

UNITED STATES DISTRICT COURT

for the

Eastern District of California

United States of America )
v. )
William James FARBER, aka "Bill Danzerian," ) Case No. 1:17-mj-00124-EPG
Michael Angelo PALMA, )
Richard Thomas MARTINSEN, )
Bryan Anthony LEMONS, and )
Michele PICKERELL )
Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of August 2013 through May 2017 in the county of Fresno and Kern in the Eastern District of California, the defendant(s) violated:

Table with 2 columns: Code Section, Offense Description. Rows include 21 U.S.C. § 841(a)(1), (b)(1)(C) and 846; 18 U.S.C. § 1956; Distribution of Controlled Substances and Conspiracy; Money Laundering and Conspiracy.

This criminal complaint is based on these facts:

(see attachment)

[X] Continued on the attached sheet.

Matthew Larsen (handwritten signature)

Complainant's signature

Matthew Larsen, Special Agent, HSI

Printed name and title

Sworn to before me and signed in my presence.

Date: August 5, 2017

Erica P. Grosjean (handwritten signature)

Judge's signature

City and state: Fresno, California

Erica P. Grosjean, U.S. Magistrate Judge

Printed name and title

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**AFFIDAVIT OF MATTHEW LARSEN**

I, Matthew Larsen, being duly sworn, declare and state as follows:

**I. INTRODUCTION**

1. I am a Special Agent with Homeland Security Investigations (HSI) and have been so employed for approximately eight years. As a requirement for employment as an HSI Special Agent, I successfully completed the Criminal Investigator Training Program (CITP) located at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia. At the conclusion of CITP, I completed an additional Immigration and Customs Enforcement Special Agent Training Academy. As part of the training at FLETC, I received extensive instruction in the areas of immigration law, customs law, illegal narcotics, firearms, rules of evidence, and interview techniques.

2. As a Special Agent with HSI, part of my duties include the investigation of criminal violations as proscribed by 21 U.S.C. §§ 841 & 846 (Distribution of Controlled Substances and Conspiracy) and 18 U.S.C. §§ 1956 & 1957 (Money Laundering and Conspiracy). Moreover, as an HSI Special Agent, I am generally authorized to investigate violations of the laws of the United States and to execute search and seizure warrants issued under the authority of the United States.

3. I am familiar with the formal methods of illegal narcotics investigations, including electronic surveillance, visual surveillance, general questioning of witnesses, search warrants, confidential informants, the use of undercover agents,

and analysis of financial records. I have participated in investigations of organizations involved in the manufacture, distribution, and possession with intent to distribute controlled substances.

4. My knowledge of drug trafficking and money laundering practices, as well as my knowledge of drug transportation and distribution techniques on the "dark web," arise from the following:

- a. my training and experience in drug and dark web investigations;
- b. the collective shared experience of other federal agents, state and local law enforcement officers I have worked and consulted with in regards to this investigation, and
- c. other intelligence information provided through law enforcement channels.

5. The information contained in this affidavit is submitted for the sole purpose of demonstrating probable cause to obtain a criminal complaint. Because this affidavit is being submitted for the sole purpose of demonstrating probable cause, it does not contain all of the information known to me and other law enforcement officers involved in this case.

6. Based on my training and experience and the facts as set forth in this affidavit, there is probable cause to believe that violations of 21 U.S.C. §§ 841, 846 (distribution of controlled substances and conspiracy) and 18 U.S.C. § 1956 (money laundering and conspiracy) have been committed by William

**FARBER**, Michael **PALMA**, Richard **MARTINSEN**, Bryan **LEMONS**, and Michele **PICKERELL**, and others not charged in this complaint.

## II. SUMMARY OF THE INVESTIGATION

7. I initiated this investigation based on the money laundering activities of William **FARBER**, a Los Angeles resident who was converting large amounts of bitcoin into cash through an unlicensed bitcoin exchanger in Bakersfield, California and elsewhere. As described below, over the course of my investigation I discovered that **FARBER** was a dark web narcotics trafficker on The Silk Road from approximately June 2013 through October 2013, operating under the name "Purefiremeds." After the Silk Road was shut down by law enforcement in October 2013, **FARBER**, with other co-conspirators, began operating on other dark web marketplaces, including AlphaBay, under the name "HumboldtFarms" (hereafter, with other associates, referred to as the "**HUMBOLDTFARMS DTO**"), through which he sold thousands of pounds of marijuana to customers throughout the United States and is believed to have been the largest vendor on AlphaBay from approximately March 2015 through May 2017.

8. As described below, members of the **HUMBOLDTFARMS DTO**, including **PALMA**, **MARTINSEN**, and others have used the residence of co-conspirator Michele **PICKERELL** (the "GABRIELINO RESIDENCE"), located in a gated community in Altadena, California, to assemble and mail an estimated 1,000 parcels a week of marijuana. I believe that the **HUMBOLDTFARMS DTO** completed over 78,000 orders on the dark website AlphaBay since approximately March 2015. Further, I learned through an email

search warrant and other evidence that **FARBER**, with assistance from **LEMONS** and others, has exchanged at least \$7 million in bitcoin for cash through unlicensed bitcoin exchangers, which is believed to be the proceeds of the **HUMBOLDTFARMS DTO**'s drug distribution.

### **III. BACKGROUND ON DIGITAL CURRENCY**

9. Digital currency (also known as crypto-currency) is generally defined as an electronic-sourced unit of value that can be used as a substitute for fiat currency (i.e., currency created and regulated by a government). Digital currency exists entirely on the Internet and is not stored in any physical form. Digital currency is not issued by any government, bank, or company and is instead generated and controlled through computer software operating on a decentralized peer-to-peer network. Digital currency is not illegal in the United States and may be used for legitimate financial transactions. However, digital currency is often used for conducting illegal transactions, such as the sale of controlled substances.

10. Bitcoin is a type of digital currency. Bitcoin payments are recorded on a public ledger that is maintained by peer-to-peer verification, and is thus not maintained by a single administrator or entity. Individuals can acquire bitcoins either by "mining" or by purchasing bitcoins from other individuals. An individual can "mine" for bitcoins by allowing his/her computing power to verify and record the bitcoin payments into a public ledger. Individuals are rewarded for this by being given newly created bitcoins.



11. An individual can send and receive bitcoins through peer-to-peer digital transactions or by using a third-party broker. Such transactions can be done on any type of computer, including laptop computers and smart phones.

12. Bitcoins are stored in digital "wallets." A digital wallet essentially stores the access code that allows an individual to conduct bitcoin transactions on the public ledger. To access bitcoins on the public ledger, an individual must use a public address (or "public key") and a private address (or "private key"). The public address can be analogized to an account number while the private key is like the password to access that account.

13. Even though the public addresses of those engaging in bitcoin transactions are recorded on the public ledger, the true identities of the individuals or entities behind the public addresses are not recorded. If, however, a real individual or entity is linked to a public address, it would be possible to determine what transactions were conducted by that individual or entity. Bitcoin transactions are, therefore, described as "pseudonymous," meaning they are partially anonymous.

14. Through the dark web or dark net, i.e., websites accessible only through encrypted means, individuals have established online marketplaces, such as the Silk Road, for narcotics and other illegal items.<sup>1</sup> These markets often only

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<sup>1</sup> The Silk Road was a dark net website operated as a TOR hidden service. The Silk Road allowed its users to browse anonymously to purchase a variety of illegal goods, including



accept payment through digital currencies, such as bitcoin. Accordingly, large amounts of bitcoin sales or purchases by an individual is often an indicator that the individual is involved in narcotics trafficking or the distribution of other illegal items. Individuals intending to purchase illegal items on Silk Road-like websites need to purchase or barter for bitcoins. Further, individuals who have received bitcoins as proceeds of illegal sales on Silk Road-like websites need to sell their bitcoins to convert them to fiat (government-backed) currency. Such purchases and sales are often facilitated by peer-to-peer bitcoin exchangers who are not registered with the federal or a state government and who advertise their services on websites designed to facilitate such transactions. These unregistered exchangers often charge a higher transaction fee than legitimate, registered digital currency exchangers. This higher fee is essentially a premium that the unregistered exchangers charge in return for not filing reports on the exchanges pursuant to the Bank Secrecy Act, such as Currency Transaction Reports and Suspicious Activity Reports.<sup>2</sup>

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controlled substances. Bitcoin was the form of payment accepted by the site. In 2013, the FBI shut down the website and arrested Ross William Ulbricht under charges of being the site's pseudonymous founder "Dread Pirate Roberts." In February 2015, Ulbricht was convicted on conspiracy, narcotics and money laundering charges in the Southern District of New York relating to the Silk Road and was sentenced on May 29, 2015, to life in prison. His conviction and sentence was affirmed by the Second Circuit Court of Appeals.

<sup>2</sup> In 2013, the Financial Crimes Enforcement Network (FinCEN) determined "persons creating, obtaining, distributing, exchanging, accepting, or transmitting virtual currencies" are subjected to the regulations contained within the Bank Secrecy Act.

15. Dark websites (such as when the Silk Road existed) operate on "The Onion Router" or "TOR" network. The TOR network ("TOR") is a special network of computers on the Internet, distributed around the world, that is designed to conceal the true Internet Protocol ("IP") addresses of the computers accessing the network, and, thereby, the locations and identities of the network's users. TOR likewise enables websites to operate on the network in a way that conceals the true IP addresses of the computer servers hosting the websites, which are referred to as "hidden services" on the TOR network. Such "hidden services" operating on TOR have complex web addresses, generated by a computer algorithm, ending in ".onion" and can only be accessed through specific web browser software designed to access the TOR network.

#### **IV. STATEMENT OF PROBABLE CAUSE**

##### **A. Overview of Individual Subjects**

###### **1. William FARBER**

16. **FARBER** is a resident of Los Angeles and is 37 years old. His criminal history includes: 2014 convictions for misdemeanor reckless driving and misdemeanor driving without a license; a 2006 conviction for misdemeanor possession of obscene material (minor in a sex act); and a 2006 conviction for misdemeanor driving under the influence. **FARBER** is currently a State of California registered sex offender.

17. **FARBER** was initially identified by law enforcement based on his exchanging of large sums of bitcoin for cash using unlicensed money exchangers. After identifying **FARBER** as being

involved in bitcoin-for-cash exchanges, I was able to determine that he was a vendor of marijuana, cocaine, mushrooms, ecstasy, LSD, and various prescription drugs on the Silk Road using the moniker "Purefiremeds." This information came from the seized servers of the Silk Road. After the Silk Road was shut down by law enforcement, **FARBER** and his co-conspirators began selling large quantities of marijuana on the dark web marketplace AlphaBay<sup>3</sup> under the moniker "HumboldtFarms."

2. Michael PALMA

18. **PALMA** is a resident of Los Angeles and is 22 years old. He was arrested in 2013 on state burglary charges. The disposition for this arrest is unknown.

19. **PALMA** was identified by case agents as one of the individuals who regularly went to **PICKERELL's** residence and then to post offices in the Los Angeles area to ship parcels of marijuana to customers of the **HUMBOLDTFARMS DTO**. Case agents have observed **PALMA** in person and through surveillance footage mailing hundreds of parcels on behalf of the **HUMBOLDTFARMS DTO**. Two of the parcels **PALMA** mailed were seized by case agents and found to contain marijuana.

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<sup>3</sup> AlphaBay is estimated to have been the world's largest darknet marketplaces. Like the Silk Road, AlphaBay existed on the TOR network and allowed users to buy and sell all types of illegal goods, including narcotics, stolen identification and bank account records, and toxic chemicals. It began operation in December 2014 and was taken down by U.S. law enforcement on or about July 5, 2017. Its founder and administrator, Alexandre Cazes, aka "Alpha02," "Admin," is believed to have killed himself in a Thai prison where he was awaiting extradition to the United States on federal RICO, narcotics, access-device fraud, and money laundering charges.

