeff Sessions
Office of the Attorney General
United States Department of Justice
950 Pennsylvania Avenue
Washington, DC 20530-0001

Re: Alturas Indian Rancheria Marijuana Cultivation and Distribution

Honorable Attorney General Sessions:

It is my great pleasure to congratulate you on your appointment and confirmation to the position of Attorney General of the United States of America. I have every confidence that given your professional record and commitment to the rule of law that the United States Department of Justice will once again enforce the laws of these United States. I call your attention to a drug case so egregious that your Office simply must be compelled to enforce federal drug and financial laws, close the facility and bring those responsible to justice.

By way of introduction, I was the Chief Deputy Attorney General/Chief of Staff to California Attorney General Dan Lungren. Dan worked with you both through the National Association of Attorneys General as well as in Congress. Dan has assured me that you are a man of the highest integrity and firmly committed to the rule of law. He also asked that I relay his congratulations and wish you all the best in your new role as the Attorney General.

I am contacting you in hopes that, unlike your predecessors in the previous Administration, you will enforce federal marijuana laws on federal lands. The case I am bringing to your attention is not a case that involves a small amount of marijuana, nor one that is in compliance with State marijuana laws, rather, it is one where the cultivation is within a twenty thousand square foot indoor hydroponic facility that provides for the growing of tens of thousands of marijuana plants. This facility produces and distributes tons of marijuana on an annual basis, none of which is for medical purposes, rather, it is sold "on the street" to whomever has the cash to purchase the drug.

Neither the principles of federalism nor a discussion of the issues the Court identified in *US v Marin Alliance* are in anyway germane to this matter. The undisputed facts are that this facility is on federal land, operated completely outside the parameters of California's Compassionate Care Act, as well as the State's recently enacted allowance for the use of marijuana for recreational

purposes. Furthermore, this facility is far from compliant with the "Cole Memorandum" issued by your predecessor, even if you were to consider that flawed policy directive. The cultivation and distribution of marijuana at and from this facility has nothing to do with compassionate care or personal recreational use, it is for one purpose and one purpose only - the sale of marijuana to anyone that has the money to purchase the drug - all for personal profit.

The history of this case began nearly three years and I will not recite all the pertinent facts in this letter. Briefly stated, this large scale marijuana cultivation and distribution operation was designed by a California attorney, John Peebles, financed by a Canadian citizen, Jerry Montour, and operated by two individuals, Darren Rose and Phillip Del Rosa. Obviously, there are many other individuals involved, but these are the four principals involved in the design and operation of this facility. The plant is located on the reservation of a federally recognized Indian tribe, the Alturas Indian Rancheria ("Tribe"), but it has never been an enterprise authorized by the Tribe. In fact, the Tribe is vehemently opposed to the illegal drug operation.

The facility came to the attention of the Tribe in the spring of 2015, which resulted in communication with the Office of the United States Attorney for the Eastern District here in California. In May of that year, Executive Assistant United States Attorney, Phillip A. Ferrari, issued a letter to the Tribe informing it that his Office was aware that the cultivation and distribution of marijuana was occurring on the Tribe's land and that "...so long as marijuana remains illegal under federal law, those who cultivate and/or distribute it risk federal enforcement action, including criminal prosecution." However, in spite of the warning from Mr. Ferrari, as well as several other similar letters from him, Messrs. Rose and Del Rosa did not cease their operation. In July of 2015 a warrant was issued, a raid ensued and the drug plant was temporarily closed, but no arrests were made in spite of the fact that thousands of plants were confiscated.

A few short months after the raid, members of the Tribe became aware that the facility had recommenced operation and relayed this fact to the Sheriff and to Mr. Ferrari. In spite of the warning from Mr. Ferrari and the federal action to close the marijuana operation, Messrs. Rose and Del Rosa recommenced the cultivation and distribution stating to several individuals "we don't care what the Feds think, there is way too much money to be made to give in to their threats". Even more astonishing, the recommencement of their cultivation and distribution operation was done after they assured federal authorities, including Mr. Ferrari, that the facility was no longer cultivating marijuana. They lied to federal law enforcement officers. To this date, Messrs. Rose and Del Rosa continue to grow and distribute marijuana on a scale unheard of in California and perhaps anywhere in the United States. California medical marijuana advocates have

condemned the facility, Tribal members are vehemently opposed to its operation, the US Attorney's Office continues to warn Messrs. Rose and Del Rosa that the facility is illegal under federal law, the Sheriff wants to close the facility, but has no jurisdiction on federal land, and the cultivation and distribution of marijuana on a scale that would make "El Chapo" Guzman proud continues to flood the streets with marijuana.

Mr. Attorney General, the facts of this case are so egregious that they cry out for enforcement of federal law. This is not a case of the application of federal marijuana law in a state where the people of that state have decided that within certain limited parameters the possession and use of the drug is permissible, rather, it is an operation so far outside even the State's parameters that it simply must be terminated and those responsible brought to justice. This facility is on federal land, not fee land, and is operated pursuant to the same motivation of the drug cartels - personal profit. It is on an enormous scale, tens of thousands of plants and tons of marijuana, sold to anyone with the cash to purchase the drug. If there was ever a "poster operation" for what will not be tolerated by your Office this is it.

