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NEWS RELEASE

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Sixteen People Indicted Federally for Conspiring to Sell Drug Paraphernalia in Treasure Valley “Headshops”

Multiple Search Warrants Executed Today

BOISE – Fourteen of sixteen people charged yesterday with conspiracy to sell and offering to sell drug paraphernalia were arrested this morning by federal, state and local law enforcement, U.S. Attorney Wendy J. Olson announced. The federal grand jury in Boise returned eleven separate indictments yesterday containing the drug paraphernalia charges. All of the indictments alleged sales of drug paraphernalia at retail establishments.

The sixteen defendants named in the federal indictments are:

- Bradley Berquist, 30, owner/operator of Twenty After, and co-owner Gabriel Adam Busby, 37, of Boise;
- Thomas Blumke, 38, owner/operator of Other World Gallery, LLC, and manager Crystal Blumke, 32, both of Horseshoe Bend, Idaho;
- Yoke Fee Chan, 31, of Boise, owner/operator of Royal Smoke, LLC;
- Hannah Farrar, 24, of Boise, manager of Piece of Mind;
- Ali Mayid Kathem, 27, of Boise, employee of One Stop Smoke Shack;
- Antonio Mendoza, 33, of Eagle and Jennifer Dixon, 38, of Boise, employees of All Sunshine, LLC;

- William Oldenburg, 65, of Eagle, owner/operator of Boise Beverage and Tobacco and Pit Stop Express, and Donovan Johns, 37, of Meridian, Idaho, co-owner/operator of Boise Beverage and Tobacco;
- Troy A. Rawlings, 32, of Meridian, president of RG Distributing, Inc., which owns the Smoke Shack and Smoke Shack 2, and company treasurer Jason Guerrero, 33, of Boise;
- Adam Schreiner, 25, of Boise, owner/operator of Bernen's Pipe Shop, LLC;
- Raj V. Singh, age unknown, of Boise, owner/manager of Wonderland Hookah and Tobacco Shop; and
- Anthony Stoner, 33, of Eagle, Idaho, owner/operator of Smoke-N-Accessories.

Guerrero and Johns are the only two not yet in custody. Warrants for their arrest are outstanding. Oldenburg and Jones are also charged with conspiracy to structure financial transactions. Structuring is manipulating financial transactions to evade currency reporting requirements imposed on financial institutions. It is unlawful to cause a trade or business to fail to file the required report, or to structure a transaction with the intent to evade the reporting requirement.

The eleven indictments, which were unsealed by the court this morning, are the result of a multi-year Organized Crime Drug Enforcement Task Force investigation named "*Headshop - Not for Human Consumption*," which focused on the illegal sale of drug paraphernalia and the sale of "spice". In the spring of 2011, the Idaho Legislature criminalized the sale of specific compounds of synthetic cannabis, often called "spice". In March 2011, the Drug Enforcement Administration placed five synthetic cannabinoids into the Schedule I of the Controlled Substances Act. "Spice" is a general term that refers to synthetic cannabis, which is a psychoactive herbal and chemical product. When consumed, it mimics the effects of cannabis.

According to the indictments, the retail establishments, which are commonly referred to as "headshops," are businesses engaged in the unlawful sale of drug paraphernalia to drug users and drug traffickers. According to the indictments, the drug paraphernalia were typically sold under the guise of "tobacco products," or with claims of other "legitimate" uses. Drug paraphernalia included glass, metal, wooden and ceramic smoking pipes/bongs, bubblers, water pipes, vaporizers and grinders.

In connection with the ongoing investigation, multiple federal search warrants were served this morning on thirteen Treasure Valley headshops. According to the search warrant affidavits, nine of the thirteen businesses were openly selling "spice". Those businesses included Boise Beverage and Tobacco, One Stop Smoke Shack, Royal Smoke, Smoke N Accessorys, Smoke Shack, Smoke Shack 2, the Pit Stop, All Sunshine, and Wonderland Hookah. The search warrant affidavits stated that undercover law enforcement personnel purchased substances from area headshops that tested positive for AM-2201, one of the substances that the Drug Enforcement Administration has determined is a controlled substance analogue.

“The open sale of drug paraphernalia promotes unlawful drug use and helps drug traffickers thrive,” said Olson. “These indictments and the ongoing investigation show that the United States Attorney’s Office and its federal, state and local law enforcement partners will attack drug trafficking on all fronts.”

“Criminal organizations that masquerade as legitimate storefronts to sell drug paraphernalia to our children will not be tolerated,” said Drug Enforcement Administration Special Agent in Charge Matthew G. Barnes. “The DEA, along with our federal, state and local partners will continue to use every resource available to pursue those responsible.”

“IRS Criminal Investigation (CI) is committed to fighting the war on drugs in conjunction with our law enforcement partners,” said Lilia Ruiz, Acting Special Agent in Charge of IRS Criminal Investigation for the State of Idaho. “CI has the financial investigators and expertise to disrupt these organizations and deprive them of their illicit gains.”

“This investigation and the execution of these search warrants should send a strong message that if you're selling Spice under any name or packaging – you need to stop,” said Boise Chief of Police Michael Masterson. “Citizens have been very helpful in calling the department with information on where these substances are sold. Parents have called after they found their teens buying this stuff. Undercover officers have purchased the substances that tested positive for banned chemicals. Boise Police detectives hear from users that chemicals used to make these substances are as addictive as meth and heroin. We've seen young people in our community rushed to emergency rooms after smoking these substances. These chemicals are proven dangerous, that's why we will continue to invest resources in investigations. The Boise Police Department very much appreciates the assistance of our law enforcement partners in making these investigations happen. The health and safety risks posed by these substances don't respect jurisdictional lines. We'll also continue to work to educate citizens that these substances are dangerous and can't be tolerated in a community that values the health and safety of its citizens.”

The charges of Conspiracy to Sell, Offer for Sale, and Transport Drug Paraphernalia; Offering Drug Paraphernalia for Sale; and Sale of Drug Paraphernalia are each punishable by up to three years in prison, a maximum fine of \$250,000, and up to one year of supervised release. The indictments include a forfeiture allegation. In addition to the conspiracy charges, Oldenburg and Johns also face up to ten years in prison, a maximum fine of \$500,000, and up to three years of supervised release, for conspiracy to structure financial transactions.

Operation *Headshop - Not for Human Consumption* includes the cooperative law enforcement efforts of the Drug Enforcement Administration, Internal Revenue Service-Criminal Investigation, Boise Police Department, Ada County Sheriff's Office, Canyon County Sheriff's Office, Nampa Police Department, Meridian Police Department, and the Canyon County Prosecutor's Office. The U.S. Marshals Service and Idaho State Police provided assistance in arresting the defendants named in the indictments.

An indictment is a means of charging a person with criminal activity. It is not evidence. The person is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

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