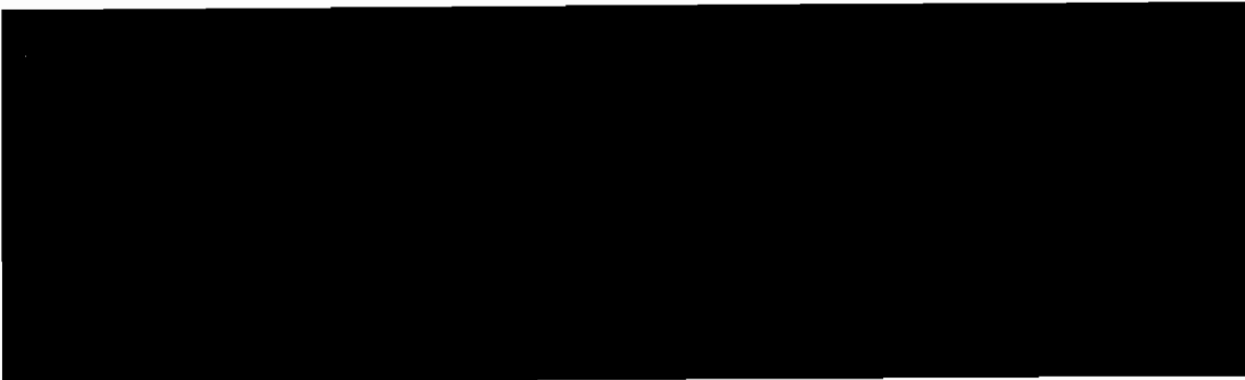
3. Richard MARTINSEN

20. **MARTINSEN** is a Studio City resident and is 29 years old. He does not have a criminal history.

21. In February and March of 2017, **MARTINSEN** purchased over \$9,500.00 worth of a distinctive priority postage stamps that were used by the **HUMBOLDTFARMS DTO** to mail marijuana parcels. Also, in March and April of 2017, case agents observed **MARTINSEN** in person and through surveillance footage mailing hundreds of parcels on behalf of the **HUMBOLDTFARMS DTO**. Two of the parcels **MARTINSEN** mailed were seized by investigators and found to contain marijuana. According to social media postings, **MARTINSEN** is friends with **FARBER** and has travelled with him. **MARTINSEN** is also friends with **LEMONS**.

4. Bryan LEMONS

22. **LEMONS** is a Los Angeles resident and is 29 years old. His criminal history includes: 2010 convictions for misdemeanor driving under the influence of alcohol and misdemeanor driving under the influence of drugs; and a 2012 deferred entry of judgment for possession of a controlled substance. **LEMONS** also violated his terms of probation in 2013 and 2015, for which he served time in jail.



cartridge company called "Dabble," which is associated with HumboldtFarms parcels, William **FARBER**'s edible marijuana company, Cheef Naturals, and Richard **MARTINSEN**'s event promotion company, "bLAacklist." Additionally, **PALMA** visited **LEMONS**'s former residence after working at the GABRIELINO RESIDENCE and mailing packages on behalf of the **HUMBOLDTFARMS DTO**.

5. Michele PICKERELL

24. **PICKERELL** is an Altadena, California resident and is 47 years old. She does not have a criminal history. Case agents discovered that individuals mailing parcels on behalf of the **HUMBOLDTFARMS DTO** were meeting at **PICKERELL**'s residence on almost a daily basis and then travelling to post offices to send out parcels of marijuana to customers of the **HUMBOLDTFARMS DTO**. Case agents also discovered that **PICKERELL** is Facebook friends with **FARBER**. She is seen in one photo on Facebook wearing a "Stix" baseball cap (as described below, "Stix" is the name of a skateboard shop co-owned by **FARBER**). Phone records indicate that **PICKERELL** communicated with **FARBER** over 100 times within a three-week time period, as described below.

B. **Overview of the VANALDEN WAREHOUSE**

25. Case agents installed a GPS tracker on **FARBER**'s vehicle in April 2017, which showed that **FARBER**'s vehicle traveled to the warehouse in Northridge, California (the "**VANALDEN WAREHOUSE**") on multiple occasions. In addition, according to the Department of Water and Power (DWP), the warehouse uses an unusually large amount of power, which is indicative of indoor marijuana grow activities. The DWP account

is in the name of **FARBER** and a marijuana-related business, "Marlin Management." Further, as described below, public records indicate that "Green Nation Cultivation, LLC" is associated with this warehouse. Green Nation Cultivation advertises itself as an investment and management company specializing in marijuana cultivation.

**C. Initial Investigation into FARBER**









[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

**D. FARBER on the Silk Road**

38. On November 11, 2015, former DEA Task Force Officer (TFO) Jared Gabbay provided me with the following information pertaining to a search warrant conducted on January 23, 2014, by DEA Boston and the Cambridge Massachusetts Police Department, on a residence located at 115 Harvard St, # 4, Cambridge, MA 02139.



valued at approximately \$8,000.00. Agents and officers recovered a clandestine narcotics laboratory, various pharmaceutical controlled substances, and United States Postal Service ("USPS") mail shipping slips.

40. Investigators examined the mail shipping slips and noted that the labels were addressed to the following persons:

TO: William **FARBER**, 857 Palo Verde Ave, Pasadena, CA 91104.

TO: William **FARBER**, 421 South Myrtle Avenue, Monrovia, CA 91016.

41. All of the USPS Express Mail labels had the "Waiver of Signature" indicated. I know from my training and experience that this waiver is commonly utilized by persons sending controlled substances and/or U.S. currency through the USPS: As a result of selecting this waiver, the recipient of the package will not have to provide a signature at time of delivery, which prevents the recipient from having to provide a signature and being caught in a potential law enforcement controlled package delivery. Additionally, I know from my training and experience that USPS Express mail is a common method of shipping utilized by drug traffickers and money laundering groups because of its affordability and privacy as compared to commercial mailing.

42. The labels recovered cover the time period from approximately September 2013 through December 2013. Some labels

do not indicate a date. A total of 22 USPS Express labels were recovered. Included in shipping labels was a receipt from the Kendall Square Post Office, located in Cambridge, Massachusetts. The receipt was for a USPS Express mailing [REDACTED] William **FARBER**.

43. TFO Gabbay informed me that [REDACTED] was acting as a Bitcoin exchanger, in which he would buy bitcoin from individuals, including **FARBER**, and then send cash through the mail to his customers. TFO Gabbay interviewed [REDACTED] [REDACTED] were mailing **FARBER** cash in the mail at the time of the execution of the search. In addition, [REDACTED] stated they were sending \$10,000-\$20,000 per day to a dark-web narcotics supplier (not **FARBER**) based out of Porterville, California.

44. TFO Gabbay stated that [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] The registered business address was [REDACTED] [REDACTED] [REDACTED]. TFO Gabbay believed this was Best's attempt to operate as a "legitimate"

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[REDACTED]



Bitcoin exchanger while also providing cash to dark-web vendors, including **FARBER**, as detailed below.

45. On November 18, 2015, TFO Gabbay stated he examined e-mails that Best sent and received in the days prior to mailing packages to **FARBER**, including emails sent between Best and **FARBER** on October 3, 2013. TFO Gabbay noted that there were Pretty Good Privacy (PGP)<sup>5</sup> encrypted e-mails from "Purefiremeds" ("**purefiremeds420@yahoo.com**") on or about October 3, 2013.

**E. FARBER's Use of the Moniker "Purefiremeds" on the Silk Road**

46. Based on the previously mentioned email address, "**purefiremeds420@yahoo.com**," I searched publicly available dark web information and discovered comments and reviews on a dark web vendor known as "**PUREFIREMEDS**."

47. On March 2, 2016, I received information from the International Organized Crime Intelligence and Operations Center (IOC-2) pertaining to the dark web vendor "Purefiremeds." The information came from the seized servers of the dark-web markets Silk Road and Pandora. The Pandora marketplace operated in a similar fashion to the Silk Road, which is described above.

48. I noted that according to the Silk Road data provided by IOC-2, on September 23, 2013, the vendor "PUREFIREMEDS" sent a private message to "CASHGUY" which stated the following:

a. "Yes that works for me. Please overnight cash for 60 bitcoins to same address asap: William **FARBER**, 421 S Myrtle

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<sup>5</sup> Pretty Good Privacy (PGP) is a popular program used to encrypt and decrypt email over the Internet, as well as authenticate messages with digital signatures and encrypted stored files.

Ave, Monrovia, CA, 91016 [I have confirmed that **Farber** in fact resided at this address during at this time period]. This will be the address that you will continue to ship cash to. After today I will be deleting this address from this message history so please keep for yourself somewhere safe (possibly an encrypted drive or device). Also I do not have access to your pub key so please sent that to me or let me know where I can access this. I will start to contact you via your email address after I get your pub key. I am sending the 60 bitcoins your way now. Confirm after when you have shipped the cash. Thanks!"

b. I also discovered the following private message from "CASHGUY" to "PUREFIREMEDS" sent on September 18, 2013:

i. Yes, I very much apologize for the delay. This afternoon SR seems up and running again. cool. I've sent you \$3720 (sorry for overpaying a bit) and the tracking number is EU 92019635 US and you should have it by tomorrow morning. Here is my bitcoin address: 12rsZ8wcLgm6xjmR9SQYggSv8Hxix8DUq.

49. TFO Gabbay provided me with photos of USPS Express Mail labels found in Best's apartment during the search warrant that was conducted on January 23, 2014, in Cambridge, Massachusetts, as described above. One of the photos is of a label dated September 18, 2013, and addressed to **FARBER**. The tracking number is EU 926019635 US, which is the same number mentioned in the private message I found from "CASHGUY" to "PUREFIREMEDS."

50. Based on this private message exchange, I believe that the vendor "Purefiremeds" was **FARBER** and that the buyer of bitcoin, "CASHGUY," was Best.

51. I reviewed data from the Pandora servers pertaining to the vendor PUREFIREMEDS and noted the following:

a. On January 6, 2014, the buyer "blackCodeDog" purchased "(10) Blue Mac Reboots Ecstasy Pill (180 mg, MDMA, XTC, Lab Tested)" from PUREFIREMEDS for a total of .1057 bitcoin, which was the equivalent of \$97.4833. The shipping address provided by the buyer was Ruth Xovox, PO Box 4263, Georgetown, CA 95634.

b. The bitcoin for this purchase was released from escrow by the buyer on January 8, 2014.

52. In addition, I reviewed the PGP key from the PUREFIREMEDS vendor accounts from the Silk Road and Pandora dark net marketplaces and noted the PGP key is the same for both accounts. I believe that this common PGP key indicates that the same person was operating both vendor accounts.

53. According to an analysis I received from the DEA Document and Media Exploitation Section, PUREFIREMEDS finalized 5,486 narcotics orders between August 26, 2013, and October 28, 2014. PUREFIREMEDS sold 10 different types of illegal narcotics, including marijuana, cocaine, norco hydrocodone, mushrooms, ecstasy, MDMA, LSD, Oxycodone, Xanax, and Ketamine. The total value of these finalized orders was estimated to be \$1,183,904.60.

