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ROSEVILLE MARIJUANA SHOP OPERATOR INDICTED FOR MARIJUANA TRAFFICKING AND MONEY LAUNDERING OFFENSES

\$2.7 MILLION IN FUNDS OVER 8-MONTH PERIOD

SACRAMENTO -- United States Attorney McGregor W. Scott, Drug Enforcement Agency Assistant Special Agent-in-Charge Gordon Taylor, IRS-Criminal Investigation Assistant Special Agent-in-Charge Sadie Towler, and Placer County District Attorney Brad Fenocchio announced today that a federal grand jury returned a 19 count indictment with forfeiture allegations yesterday charging RICHARD JAMES MARINO, age 52, of Fort Bragg, California, with marijuana trafficking and money laundering offenses. The indictment relates to the sale of marijuana from the Capitol Compassionate Care business in the City of Roseville in 2004.

This case is the result of an extensive/joint investigation by the Drug Enforcement Administration and the Internal Revenue Service.

According to court documents, the indictment alleges that from January to September 2004, MARINO and others conspired to distribute at least 100 kilograms of marijuana, and that MARINO manufactured, distributed, and possessed with intent to distribute marijuana. If convicted, the maximum penalty under federal law for each offense charged is 40 years. Furthermore, the indictment alleges that MARINO made approximately \$2,750,849.40 from the sale of marijuana during an eight month period under the guise of dispensing medicinal

marijuana. With the illicit profits gained from trafficking in marijuana, MARINO engaged in a money laundering scheme to conduct financial transactions with the intent to promote the carrying on of the unlawful activity according to the indictment. If convicted, the maximum penalty under federal law for engaging in money laundering offenses is either 10 or 20 years.

The indictment further seeks the forfeiture of \$2,750,849.40, representing the amount of proceeds obtained from the sale of marijuana. Of that figure, \$356,130.28 in funds were involved in, or traceable to, the money laundering offenses.

In addition to criminal forfeiture allegations, the United States Attorney's Office previously brought a parallel civil forfeiture action against property owned by MARINO in Newcastle, California at which he had cultivated marijuana. As a result, an amount equal to the down payment MARINO had placed on the property, \$110,000, was forfeited. Additionally, \$92,000 in cash was civilly forfeited. There is a remaining civil forfeiture action pertaining to the property in Roseville, California at which the Capitol Compassionate Care club was operated.

"The cultivation and sale of marijuana is, without exception, illegal under federal law. Further, there is no question that Mr. MARINO's activities were equally illegal under state law," said United States Attorney Scott. "Federal law enforcement efforts will continue to focus on large-scale marijuana traffickers, including those who would seek to make large sums of money hiding behind California's Proposition 215."

"This case is a perfect example of a person using "medical marijuana" as a smokescreen to hide his true agenda, which was to line his pockets with illegal drug money. In a matter of months, he transformed his marijuana distribution center into a multi-million dollar money laundering and drug trafficking empire. The DEA will continue to enforce federal drug statutes

and arrest those, like Richard Marino, who believe they are above the law," DEA Assistant Special Agent-in-Charge Gordon Taylor.

"IRS Criminal Investigation is proud to have contributed to this joint investigation by using our skills in "following the money". While we normally pursue tax violations, this case is an excellent example of how our financial investigative skills work equally as well in pursuing money laundering violations to assist in identifying and eradicating criminal organizations by taking the profits out of their illicit activities," said IRS-CI Special Agent-in-Charge Roger L. Wirth.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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