The Tribe's attorney, the former US Attorney for the Eastern District, McGregor Scott, has prepared a detailed forensic audit of the Tribe's financial history that clearly demonstrates the tax fraud, tax evasion, wire fraud, mail fraud and money laundering committed by Messrs. Rose and Del Rosa. The DEA, US Attorney and Sheriff have a substantial amount of evidence accumulated to prosecute this case. I also offer the full cooperation and assistance of the Tribe for testimony and any further documentation you deem necessary. I look forward to hearing from you and have every confidence that you will follow the rule of law and bring this massive drug operation to a close and bring those responsible to justice. A drug facility of this magnitude located on federal land and operated by individuals that have lied to and misled federal law enforcement officials simply can not be tolerated.

Sincerely



Wayne R. Smith
Tribal Administrator

Mike Poindexter, Sheriff of Modoc County
Phillip Ferrari, Executive Assistant United States Attorney
Jon R. Black, Special Agent, USDOJ Drug Enforcement Administration
Amy Dutschke, Pacific Regional Director, Bureau of Indian Affairs



February 7, 2017

Phillip A Ferrari
Executive Assistant United States Attorney
U.S. Department of Justice
United States Attorney
Eastern District of California
501 B Street, Suite 10-100
Sacramento, CA 95814

Re: Alturas Indian Rancheria ("Tribe")

Dear Mr. Ferrari:

While I understand that your Office is continuing its investigation of the illegal marijuana cultivation and distribution business operated on the Tribe's lands in Alturas, CA., by Darren Rose and Phillip Del Rosa, I must express my frustration over the fact that in spite of your knowledge of this illegal drug business, marijuana continues to be grown, harvested and sold "on the street". I do not mean to be disrespectful, but I can not understand how this clearly illegal drug business is allowed to continue to operate.

While it is not directly relevant to the legality of the marijuana operation, as I have stated on numerous occasions, the illegal marijuana cultivation and distribution business operated by Messrs. Rose and Del Rosa is **not** a Tribal business. Wayne Smith previously sent you a recent decision issued by the Regional Director of the Bureau of Indian Affairs reaffirming the federal government's position that the Tribe has no recognized government. Accordingly, it is impossible for Messrs. Rose and Del Rosa to submit that their private criminal drug enterprise is anything but a private criminal drug enterprise owned and operated by the two of them for their personal financial gain.

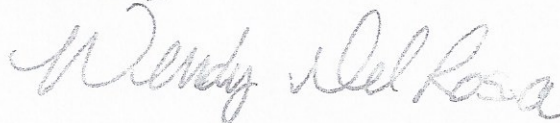
You may also be aware that in a separate civil proceeding, Jerry Montour, (and other corporations) v John Peebles, (his law firm and Does), Sacramento Superior Court #34-2016-00199029, some interesting documents have been discovered that fill in some of the factual beginnings of this criminal enterprise. For example, the attorney billing statements demonstrate that Mr. Peebles and

Darren Rose met to discuss the commencement of the operation in the summer of 2014, and numerous times thereafter, prior to our knowledge of their criminal plan. There is also an agreement that Messrs. Rose and Del Rosa executed that sold Tribal property for their personal gain and allowed for them to receive hundreds of thousands of dollars from their partners as an incentive to commence the drug business. Additionally, some of the admissions of Mr. Peebles clearly demonstrate that all three of them knew the marijuana business they were contemplating was illegal under federal law.

Phillip, this criminal enterprise has been allowed to flourish even after your Office raided the operation nearly a year and a half ago. Immediately following the closure of the drug operation by law enforcement agencies in July 2015, Messrs. Rose and Del Rosa recommenced operation and continue to grow and sell large quantities of marijuana, not only illegal under federal law, but illegal under California law. It is my understanding from a witness that I have spoken with that the current hydroponic tent contains approximately 10,000 plants and that they harvest and distribute bi-weekly. It is beyond my comprehension to understand why this undoubtedly criminal enterprise is allowed to operate by your office. Besides the violations of federal drug laws, Messrs. Rose and Del Rosa have engaged in a long term practice of tax fraud, tax evasion, wire fraud, mail fraud, as well as numerous other financial crimes.

I am aware that we will have a new Attorney General before the end of the week and I truly hope that Attorney General Sessions will enforce federal drug laws, especially ones as egregious as this one. If I can be of any further assistance or should you have any questions regarding the current status of the Tribe and its opposition to Messrs. Rose and Del Rosa's private criminal drug enterprise, please feel free to contact me or Wayne Smith.

Sincerely,



Wendy Del Rosa
Co-Chair & Secretary/Treasurer
Alturas Indian Rancheria
530 310-3198
wdelelrosa@aol.com

Mike Poindexter, Modoc County Sheriff
Attorney General Jeff Sessions (with attachments)