**F. Border Search on FARBER's Cell Phone**

54. On January 22, 2016, I was notified that **FARBER** was departing the United States from the Port of Miami on a cruise ship that was destined for Jamaica. I contacted HSI Miami and requested they conduct a border search of **FARBER** upon his return to the United States. HSI Miami and United States Custom and Border Protection officers conducted the border search of **FARBER** when he returned. An HSI Forensics Agent provided me a copy of **FARBER's** cell phone obtained during the search. I examined the contents of the phone, which are summarized below:

a. I found numerous pictures related to narcotics, including the following:

i. One small clear plastic bag of pink triangle shaped pills resembling the illegal narcotic ecstasy.

ii. Dozens of green rectangular shaped pills resembling the illegal narcotic ecstasy.

iii. One small clear plastic bag of five pink triangle shaped pills resembling the illegal narcotic ecstasy.

iv. One garbage bag containing numerous clear plastic bags containing mushrooms.

v. One hand holding six pink triangle shaped pills resembling the illegal narcotic ecstasy.

vi. One clear plastic bag containing mushrooms.

vii. A blue powdery substance on a flat surface that appears to be ground down ecstasy or adderall.

viii. Pieces of honey oil on a flat surface.

ix. Marijuana.

x. Jessica Laughlin, who appears to be **FARBER's** girlfriend, holding mushrooms in both hands.

xi. **FARBER** on a boat in the water while doing whippets (nitrous oxide found in small metal cannisters).

xii. Vacuum sealed marijuana.

xiii. Four clear plastic bags containing round green pills, green rectangular pills, round orange pills, and round white pills, all resembling ecstasy.

xiv. A screenshot of a pillreports.net report on four ecstasy pills.

b. I discovered the following text messages on **FARBER's** phone:

i. On November 27, 2013, at 11:13pm, "Marlo" texted **FARBER** the following message: "Can you bring us the white girl to hang out plz." At 11:27pm, **FARBER** responded "sure." I know from my training and experience that "white girl" is a nickname for cocaine.

ii. On December 6, 2013, at 4:19pm, "Marlo" texted **FARBER** the following message: "Just popped a meatloaf in I should be there by 4:15." At 4:21pm "Marlo" sent a follow-up message: "Also can I get 4 or 5 norcos? Whatever 20\$ will buy?" At 4:35pm, **FARBER** responded "ok." I know from my training and experience that "norco" is a prescribed opioid pain medication that is often abused by drug users.

iii. On June 25, 2014, at 4:49pm, "Gee Sylvias Bff" sent **FARBER** the following message: "Fuck u douche bag drug dealer. Fuck u!!! And sorry I'm not stupid enough to believe

that ham took over ur spot...good plan but not that stupid. I would never rat on u guys...U R A DICK and ur time will come loser. Don't EVER tell someone I said something I didn't say. BULLSHIT!!! U r 2 feet tall acting like u r a bad ass. Ur not!!! Silvia so stupid up your ass. U treat people like shit. Ur day will come...u r a joke. Hey u r 2 ft tall...and trust me...Jessica will never stay with u. She is way to pretty and can get a lot better than a piece of shit drug dealer like u. EVERYONE OF UR FRIENDS THINK UR AN ASSHOLE. Ur own brother thinks u r an asshole. Rule 101 in drug dealing...don't be so fucking mean to people. That's an idiot move. I don't need to rat on u...uve pissed off so many people...someone will get u...Good luck cause u will go down one day. U try to kiss up to Don. He can't stand u. No Don is a big deal...u r a wanna be. U have issues...u r insecure as fuck...FUCK u!!! Go sell more drugs and piss people off. I'm old as dirt and I know more people than u will ever know. I'm not scared of u...but be careful bil cause I'm after u personally. Would never rat...There is way worse things. So keep eyes in the back of ur head cause u just never know."

iv. On October 16, 2013, at 12:21am, "Ham" sent **FARBER** the following message: Yo we should pick up a boat of these Dolph's." **FARBER** responded, "Can u get for sure?" "Ham" responded, "Yeah my boy paul gots bunch. We should pick a J up." **FARBER** responded, "Price?" "Ham" responded, "550 for the dolps for a jay." At 1:59am, "Ham" sent **FARBER** the following message: "Hey this guy is gunna be in Pasadena area in 3 hr. U should



meet up with him he has a large variety of goods for good price." **FARBER** responded, "Can't today man I'm swamped." I know from my training and experience that a "blue dolphin" is a common ecstasy tablet and I believe that is what "Ham"<sup>6</sup> is referring to in this text message.

v. On October 16, 2013, at 5:50pm, "Josh 951" sent **FARBER** the following message: "I'm still 2.5% under bitstamp if you want me to sell for you at that rate." **FARBER** responded, "Need in person trade today if you're down. Willing to make the trip." "Josh 951" responded, "Sure. I'm about to go get cash. What time can you make it?" **FARBER** responded, "2-3pm." "Josh 951" responded, "How much?" **FARBER** responded, "Whatever you can come up with. Have over 100." "Josh 951" responded, "72.5 coins for \$9900 ok? That's 136.55 each." **FARBER** responded, "Yes." "Josh 951" responded, "Eta? Ignore me if you're driving: drive safe!" **FARBER** responded, "Prob going to be after 6-7pm is ok? I can send coins first." "Josh 951" responded, "Sure, lemme get you the addy..." **FARBER** responded, "K I can send in about 1 hour." "Josh 951" responded, "14GUB2zfjJtACHGCsuXxiDj5VNRk2ASAYzj. Sounds good. See you this evening." **FARBER** responded, "Ok."

vi. On October 16, 2013, at 9:46pm, **FARBER** sent the following message to "Josh 951:" "Ok sent 72.5." **FARBER** followed up with "Please Confirm." "Josh 951" responded, "I see them. Thanks. 6 or 7pm. See you then." **FARBER** responded,

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<sup>6</sup> I believe that "Ham" is Michael Richard Ham, an associate of **Farber** and a resident of Monrovia, California.

"What's the address for that place? And it prob wont be till 8." "Josh 951 responded, "Getting it...39540 Murrieta Hot Springs Rd, Unit 234, Murrieta, CA 92563 United States. **FARBER** responded, "Ok it's looking like 8:30 is ok? And I have plenty more after this." "Josh 951 responded, "Sure. I owe you, so I'd get up at 2am if necessary."

c. I believe the two previous text messages show **FARBER** and "Josh 951" discussing the trading of bitcoin for cash.

**G. FARBER's Email Account**

55. On July 13, 2016, Acting Eastern District of California Magistrate Judge Jonathan B. Conklin signed search warrant number 1:16-SW-000187-BAM, which authorized a search of the email accounts "**cashkingofbitcoin78@yahoo.com**" and "**purefiremeds420@yahoo.com.**" On August 12, 2016, I received the results of the search warrant from Yahoo!. In December 2016, I completed a review of these results.

56. I noted a message from "**purefiremeds420@yahoo.com**" sent to best@mit.edu on September 23, 2013. The message stated, "Hello please reply to the message I sent you on sr. thanks." I know from experience that "sr" is a common abbreviation for Silk Road. I believe **FARBER** was communicating with Jay Best in this email.

57. I observed approximately 88 emails that were almost entirely encrypted between "**purefiremeds420@yahoo.com**" and either best@mit.edu or jaycortex@gmail.com. The name associated

with the email account jaycortex@gmail.com is Jay BEST.<sup>7</sup> As such, I believe this was also BEST's email account. The emails between **FARBER** and Best started on September 23, 2013, and ended on April 24, 2014.

58. I also reviewed emails from "cashkingofbitcoin78@yahoo.com." I reviewed hundreds of emails pertaining to the trading of bitcoin for cash. The following is a typical email correspondence between **FARBER** and a bitcoin trader known as "BITCOINMAVEN":

a. 5/10/2016 - BITCOINMAVEN writes, "Hey. Will you have coins today? Let me know. Thanks."

b. Later in the day, "cashkingofbitcoin78@yahoo.com" writes, "Yes I have 195 ready now. Let me know I can send them over right away but I won't be able to pick up the cash until later this afternoon like at 6:30 pm is that ok? Thanks"

c. BITCOINMAVEN responded, "Did you get my email? Yahoo has been slow today!!Yes I can hand you cash later on this afternoon like 6:30. Please send coins as soon as you can. I really need them. Thanks!!

Bitstamp at 453.02 - 6 is 425.83195 is \$83,037.

1HRSX27LXfk4i5rB9fRCCZLtmsjDjn3jcx"

59. Based on my training and experience, I am aware of the following. Toward the end of the email referenced above,

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<sup>7</sup> According to TFO Gabbay, [REDACTED] that jaycortex@gmail.com was Best's primary means of communication. In addition, TFO Gabbay indicated that the email account best@mit.edu contained 6,169 individual email messages related to Best's program at the Massachusetts Institute of Technology, which confirmed that this account belonged to Best.

BITCOINMAVEN lists the "ticket," which is the agreed-upon price that BITCOINMAVEN will pay for **FARBER**'s bitcoin, which in this case, "Bitstamp at 453.02 - 6 . . ." indicates that BITCOINMAVEN will pay \$453.02 for each bitcoin at the Bitstamp price minus six percent for he/her services. [Bitstamp is a digital currency exchange company based in Luxembourg.] The total price he/she will pay for 195 bitcoin is \$83,037 in cash. The last line in the email exchange above is the bitcoin wallet address to which **FARBER** sends the bitcoin for the transaction.

60. I reviewed emails containing bitcoin trade information between **FARBER** and others, and I was able to verify on the Blockchain each trade using the wallet addresses and date of the trades. Based on my review, I noted that **FARBER** conducted approximately 188 confirmed trades. And out of these trades, I was able to determine that **FARBER** received approximately \$7,018,379 from February 2014 through July 2016 from various traders, many of whom are unregistered, including BITCOINMAVEN. The large amount of bitcoin that **FARBER** is offloading through various unregulated traders indicates that he is regularly receiving large amounts of bitcoin and may not want to be subject to any reports that the bitcoin exchanger would file if registered. As noted above, narcotics vendors on the darkweb are paid in bitcoin and other digital currencies. Accordingly, the large amount of bitcoin **FARBER** is cashing out, and use of unregistered exchangers, corroborates other evidence indicating that he is a dark web narcotics trafficker.

**H. FARBER's Tax Return Information**

61. In January 2017, I reviewed the federal and California state tax returns of **FARBER** and his business partner, George Khoury. The following is a summary of the review:

a. **FARBER** filed no tax returns in 2014 and 2015.

b. **FARBER** filed a Partnership Return of Income for 2011 that includes the following information:

i. Name: Ruka Ride Shop DBA Stix Ride Shop

ii. Address: **421 S Myrtle Ave, Monrovia, CA**

**91016**

iii. Gross Receipts: \$135,058.00

iv. Gross Profit: \$83,173.00

v. Total Deductions: \$96,531.00

vi. Income Loss: \$13,358.00

vii. **FARBER** received 50% of the profit from Stix Ride Shop.

c. **FARBER's** personal federal and California state tax return for 2012 includes the following information:

i. Name: William J. **FARBER**

ii. Address: 421 S Myrtle Ave, Monrovia, CA

91016

iii. Social Security Number: XXX-XX-1353

iv. CA adjusted income: \$2,028.00

v. Total federal income: \$16,357.00

vi. Aggregate Gross Receipts: \$160,696.00

vii. Net earnings from self-employment (Spanky's Media): \$15,470.00

viii. Net earnings from self-Employment (Ruka Ride Shop DBA) \$887.00

d. **FARBER** filed a Partnership Return of Income for 2012 that includes the following information:

i. Name: Ruka Ride Shop DBA Stix Ride Shop

ii. Address: 421 S Myrtle Ave, Monrovia, CA 91016

iii. Gross Receipts: \$220,361.00

iv. Gross Profit: \$77,515.00

v. Total Deductions: \$75,740.00

vi. Total Income: \$1,775

vii. **FARBER** received 50% of the profit from Stix Ride Shop.

e. **FARBER** filed a Partnership Return of Income for 2013 that includes the **following** information:

i. Name: Ruka Ride Shop DBA Stix Ride Shop

ii. Address: 421 S Myrtle Ave, Monrovia, CA 91016

iii. Gross Receipts: \$310,471.00

iv. Gross Profit: \$69,406.00

v. Total Deductions: \$96,588.00

vi. Total Income: -\$27,182.00

vii. **FARBER** received 50% of the profit from Stix Ride Shop.

62. **FARBER's** tax returns indicate that he was not reporting the bitcoin income he was generating in 2014 or 2015,



as described above. The returns also show that he is the co-owner of Stix Ride Shop.

**I. Link between "Purefiremeds" and "Humboldt farms"**

63. On September 30, 2016, I observed a "vendor question" on the website Reddit.com pertaining to the darkweb narcotics vendor "**PUREFIREMEDS**." The following is a summary of the information:

a. Approximately one year ago, "NavajoHills" submitted a vendor question on the "AgMarketplace" discussion board on Reddit. The question stated, "Anybody ever order pot from **HUMBOLDTFARMS**? He's probably scamming [sic] out of \$250."

b. A moderator on the discussion board stated the following in response to the question: "There have been sporadic reports on /r/darknetmarkets to stay away from **HUMBOLDTFARMS**, some saying that he might be the vendor **PUREFIREMEDS**. Of course, no can verify that with certainty, but anyway..."

64. I noted there was a narcotics vendor on the darkweb marketplace AlphaBay named **HUMBOLDTFARMS** that had been on the market since March 25, 2015, with total number of finalized sales transactions above 78,000.

**J. Undercover Purchase from HUMBOLDTFARMS**

65. On February 23, 2017, at approximately 1:22 pm, Fresno Police Detective Daniel Vandersluis and I ordered "7g Cali Orange Krush Grade A++ Weed" from **HUMBOLDTFARMS** on Alphabay for delivery to Fresno. The price for the order was \$40.00 plus \$7.00 for USPS priority shipping. The order number is 29955 and

the sale number is 7975342. The order was subsequently placed into the "processing" mode.

66. On February 24, 2017, the order was labeled as "shipped."

67. On March 3, 2017, United States Postal Inspector Jessica Burger informed me that a parcel had arrived for purposes of distribution into Fresno. I responded to her office and took possession of the parcel.

68. I observed that the package's return address is "Touch of Class," 203 N Kenwood St, Burbank, CA 91505, which appears to be a non-existent address. I observed a malar type outer packaging and subsequently three additional vacuum sealed bags that contained one small sandwich bag containing a leafy green substance which field tested positive for marijuana and weighed approximately 8 grams.

**K. Surveillance of Mailings Connected to HUMBOLDTFARMS**

69. In March 2017, I provided pictures of the undercover parcel that arrived in response to the order from **HUMBOLDTFARMS** on AlphaBay that contained marijuana to United States Postal Inspector Lyndon Versoza (Inspector Versoza). Inspector Versoza observed that the parcel was mailed using USPS small priority flat-rate box with the USPS Priority Lili'uokalani Gardens ("Gardens") postage stamp and a non-machine scanable eastern tailed-blue butterfly ("Butterfly") postage stamp on it, as opposed to digitally printed stamps usually used by businesses for the mailing of priority packages. Inspector Versoza also noted that affixed to the parcel was a USPS tracking label,

known as "USPS label 400" and that the address labels were computer printed. Based on Inspector Versoza's review of USPS records, the parcel entered the U.S. mail at the Verdugo Viejo Post Office in Glendale, CA (the "Verdugo Viejo Post Office"). Inspector Versoza indicated that flat-rate priority boxes are usually not mailed using stamps and USPS 400 labels. Rather, the more common method of postage consists of digitally printed stamps that contain tracking numbers and machine scanable codes.

70. Inspector Versoza believed that USPS employees would quickly recognize when they received large numbers of packages bearing these unique stamps. In March 2017, Inspector Versoza visited the Verdugo Viejo Post Office and requested postal employees notify him if anyone mailed more parcels with packaging and stamps like those on the undercover parcel.

71. On March 10, 2017, a USPS employee informed Inspector Versoza that an individual dropped off numerous packages at the back dock of the Verdugo Viejo Post Office. The USPS employee said that packages matched the characteristics of the undercover parcel. Inspector Versoza visited the Verdugo Viejo Post Office and examined the packages; there were approximately 221 addressed to different addresses around the United States. They bore the same USPS priority flat-rate packaging, the same kind of tracking label, and the same kind of stamps as the parcel purchased undercover, described above. The return address on these packages was "Modern House Art, 1619 N La Brea Ave, Los Angeles, CA 90028".

72. Inspector Versoza checked the address and learned that the building located at 1619 N. La Brea Ave, Los Angeles, CA 90028, is a large complex, which means the address printed on the label was incomplete as it was missing a unit number. Based on his training and experience, Inspector Versoza conveyed that when senders provide incomplete addresses, it is to prevent tracing of the sender (or a fictitious address) and may indicate that the parcels contain contraband. Inspector Versoza also reviewed surveillance video from the Verdugo Viejo Post Office and observed a heavy-set Hispanic male in his 20s or early 30s mailing the suspicious parcels.

73. On March 22, 2017, a USPS employee again informed Inspector Versoza that an unknown person left the same type of suspicious packages at the Verdugo Viejo Post Office. Inspector Versoza visited the Verdugo Viejo Post Office and saw four mail sacks containing what he estimated as containing between 100-200 priority flat-rate parcels bearing the same packaging, tracking label, and stamps as the parcel purchased by undercover. Inspector Versoza noted the return address for all of these packages was "Jewelry Hills, 4143 Toland Way, Los Angeles, CA 90041". Inspector Versoza checked the address and learned that the building located at 4143 Toland Way, Los Angeles, CA 90041, is a large complex, which means the address printed on the label was again incomplete as it was missing a unit number. The building also did not appear to be a commercial building that could accommodate a jewelry store.

74. Inspector Versoza reviewed surveillance video from March 22, 2017, and determined that the mailer was the same unknown Hispanic male as referenced above and that he was driving a four-door black Audi A4 with paper license plates that included the logo of "Delux Motors."

75. On March 23, 2017, along with other postal inspectors, Inspector Versoza conducted surveillance at the Verdugo Viejo Post Office. At around 2:00 pm, Inspector Versoza saw the same black Audi arrive at the back dock area of the Verdugo Viejo Post Office. When the driver exited his vehicle, Inspector Versoza recognized the same unknown Hispanic male. Inspector Versoza observed him leave several mail sacks, each containing dozens of packages.

76. After the unknown Hispanic male departed the post office, Inspector Versoza requested assistance from the Glendale Police, who was aware of the ongoing surveillance. Glendale Police Officer Ralph Garcia pulled over the vehicle (the unknown Hispanic male was driving the same black Audi) for having no license plates and tinted windows. According to Officer Garcia, the driver did not have a valid driver license but identified himself as **PALMA**. Officer Garcia issued a citation to "Michael Angelo **PALMA**" (DOB 10/05/1994, CA driver's license number F4787549) for driving without a license and released him. **PALMA** provided his phone number as 323-516-9948. The vehicle license plate is 6PGB302 (Registered owner: Michael **PALMA**, 548 W 108<sup>th</sup> St, Los Angeles, CA 90044).



77. Inspector Versoza later examined the sacks of mail left by **PALMA** at the back dock of the Verdugo Viejo Post Office on March 23, 2017. There were four mail sacks, containing between 100-200 priority flat-rate mail parcels. Inspector Versoza randomly selected two packages, one bearing label number 9114 9014 9645 0743 5555 92 ("PARCEL 92"), and one bearing label number 9114 9011 5981 5844 4556 84 (the "PARCEL 84").

78. Both of these parcels bore the same kind of stamps and tracking labels as the package purchased by me, undercover, described above. These packages also had the same printed return address of "Jewelry Hills 4143 Toland Way, Los Angeles, CA 90041." Inspector Versoza seized PARCEL 94 and PARCEL 84 for further investigation.

79. On March 23, 2017, Inspector Versoza witnessed Los Angeles Police Officer Patrick Foreman and his trained drug-detection dog, "Jess," examine the exterior of PARCEL 84 and PARCEL 92. Officer Foreman stated that Jess positively alerted to both packages, indicating the presence of drugs or other items such as the proceeds from the sale of drugs, recently contaminated by or associated with the odor of drugs.

80. On March 29, 2017, Inspector Versoza obtained a federal search warrant (17-MJ-00684) in the Central District of California for PARCEL 84 and PARCEL 92. He executed the search warrant and found two vacuumed sealed packages weighing approximately 500 mg each. One parcel contained chocolate chip cookies and the other contained brownies. Both products contained substances believed to be marijuana.

81. I observed a Facebook page for "Michael Palma" from Los Angeles, California, and noted that it appeared to be the same **PALMA** that was cited by Glendale Police. The Facebook page had a list of friends for **PALMA**, which included Bryan **LEMONS** and Darren Blatt, who are both Facebook friends with William **FARBER**. As previously mentioned at paragraph 33, **LEMONS** picked up approximately \$100,000 in cash from the CI on **FARBER**'s behalf in February 2015. This social media connection between **PALMA** and close associates of **FARBER** indicated to me that **FARBER** was a member of the **HUMBOLDTFARMS DTO** that included selling narcotics under the moniker "Humboldt farms" on the darkweb.

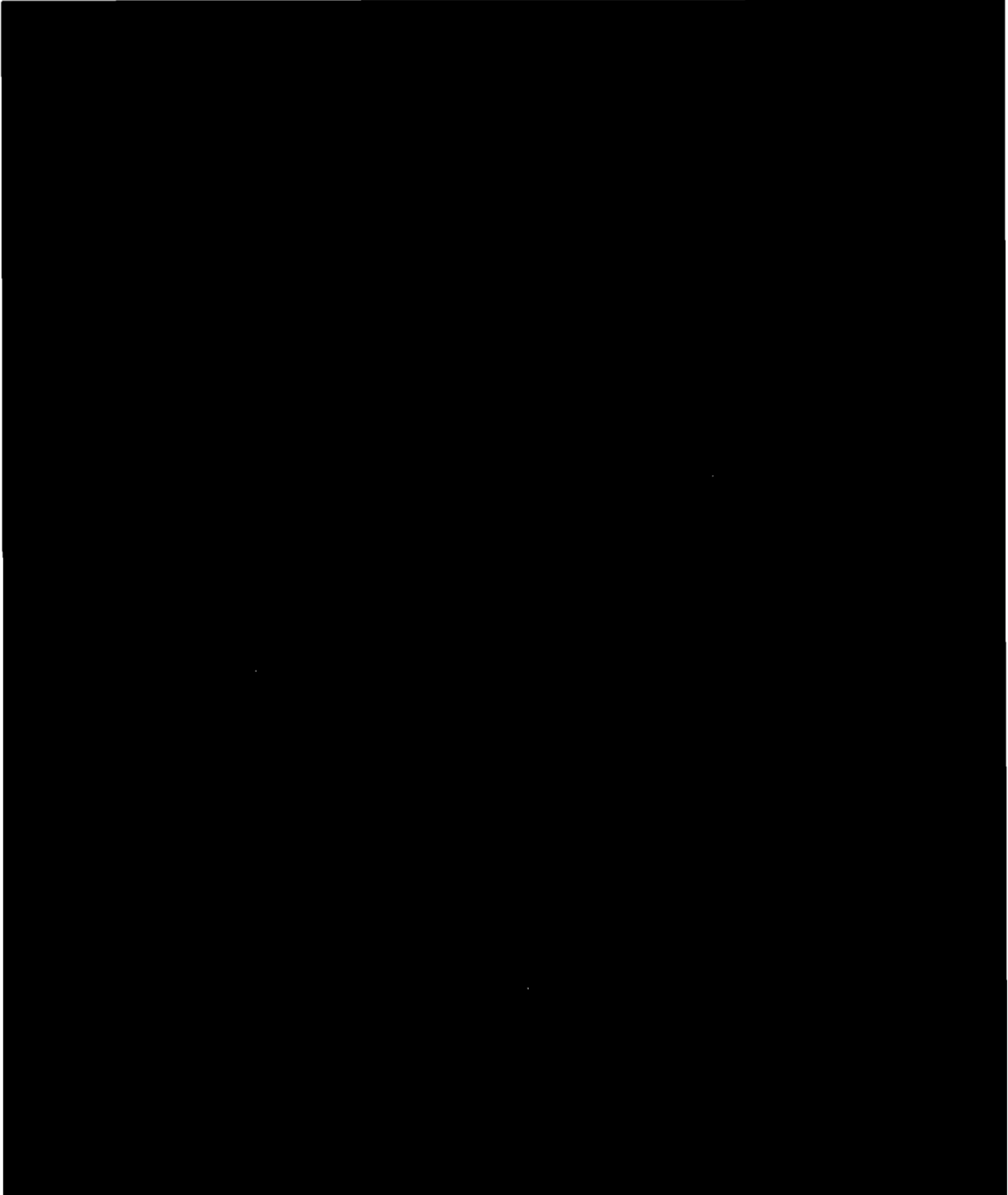
82. In summary, based on the surveillances described above, Inspector Versoza informed me that **PALMA** conducted the following actions that I believe were in support of

**HUMBOLDTFARMS DTO:**

- a. March 10, 2017, **PALMA** delivered 221 parcels to the Verdugo Viejo Post Office.
- b. March 22, 2017, **PALMA** delivered four large sacks of parcels to the Verdugo Viejo Post Office.
- c. March 23, 2017, **PALMA** delivered four large sacks of parcels to the Verdugo Viejo Post Office (witnessed by Inspector Versoza).
- d. March 31, 2017, **PALMA** delivered four large sacks of parcels to the Verdugo Viejo Post Office.
- e. April 6, 2017, **PALMA** delivered four large sacks of parcels to the Verdugo Viejo Post Office (witnessed by LAPD).

f. April 14, 2017, **PALMA** delivered four large sacks of parcels to the Verdugo Viejo Post Office.

g. May 5, 2017, **PALMA** delivered five large sacks of parcels to the Verdugo Viejo Post Office.

















**N. Annie Jagler's involvement in the HUMBOLDTFARMS DTO**

95. As described above, on March 3, 2017, I received an undercover parcel from the darknet narcotics vendor **HUMBOLDTFARMS** on AlphaBay. I provided pictures of the parcel to Inspector Versoza who observed that affixed to the parcel was a Lili'uokalani "Gardens" Priority Mail postage stamp and the "Butterfly" postage stamp on it. Inspector Versoza noted that was an unusual method of mailing priority parcels because priority stamps are generally mailed using electronic postage. Inspector Versoza searched USPS records and determined that an unknown person or persons were purchasing large amounts of these types of postage stamps at one time. Payments for these postages stamps were done in cash. Specifically, Inspector Versoza noted that on February 9, 2017, an unknown person purchased \$1,600.00 worth of "Gardens" and "Butterfly" postage at the Verdugo Viejo Post Office. On February 10, an unknown person purchased \$2,533.00 worth of "Gardens" and "Butterfly" postage at the Burbank Post Office in Burbank, California. Further, on March 1, 2017, an unknown person purchased \$2,940.00 worth of "Gardens" and "Butterfly" postage stamps at the Glendale Main Post Office in Glendale, CA.

96. On March 31, 2017, Inspector Versoza received a message from an employee at the Verdugo Post Office located at

101 North Verdugo Road, Glendale, CA 91206, that an unknown female was buying the distinct "Gardens" and "Butterfly" postage stamps. The employee stated the unknown female departed in a vehicle bearing California license plate number 7JTF675 (Registered Owner: Annie Jagler, 7119 West Sunset Boulevard, Unit 905, Los Angeles, CA 90046) and described as a white Chevrolet Impala. Inspector Versoza stated the female purchased approximately \$2,600 worth of "Gardens" and "Butterfly" stamps.

97. On April 1, 2017, Inspector Versoza obtained surveillance camera footage from the Verdugo Post Office and noted the person seen in the footage resembled the Facebook profile of "Anne Jagler." Inspector Versoza noted that Jagler was also **FARBER**'s friend on Facebook. LAPD Detective Sharon Kim discovered an Instagram photo on Jagler's publicly available account that also included **FARBER**. **LEMONS** has also posted photos on Instagram indicating that he is friends with Jagler. Jagler's California license number is Y2710901 and the address listed is 7119 West Sunset Boulevard, Unit 905, Los Angeles, CA 90046, which is also the same address listed on the registration of the white Chevrolet Impala. The photo on her driver's license appeared to depict the same female buying the "Gardens" and "Butterfly" postage stamps. I believe Jagler was purchasing priority postage stamps on behalf of **FARBER** and **HUMBOLDTFARMS**.



O. **The GABRIELINO RESIDENCE is identified as a location of marijuana distribution**

98. On March 29, 2017, Inspector Versoza obtained a GPS vehicle tracker search warrant for **PALMA**'s black Audi sedan bearing California license plate number 6PGB302.

99. On April 5, 2017, at approximately 5:00 am, Inspector Versoza installed the GPS tracker to **PALMA**'s Audi sedan at 1324 West 91st Street, Los Angeles, CA 90044.

100. On April 5, 2017, at approximately 10:00 am, Inspector Versoza noted that **PALMA**'s vehicle traveled directly from his residence at 1324 West 91<sup>st</sup> Street, Los Angeles, CA 90044, to 805 West Gabrielino Ct, Altadena 91001 (described above as the "GABRIELINO RESIDENCE"). The LAPD Major Enforcement Section "A" Parcel Squad initiated surveillance on **PALMA** at the GABRIELINO RESIDENCE, which is a two-story single-family residence located within the gated community "La Vina." Guests are required to check in with security located at the entrance of the community.

101. At approximately 10:20 am, LAPD observed a Honda Accord at the GABRIELINO RESIDENCE bearing California license plate 6EAW893 (Registered Owner: Michele **PICKERELL**, 805 W. Gabrielino Ct, Altadena, CA 91001). LAPD noted that **PALMA**'s vehicle was not visible outside of the GABRIELINO RESIDENCE. At approximately 11:30 am, LAPD observed **PALMA**'s vehicle exiting the garage at the GABRIELINO RESIDENCE, which now had its vehicle license plates visible (6PGB302). At approximately 11:46 am, **PALMA** arrived at a Chick-fil-A drive-thru and then drove back to the GABRIELINO RESIDENCE.

102. I checked public records for the GABRIELINO RESIDENCE and noted a record from February 2016 pertaining to person named Camilla Kapustina. I also observed that **FARBER** is Facebook friends with a female named Camilla Kapustina.

103. During the surveillance, LAPD observed a gray Mercedes in front of the GABRIELINO RESIDENCE bearing California license plate number 7DTB386 (Registered Owner: Carolina Edlin, 1045 West 104 Street, Los Angeles, CA 90044).

104. LAPD Det. Kim discovered a Facebook profile for a male named "Anthony Fiacco" (later identified as Anthony Edlin) who is Facebook friends with **PALMA**. Det. Kim noted that Edlin posted a photo of himself on his Facebook account in front of a similar gray Mercedes that appeared to be parked in front of the GABRIELINO RESIDENCE.

105. On April 6, 2017, LAPD Det. Kim made contact with a security guard for the community that includes the GABRIELINO RESIDENCE. The security guard stated there are approximately four or five vehicles that regularly visit the GABRIELINO RESIDENCE, including **PALMA**, who drives a black Audi, a male known as "Sebastian Gates" (later identified as Richard **MARTINSEN**), who drives a black BMW, a male known as "Tony Viacco," (identified as Anthony Edlin) who drives a gray Mercedes, and "Hector Contreras" (later identified as Jose Palma), who drives a white Mini Cooper. Det. Kim showed pictures of **PALMA**, **MARTINSEN**, Anthony Edlin, and Jose Palma, to the security guard who visually identified them. The security guard stated Edlin's phone number was XXX-XXX-5103. Subscriber information

for this phone number indicates the account was in the name of Carolina Edlin, 1045 West 104<sup>th</sup> Street, Los Angeles, CA 90044.

106. The security guard stated that the owner of the GABRIELINO RESIDENCE is Michele **PICKERELL** (phone number is 626-379-7185) and that she lives alone. **PICKERELL** has two children, "C" and "A." "C" is in college and is rarely home. "A" primarily stays with his father, who is divorced from **PICKERELL**. The security guard stated that **PICKERELL** has a history of causing problems within the community and used to have large parties that angered her neighbors. The security guard also stated that **PICKERELL** refers to the group of males that regularly come to her house as her "boys."

107. Also on April 6, 2017, LAPD established surveillance positions at the GABRIELINO RESIDENCE. At approximately 11:13 am, LAPD observed **PALMA** depart the GABRIELINO RESIDENCE in his black Audi. At approximately 11:20 am, LAPD observed **PALMA** arrive at the Post Office located at 600 Lincoln Avenue, Pasadena, CA 91109, and unload parcels from his vehicle. At approximately 11:20 am, LAPD Det. Kim confirmed with USPS employees that **PALMA** dropped off four sacks of parcels that had the "Gardens" and "Butterfly" priority postage stamps affixed to them. A USPS employee stated that **PALMA** and an additional white male in a black Mercedes drop of large sacks of parcels several times a week. LAPD followed **PALMA** back to the GABRIELINO RESIDENCE.

108. On April 6, 2017, LAPD noted the presence of a white Mini Cooper at the GABRIELINO RESIDENCE bearing California

license plate number 7VKK239 (Registered Owner: Jose Palma, 631 ½ West 120 Street, Los Angeles, CA 90044). Jose Palma appears to be Michael **PALMA**'s brother.

109. On April 6, 2017, at approximately 2:20 pm, LAPD observed **PALMA**'s vehicle depart the GABRIELINO RESIDENCE and drive to the Post Office located at 7435 North Figueroa Street, Los Angeles, CA 90041. **PALMA** picked up USPS trays and departed the location. At approximately 2:50 pm, the GPS tracker indicated **PALMA** returned to the GABRIELINO RESIDENCE.

110. On April 12, 2017, Det. Kim found a picture on Facebook from 2015 that included **PICKERELL** in a photo with three other women wearing a Stix Ride Shop hat (as noted above, Stix Ride Shop is a skateboarding business owned by **FARBER**). **FARBER** "liked" this photo on Facebook.

111. On April 18, 2017, Inspector Versoza noted that according to the GPS tracker, **PALMA**'s black Audi traveled from the GABRIELINO RESIDENCE to the Highland Park, Eagle Rock, and Glendale main Post Offices.

112. On May 17, 2017, the security guard at the GABRIELINO RESIDENCE informed Det. Kim that **PICKERELL** had told him, the security guard, that her "boys" were no longer coming by her home and that she was planning to sell it.

113. On May 22, 2017, the security guard at the GABRIELINO RESIDENCE texted Inspector Versoza and said she saw **PALMA** arrive at the GABRIELINO RESIDENCE. This is the last time any of the suspects associated with **HUMBOLDTFARMS** were seen at the GABRIELINO RESIDENCE.

114. On July 18, 2017, Det. Kim stated the security guard at the GABRIELINO RESIDENCE informed her that **PICKERELL** was still living there.

**P. Richard MARTINSEN is identified as mailing parcels for the HUMBOLDTFARMS DTO**

115. On March 14, 2017, a USPS employee alerted Inspector Versoza that an unknown male dropped off numerous packages at the back dock of the Verdugo Viejo Post Office located at 101 North Verdugo Road, Glendale, CA 91206. The USPS employee said that packages had "Gardens" and "Butterfly" priority postage stamps on them.

116. On March 15, 2017, LAPD Det. Kim and Inspector Versoza went to the Verdugo Viejo Post Office and reviewed video from the previous day. From this review, Inspector Versoza saw a tall, slender, white male estimated to be in his twenties or thirties, drop off four mail sacks containing parcels. The suspect was driving a late model, black, two-door BMW with paper plates that say "Pacific BMW" (the "BMW"). LAPD later identified Richard Thomas **MARTINSEN** as the driver of the BMW.

117. On March 15, 2017, a USPS employee again notified Inspector Versoza that someone left the same type of suspicious parcels at the Verdugo Viejo Post Office. Det. Kim responded to the Post Office and saw four mail sacks containing what she estimated to as between 100-200 priority flat-rate parcels bearing the same packaging, USPS 400 labels, and "Gardens" and "Butterfly" stamps, as previous parcels involved in this investigation. Inspector Versoza examined photos Det. Kim took



of the parcels and saw that the return address was "Modern House Art 1619 N. La Brea Ave, Los Angeles, CA 90028." Inspector Versoza later checked the address on a mapping website and learned that the building located at 1619 N. La Brea Ave, Los Angeles, CA 90028, is a large residential complex, which means the address printed on the label was incomplete, as it was missing a unit number. Although the building was residential, there appeared to be a few businesses at the ground level of the building. Inspector Versoza did not find any businesses named "Modern Art House." Inspector Versoza also conducted an online search for "Modern House Art" and did not find the business associated with the 1619 N. La Brea Ave address. Inspector Versoza reviewed surveillance video and noted that **MARTINSEN** delivered these parcels to the Post Office.

118. On April 5, 2017, a USPS employee again notified Inspector Versoza that an individual dropped off four sacks of parcels at the Verdugo Viejo Post Office. The employee sent Inspector Versoza images of the parcels left by the suspect. From the photos, Inspector Versoza recognized the characteristics and that these packages met the profile of the packages in this investigation. The USPS employee told Inspector Versoza that it appeared to be **MARTINSEN**, again driving the BMW, who dropped off the parcels. The USPS employee said that **MARTINSEN** asked for boxes and the employee provided him 60 flat rate priority boxes. **MARTINSEN** said that he wanted more boxes because he ships out approximately 1000 packages per week. Inspector Versoza also observed from the photos sent by

the USPS employee that the return addresses on the packages was "Fantastic Studio 505 N Adams St., Glendale, CA 91206."

Inspector Versoza verified the address on a mapping website and learned that the building located at 505 N Adams St., Glendale, CA 91206, is a large residential complex, which means the address printed on the label was incomplete as it was missing a unit number. This building does not appear to house any business or commercial units.

119. Inspector Versoza reviewed video from this mailing and observed **MARTINSEN** mailing the parcels and driving the black BMW.

120. On April 12, 2017, the LAPD Major Enforcement Section "A" Parcel Squad established surveillance positions around the GABRIELINO RESIDENCE.

121. At approximately 3:10 pm, LAPD observed a black two door new model BMW with gray "Pacific BMW" paper plates arrive at the GABRIELINO RESIDENCE. The driver used a garage door remote to access the garage and drive in. At approximately 4:10 pm, LAPD observed the black BMW depart the GABRIELINO RESIDENCE. LAPD followed the vehicle and requested a Los Angeles Sherriff's Department (LASD) Deputy conduct a traffic stop on the vehicle. The traffic stop was executed by LASD and the driver was issued a citation for front tinted windows. The LASD Deputy recorded the following information on the driver and vehicle:

- a. Richard Thomas **MARTINSEN**
- b. 11023 Fruitland Dr. #104
- c. Studio City, CA 91604

d. Phone: (541) 499-8393

e. CA Driver's License # F3404643

f. 2015 BMW 235i, black coupe, CA license plate # 7NEH444 (Registered Owner: Richard **MARTINSEN**, 6732 West Hepburn Way, Los Angeles, CA 90038.)

122. The LASD Deputy stated to LAPD that he saw **MARTINSEN's** backseat filled with bulky items but that they were covered with fabric. I believe these bulky items were parcels that contained marijuana that **MARTINSEN** was transporting to be mailed, as detailed below.

123. After the vehicle stop, LAPD followed **MARTINSEN** to the Post Office located at 101 North Verdugo Road, Glendale, CA 91208, and observed him drop off four sacks of parcels at the back dock. Det. Kim later examined the sacks of mail he left at the back dock. There were four mail sacks, containing between 100-200 priority flat-rate mail parcels. Det. Kim randomly selected two packages ("PARCEL 63" and "PARCEL 38"). Both of these parcels have the same kind of stamps and tracking labels seen in other parcels. These packages had the printed return address of "Printastic Studio, 505 N Adams St., Glendale, CA 91206", which is a different business name but the same address as the prior mailing. Det. Kim took possession of PARCEL 63 and PARCEL 38 for further investigation.

124. At approximately 5:30 pm, LAPD was contacted by a USPS employee at the Pasadena main Post Office located at 600 Lincoln Avenue, Pasadena, CA 91109, that **MARTINSEN** dropped off another four sacks of parcels at the back dock.



125. On April 12, 2017, Inspector Versoza found a Facebook post from March 29, 2017, on **MARTINSEN**'s account indicating he was traveling with **FARBER** from Miami, Florida, to Los Angeles, California.

126. On April 14, 2017, Postal Inspector Noah Thompson informed Inspector Versoza that on April 13, 2017, he observed LAPD Officer Vanessa Keortge and her trained drug-detection dog, "Cobra," examine the exterior of PARCEL 63 and PARCEL 38. Officer Keortge told Inspector Thompson that Cobra positively alerted to both packages, indicating the presence of drugs or other items such as the proceeds from the sale of drugs, recently contaminated by or associated with the odor of drugs.

127. On April 19, 2017, Inspector Versoza obtained federal search warrant (17-MJ-00863) for PARCEL 63 and PARCEL 38.

128. On April 19, 2017, Postal Inspector Joseph Weidenkopf and Inspector Versoza executed the search warrant and opened PARCEL 63, which contained approximately 22 grams of what appeared to be marijuana. The contents of PARCEL 63 were sealed and entered into evidence.

129. Postal Inspector Joseph Weidenkopf and Inspector Versoza also opened PARCEL 38, which contained two packages of substance that appeared to be marijuana. The first package weighed approximately 254 grams and the second package weighed 267 grams. Also inside PARCEL 38 were three packages of marijuana vape cartridges. The first vape package weighed 356 gross grams, the second weighed 315 gross grams, and the third weighed 420 gross grams. A closer look at the vape cartridges

show that the products have been tested by "SC Labs" and had an Instagram account, "@justdabble", associated with marijuana vape products. "@justdabble" was imprinted on the packaging. The contents of PARCEL 38 were sealed and entered into evidence.

130. On April 19, 2017, Inspector Versoza obtained a GPS tracker warrant for **MARTINSEN**'s vehicle bearing CA license plate # 7NEH444.

131. On April 26, 2017, LAPD installed the GPS tracker on **MARTINSEN**'s vehicle, which was located at 11023 Fruitland Dr. #104, Studio City, CA 91604.

132. On April 26, 2017, Inspector Versoza noted that **PALMA**'s black Audi traveled from the GABRIELINO RESIDENCE to **MARTINSEN**'s residence at 11023 Fruitland Dr. #104, Studio City, CA 91604.

133. In summary, Inspector Versoza informed me that **MARTINSEN** conducted the following actions that I believe were in support of **HUMBOLDTFARMS DTO** marijuana distribution operations:

- a. February 9, 2017, purchased \$1,600 worth of the "Gardens" and "Butterfly" stamps at the Verdugo Viejo Post Office.
- b. February 10, 2017, purchased \$2,533 worth of the "Gardens" and "Butterfly" stamps at the Burbank Post Office
- c. March 1, 2017, purchased \$2,940 worth of the "Gardens" and "Butterfly" stamps at the Glendale Main Office
- d. March 10, 2017, purchased \$2,500 worth of the "Gardens" and "Butterfly" stamps at the Verdugo Viejo Post Office.

e. March 14, 2017, mailed four large sacks of parcels at the Verdugo Viejo Post Office

f. March 15, 2017, mailed four large sacks of parcels at the Verdugo Viejo Post Office

g. April 5, 2017, mailed four large sacks of parcels at the Verdugo Viejo Post Office

h. April 7, 2017, mailed four large sacks of parcels at the Pasadena Main Post Office

i. April 12, 2017, mailed four large sacks of parcels at the Pasadena Main Post Office

j. April 12, 2017, mailed four large sacks of parcels at the Verdugo Viejo Post Office (witnessed by LAPD)

134. On May 1, 2017, Inspector Versoza observed on **MARTINSEN**'s Facebook account that he was traveling with **FARBER** to Las Vegas. On the same day, Inspector Versoza noted that according to GPS data, **PALMA** was at **MARTINENSEN**'s residence, located at 11023 Fruitland Dr, Studio City, CA 91604.

135. It's apparent to me that **MARTINSEN** was heavily involved with **HUMBOLDTFARMS** logistical operation. **MARTINSEN** used his own vehicle to transport hundreds of parcels a week to the numerous Post Offices and well as buying stamps that I believe were used to mail the parcels.

136. On May 23, 2017, IRS Task Force Officer and Bakersfield Police Detective Paul Yoon provided me with the following information concerning **MARTINSEN**:

a. Financial records pertaining to **MARTINSEN** reveal funnel account<sup>12</sup> activities which took place between May, 2015 and April, 2016. **MARTINSEN** had opened his accounts at Wells Fargo bank; two personal checking accounts #2272122504, #9298887754, a personal savings account #8791267423, and a business checking account #2757752007. **MARTINSEN** is the sole owner of these accounts and is listed as an owner of an event promotion business named Martinsen Enterprises, LLC.

b. A number of things are notable about this pattern of cash deposits and cash withdrawals. Wells Fargo bank reported that the currency deposited into **MARTINSEN**'s accounts had an odor of marijuana and that multiple cash deposits were conducted at branches located in California, Illinois, Nevada, Florida, and Oregon by unknown subjects. The cash deposits were then immediately followed by cash withdrawals in or near Hollywood, CA. The cash deposits were often in amounts just under the Currency Transaction Report (CTR) filing threshold of \$10,000, and conducted on or near consecutive days aggregating over the CTR filing threshold indicating intent to evade the CTR filing requirement.

c. Between May 22, 2015 and August 21, 2015, **MARTINSEN** conducted seven (7) cash withdrawals in amounts ranging from \$1,468 to \$9,600 totaling \$50,768 after receiving

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<sup>12</sup> FinCEN describes a funnel account as an individual or business account in one geographic area that receives multiple cash deposits, often in amounts below the cash reporting threshold, and from which the funds are withdrawn in a different geographic area with little time elapsing between the deposits and withdrawals.

ten (10) cash deposits in amounts ranging from \$1,500 to \$9,800 totaling \$54,431. Between October 5, 2015 and January 7, 2016, there were thirteen (13) cash withdrawals conducted by **MARTINSEN** in amounts ranging from \$103 to \$12,240 totaling \$45,751 after receiving eleven (11) cash deposits in amounts ranging from \$810 to \$9,700 totaling \$46,710. Furthermore, Wells Fargo bank reported that on February 18, 2016, a cash deposit of \$9,800 was made at a branch in Altamonte, Florida which consisted of \$20 bills. The bank teller reported that the currency had an odor of marijuana emitting from it. The next day on February 19, 2016, **MARTINSEN** withdrew \$8,300 from a branch in Studio City, California.

**Q. LEMONS is associated with the marijuana company "dabble"**

137. As noted above, marijuana vape products with the name "Justdabble" were co-mingled with parcels sent on behalf of the **HUMBOLDTFARMS DTO**. I reviewed the Instagram account "@justdabble," and observed dozens of pictures of marijuana vape cartridges with the name "DABBLE" on them and the company logo, which looked like the same as the one found in the parcels. I also noted pictures of **CHEEF NATURALS Bars** (made by "CHEEF NATURALS"), which I know to be a marijuana edible company that is associated with **FARBER** (see below for additional details on **BIF ENTERPRISES** and **CHEEF NATURALS**).

138. I reviewed the publicly available Facebook account for **LEMONS** and observed that on June 24, 2016, a person named Sarah Erskine posted a picture of a "DABBLE" marijuana vape cartridge

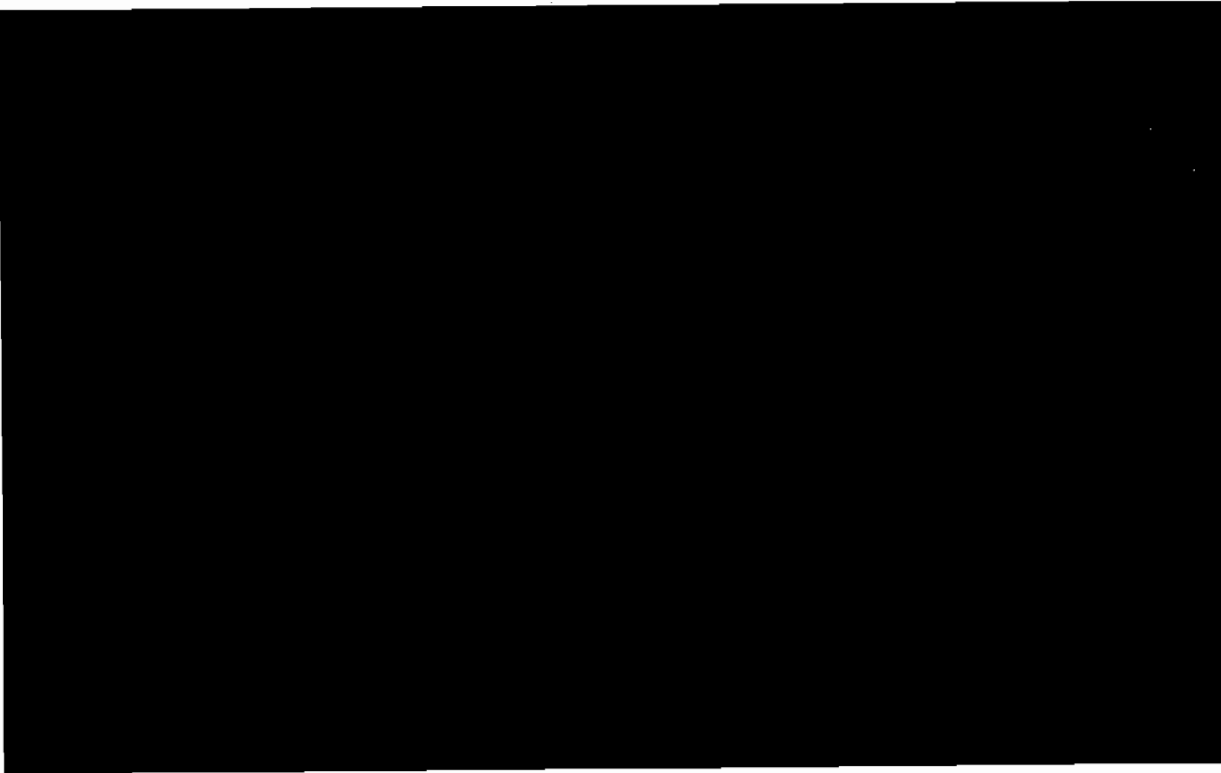
and made the following comment (the cartridge looked like the same type of cartridge on "DABBLE'S" Instagram page):

a. "I had no idea this was urs. I've been smoking dabble for a minute now. Love it."

b. I noted that **MARTINSEN** posted an emoji on the picture that indicated he liked it.

c. According to subscriber information from **LEMONS'** cell phone, Bryan **LEMONS** is the account holder and the address was 3883 Fredonia Dr, Apt D, Los Angeles, CA 90068.

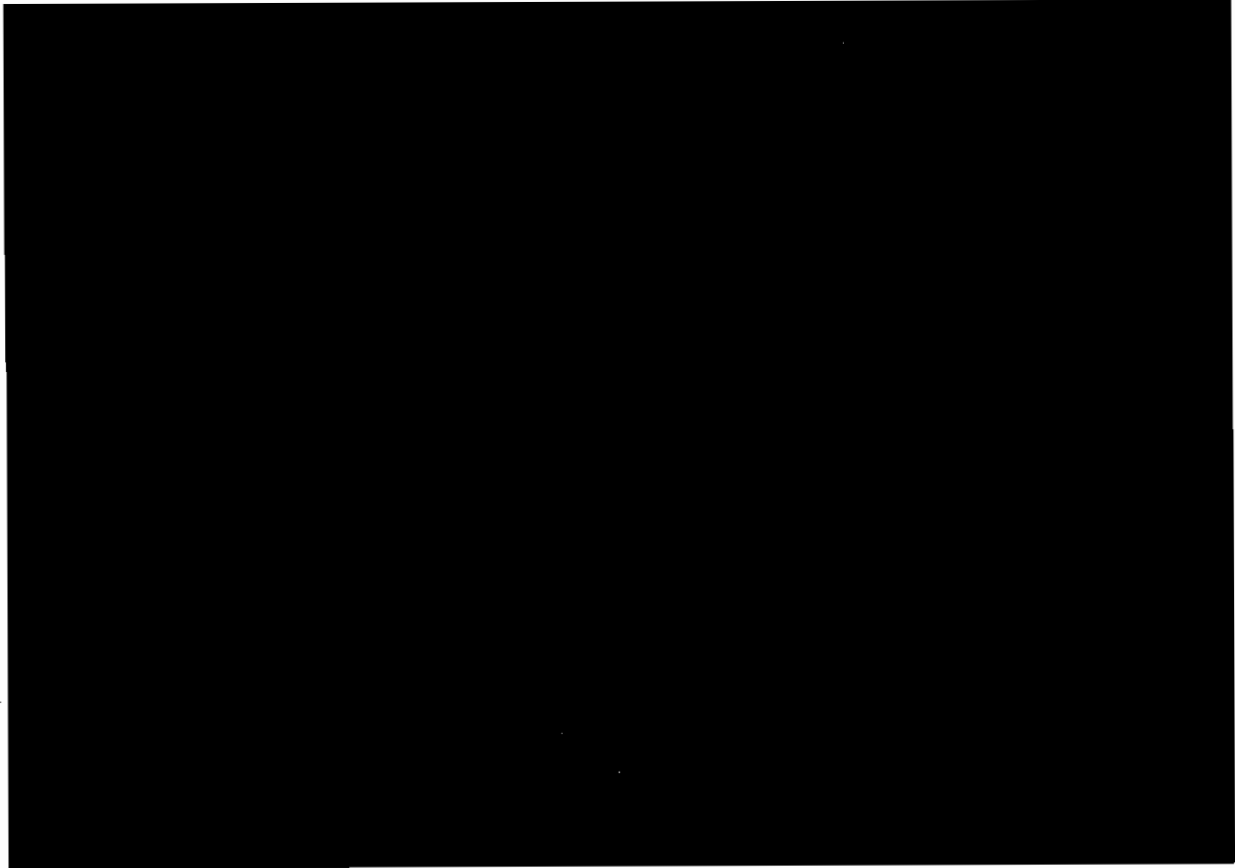
139. On April 19, 2016, **LEMONS** posted on his Instagram account an advertisement for the launch party of DABBLE, which also has a logo of CHEEF NATURALS and a logo for "bLacklist," a company owned and/or operated by **MARTINSEN**. In the post, **LEMONS** states, "Excited to launch my company tomorrow on 420."











**S. Cell phone tolls for members of HUMBOLDT FARMS DTO**

155. I reviewed toll records regarding common calls between **FARBER**'s phone number (XXX-XXX-0367) and his associates' phones. I determined that **FARBER**'s Verizon cell phone number was in his name as of April 20, 2017. The following is a summary of the report:

a. **FARBER** had 107 communications with **PICKERELL** from March 13, 2017, through March 31, 2017.

b. **FARBER** had 63 communications with **MARTINSEN** from April 5, 2017, through May 1, 2017.

c. **FARBER** had 61 communications with **LEMONS** from March 19, 2017, through April 30, 2017.

d. **PICKERELL** had 30 communications with Anthony Edlin from March 13, 2017, through April 28, 2017.

e. Edlin had 170 communications with Michael **PALMA** from February 25, 2017, through May 4, 2017.

156. I believe the common communication between **PALMA**, **PICKERELL**, **LEMONS**, **MARTINSEN**, **FARBER**, and others, indicate they know each and are conspiring to distribute marijuana via the dark web.

**T. Information from PALMA's GPS tracker**

157. According to GPS tracker data from **PALMA**'s vehicle (April 4- May 7, 2017), on April 11, 2017, **PALMA** went to the GABRIELINO RESIDENCE, then to a Post Office, then back to the GABRIELINO RESIDENCE. **PALMA** then goes to **MARTINSEN**'s residence located at 11023 Fruitland Drive, Studio City, CA 91604, and stays in the area for approximately 22 minutes. After leaving **MARTINSEN**'s residence, **PALMA** travels to **LEMONS**' former residence, located at 3882 Fredonia Drive, Los Angeles, CA 90068, and stays in the area for approximately 31 minutes. Finally, **PALMA** goes back home to his residence.

158. According to the GPS tracker data, on April 20, 2017, **PALMA** spent over eight hours at the GABRIELINO RESIDENCE before going home. **PALMA** then went to Gardena, CA, before coming back home. **PALMA** then traveled to **MARTINSEN**'s residence, stayed in the area for approximately 28 minutes, and then returned home.

159. According to the GPS tracker data, on April 24, 2017, **PALMA** traveled to the GABRIELINO RESIDENCE in the mid-afternoon. **PALMA** then went to Gardena, CA, before arriving at Edlin's

residence, located at 1045 West 104<sup>th</sup> St, Los Angeles, CA 90044. **PALMA** stayed in the area for approximately 11 minutes before going back home.

160. According to the GPS tracker data, on April 27, 2017, left his residence and arrived at the GABRIELINO RESIDENCE in the mid-morning. **PALMA** spent approximately eight hours at the GABRIELINO RESIDENCE before traveling to Reseda, CA. **PALMA** then arrived at **LEMONS'** residence in the evening. **PALMA** is in the area for approximately three hours and 22 minutes before returning home. The next morning **PALMA** appears to go directly back to the GABRIELINO RESIDENCE.

161. According to the GPS tracker data, on May 4, 2017, **PALMA** departed his residence and went to the GABRIELINO RESIDENCE. **PALMA** then visited the Post Office, 5930 N Figueroa St, Los Angeles, CA, and then went back to the GABRIELINO RESIDENCE. **PALMA** then traveled to **MARTINSEN'**s residence and stayed in the area for approximately 51 minutes. Subsequently, **PALMA** traveled to Edlin's residence and stayed in the area for approximately 41 minutes before going home.

162. I observed numerous instances when **PALMA** arrived home for the evening and then the next morning traveled back to the GABRIELINO RESIDENCE (sometimes with short stops to the gas station or clothing stores in between **PALMA'**s home and the GABRIELINO RESIDENCE). This includes April 5-6, April 6-7, April 9-10, April 10-11, April 12, April 13-14, April 18, April 18-19, April 19-20, April 20-21, April 23-24, April 24-25, April

25-26, April 26-27, April 30 - May 1, May 1-2, May 3, May 3-4, and May 4-5.

163. In addition, the GPS data indicates **PALMA** spent time at **MARTINSEN** and **LEMONS**'s residences on various occasions.

**U. FARBER operates a marijuana related business named BIF Enterprises LLC**

164. I reviewed bank records that indicate **FARBER** is a part owner of Stix Ride Shop and has been a customer of Wells Fargo since April 2011. **FARBER** is also a part owner BIF ENTERPRISES, a limited liability company doing business in Rancho Santa Fe, California, as a purported wholesaler of vegan products and has been a customer of Wells Fargo since May 17, 2016.

165. Bank records indicate that BIF ENTERPRISES has transactional activity with purported medical marijuana dispensaries, and a check deposited into BIF ENTERPRISES' business checking account references the purchase of CHEEF NATURALS, which is a supplier of cannabis infused foods. Based on the transactional activity, it appears that BIF ENTERPRISES may be selling CHEEF NATURALS products and other marijuana related products, and thus deriving its income from the sale of marijuana. Wells Fargo identified suspicious activity in **FARBER**'s solely owned personal checking account #7337728948, which was opened in November 2013, and BIF ENTERPRISES' solely owned business checking account #7134666549, which was opened May 17, 2016.

166. **FARBER** and an attorney named Ryan Mitchell are joint signers on BIF ENTERPRISES' business checking account.

According to the State Bar of California, "Ryan Seth Mitchell" is a licensed attorney in Rancho Santa Fe, California and is associated with the Law Offices of Mitchell & Heim LLP. Between June 28, 2016 and December 7, 2016, **FARBER**'s personal checking account #7337728948 and BIF ENTERPRISES' business checking account #7134666549 received a combined 29 cash deposits totaling \$93,496 in amounts ranging from \$690 to \$6,170. The cash deposits were conducted at branches in Coral Springs, FL, Culver City, CA, Glendale, CA, Los Angeles, CA, and Santa Ana, CA.

167. Between July 14, 2016 and August 8, 2016, BIF ENTERPRISES' business checking account #7134666549 received three check deposits totaling \$1,649 in the amounts of \$400, \$486, and \$763. The checks were deposited at branches in Culver City, CA and Los Angeles, CA and drawn on accounts held by Hitbox Solutions, which is a distributor of cannabis and cannabis related products for other vendors, and CA Alternative Caregivers, which is a medical marijuana dispensary business in Venice, California. The credits funded six debit card transactions totaling \$3,032 that appear to have been used to supply and facilitate the operation of a medical marijuana dispensary. The debit card transactions were conducted between August 15, 2016 and November 14, 2016 in amounts ranging from \$3 to \$1,500 with SC Laboratories, which is a marijuana-testing laboratory, CHEEF NATURALS, Edibles List, and iHerb, which are suppliers of marijuana and marijuana-related products.

168. Between December 27, 2016 and March 10, 2017, **FARBER's** personal checking account #7337728948 and BIF ENTERPRISES' business checking account #7134666549 received a combined 11 cash deposits totaling \$46,711 in amounts ranging from \$2,170 to \$6,440. The cash deposits were conducted at branches in the Los Angeles area.

**V. HUMBOLDTFARMS goes on vacation mode on AlphaBay**

169. On May 11, 2017, I became aware that the vendor **HUMBOLDTFARMS** on Alphabay went into "vacation mode."<sup>13</sup> The vendor stated they were behind on orders and needed time to catch up.

170. On May 22, 2017, I became aware that **HUMBOLDTFARMS** was messaging other vendors on AlphaBay and offering to sell the vendor account for the amount of \$100,000 to \$400,000. Further, it appears that **HUMBOLDTFARMS** has since then been banned by the AlphaBay marketplace and is no longer selling any products on that site. As noted above, AlphaBay was taken down by U.S. law enforcement on July 5, 2017 and is no longer in operation.

171. Also, on June 29, 2017, at approximately 10:00 am, HSI Special Agent (SA) Chris Hicks, while conducting surveillance at the VANALDEN WAREHOUSE, observed a silver Dodge Challenger arrive at the location with paper dealer plates. SA Hicks identified the driver as **MARTINSEN**.

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<sup>13</sup> Vacation mode is utilized by vendors who do not want to accept any new orders because they are away on vacation, out of product, or other miscellaneous reasons. The can return to normal business operations at any time.



**W. DREAM MARKET**

172. On July 19, 2017, I reviewed the **HUMBOLDTFARMS** vendor account on the dark web market Dream.<sup>14</sup> I noted that the PGP key was the same as the **HUMBOLDTFARMS** vendor operating on Alphabay. I also observed that the account had 8,200 finalized orders with a 4.93 rating out of 5. The account was listed as being on "vacation" mode.

**X. VANALDEN WAREHOUSE**

173. On April 26, 2017, and May 9, 2017, the GPS vehicle tracker on **FARBER**'s vehicle indicated it was located at 8765 Vanalden Avenue, Northridge, CA 91324 (described above as the "VANALDEN WAREHOUSE").

174. Det. Kim contacted the Department of Water and Power (DWP) regarding the utilities at the VANALDEN WAREHOUSE. DWP indicated that the bill has typically been approximately \$3,500 to \$4,000 per month. However, in the past several months, power consumption has increased. In April the bill was approximately \$6,500 and the month before was \$5,800.

175. On June 7, 2017, I spoke with David Sanchez, a DWP employee. He stated that the VANALDEN WAREHOUSE account is associated with Marlin Management, LLC. The account was opened in September 2015. In addition, **FARBER**'s name is on the account. Sanchez stated **FARBER** provided \$15,000 in cash on May 31, 2017, to pay down the balance owed on the account. Based on Sanchez' experience, he estimates the VANALDEN WAREHOUSE has

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<sup>14</sup> Like the Silk Road and AlphaBay, Dream Market is a darkweb marketplace that has been in operation since approximately November 2013.

approximately 55 one-thousand-watt lights operating inside. The VANALDEN WAREHOUSE is using approximately 50-60 kilowatt hours of power per month. By comparison, Sanchez stated an average Costco building uses approximately 35-38 kilowatt hours of power per month.

176. High electrical bills are associated with marijuana grows due to the amount of artificial sunlight that needs to be generated to grow marijuana plants.

177. The company Green Nation Cultivation states on its website that it "collaborates with Marline Management and Investments, specializing in MMJ [medical marijuana] properties, as our [Marline Management's] sole real estate broker."<sup>15</sup> I reviewed a public record on the California Secretary of State website pertaining to entity number 201522410368, Green Nation Cultivation, LLC. The record indicates the registration date is August 11, 2015, the Agent for Service of Process is Martin Fruchtman, and the address is 8725 Vanalden Avenue, Northridge, CA 91324 (the VANALDEN WAREHOUSE). Green Nation Cultivation's website which states that it invests in marijuana cultivation and also assists investors in establishing and managing medical marijuana operations.

178. On May 31, 2017, LAPD conducted surveillance at the VANALDEN WAREHOUSE. Det. Kim observed **FARBER** arrive at the location as a passenger in a vehicle bearing California license plate number 7LLY594 (Registered owner: Ryan Mitchell, 27031 W

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<sup>15</sup> Located at "https://www.greennationcultivation.com/management-expertise". Last viewed on July 25, 2017.

Island Rd, Valencia, CA 91355). As describing above, bank records pertaining to Bif Enterprises, LLC, Mitchell show that Mitchel employed as an attorney and is a joint signer on the account along with **FARBER**.

179. LAPD officers walked near the VANALDEN WAREHOUSE and detected the smell of marijuana coming from the building.

180. On June 29, 2017, agents obtained a picture of a dark covered Mini Cooper in the VANALDEN WAREHOUSE parking lot. The last four characters of the license plate (J435) are visible in the photograph. I know this to be **FARBER**'s Mini Cooper.

181. I believe that **FARBER** is using this grow house location to supply his marijuana related businesses and were used to supply, at least in part, the **HUMBOLDTFARMS DTO**.

**Y. Blockchain analysis of FARBER's bitcoin wallets**

182. On June 2, 2017, I provided a list of all the bitcoin wallet addresses I found in **FARBER**'s email account, "**cashkingofbtc78@yahoo.com**," to a contracted employee with the IRS who is trained to conduct bitcoin transactional analysis. He reviewed these addresses and found that from October 29, 2014, through May 27, 2017, approximately 20,000 bitcoin worth approximately \$6.2 million came from suspicious sources, including directly from dark web markets Evolution (1,500 bitcoin), Agora (988 bitcoin), Nucleus (330 bitcoin), Abraxas (236 bitcoin), AlphaBay (139 bitcoin), and Middle Earth (166 bitcoin).

183. Approximately 11,360 bitcoin came from a dark web market to a private wallet, then through a bitcoin mixing

service,<sup>16</sup> then back to another private wallet, and then to an unlicensed bitcoin exchanger's wallet, such as the one held by the DEA CS.

184. Approximately 4,345 bitcoin came from a dark web market and then was moved through multiple private wallets either before or after going through a mixing service and then into an unlicensed bitcoin exchanger's wallet.

185. The data associated with these Bitcoin wallet addresses indicates that **FARBER** was handling Bitcoin traceable to numerous darkweb marketplaces.

#### V. CONCLUSION

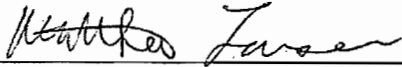
186. Based upon my training and experience, and on the facts set forth in this affidavit, I believe there is probable that defendants by William **FARBER**, Michael **PALMA**, Richard **MARTINSEN**, Bryan **LEMONS**, and Michele **PICKERELL**, have violated Title 21, United States Code, Sections 846 and 841(a)(1) & (b)(1)(C) (Distribution of Controlled Substances and Conspiracy) and Title 18, United States Code, Sections 1956 & 1957 (Money Laundering and Conspiracy). I therefore request that the Court authorize the attached complaints and arrest warrants.

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<sup>16</sup> Bitcoin "mixing" refers to the process of using a third party service to break the connection between a bitcoin address sending coins and the address they are sent to.

Approved as to Form:

/s/ Grant B. Rabenn  
Grant B. Rabenn  
Assistant U.S. Attorney

  
\_\_\_\_\_  
Matthew Larsen  
Special Agent  
Homeland Security Investigations

Subscribed to and sworn before me  
this 5 day of August, 2017

  
\_\_\_\_\_  
HON. ERICA P. GROSJEAN  
UNITED STATES MAGISTRATE JUDGE