

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

UNDER SEAL

UNITED STATES OF AMERICA,

Case No. 3:12-cr-00246-HA

Plaintiff,

INDICTMENT

v.

ALEXANDRE VALENTINOV DIMOV,
RYAN AHIDJOU SCOTT (a.k.a. "Bo"),
NANCY GABAREE, and
ANDRIELLE GABAREE,

21 U.S.C. §§ 841(a)(1), 841(b)(1)(C),
21 U.S.C. §§ 813, 802(32)(A)
21 U.S.C. § 846
21 U.S.C. § 853
21 U.S.C. §§ 952, 960(a)(1) and 960(b)(3)
21 U.S.C. § 963
21 U.S.C. §§ 331(a), 333(a)(2), 352
18 U.S.C. § 371
18 U.S.C. §§ 545, 2
18 U.S.C. § 1956(a)(2)(A)
18 U.S.C. § 1956(h)
18 U.S.C. § 982(a)(1)

Defendants.

*** UNDER SEAL ***

THE GRAND JURY CHARGES:

COUNT 1:

[Conspiracy to Manufacture and Distribute Controlled Substances]

Beginning in 2009 and continuing through May 2012, in the District of Oregon and in the states of Washington, Nevada, Kansas, and in the countries of Canada and Peru, and elsewhere, **ALEXANDRE V. DIMOV, RYAN A. SCOTT, NANCY GABAREE, and ANDRIELLE GABAREE**, defendants herein, did knowingly and willfully combine, conspire, confederate and agree with each other and with others both known and unknown to the Grand Jury, to achieve one or more of the following objects of the conspiracy:

OBJECTS OF THE CONSPIRACY

A. **Synthetic Cannabinoid Controlled Substances [JWH-018, JWH-073]:** to manufacture, possess with the intent to distribute, and to distribute mixtures or substances containing detectable amounts of JWH-018 [1-pentyl-3-(1-naphthoyl)indole] and JWH-073 [1-butyl-3-(1-naphthoyl)indole] (also known as “K2”), Schedule I controlled substances, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C), and Title 18, United States Code, Section 2;

B. **Synthetic Cannabinoid Controlled Substance Analogues [AM-2201, JWH-203, JWH-210, and RCS-4]:** to manufacture, possess with the intent to distribute, and to distribute mixtures or substances containing detectable amounts of AM-2201 [1-(5-Fluoropentyl)-3-(1-naphthoyl)indole], JWH-203 [1-Pentyl-3-(2-chlorophenylacetyl)indole], JWH-210 [1-Pentyl-3-(4-ethyl-1-naphthoyl)indole], and RCS-4 [1-Pentyl-3-(4-methoxybenzoyl)indole] (also known as “K2”), Schedule I controlled substance analogues as defined in 21 U.S.C. § 802(32)(A), knowing that the products were intended for human consumption as provided in 21 U.S.C. § 813, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C), and Title 18, United States Code, Section 2;

C. **Synthetic Cathinone Controlled Substance Analogues [MDPV, 4-MEC, and 4-MMC/Mephedrone]:** to manufacture, possess with the intent to distribute, and to distribute mixtures or substances containing detectable amounts of MDPV [3,4-Methylenedioxypropylvalerone], 4-MEC [4-Methyl-N-Ethylcathinone], and 4-MMC/Mephedrone [4-Methylmethcathinone] (also known as “Orisha”), Schedule I controlled substance analogues as defined in 21 U.S.C. § 802(32)(A), knowing that the product was intended for human

consumption as provided in 21 U.S.C. § 813, in violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C), and Title 18, United States Code, Section 2;

MANNER AND MEANS OF THE CONSPIRACY

It was a part of this conspiracy that the above-named defendants and their co-conspirators would and did:

- A. Use telephones and other electronic devices to facilitate the distribution of controlled substances and controlled substance analogues;
- B. Incorporate KTW Enterprises, LTD in the State of Oregon in February 2010;
- C. Maintain premises, including a garage bearing the sign “K2 Lab,” to manufacture products containing controlled substances and controlled substance analogues;
- D. Use dried plant material and manufacturing equipment to mix, package, and affix labels to products containing controlled substances and controlled substance analogues;
- E. Mix chemical compounds together with herb extracts to make the products appear herbal and mask the presence of chemicals;
- F. Use coloring agents – red, pink, green, blue – to disguise the presence of chemicals and avoid law enforcement detection;
- G. Create names for product lines, including: K2 Summit, K2 Ultra, K2 Blonde, K2 Sex, K2 Sex Solid, K2 Sky, and K2 Orisha, and Orisha Summoning Powder;
- H. Package and market these products in a manner designed to disguise the contents and prevent detection, including marking the product as “incense” and “miracle herb;”
- I. Include the phrase “not for human consumption” on the labels affixed to the products containing controlled substances and controlled substance analogues;

J. Withhold information about chemical ingredients in the products under the guise of “proprietary” information;

K. Withhold information about the known effects of the products, including overdoses, and sickness;

L. Advertise the products as “Legal Everywhere, Including the Military,” “100% legal!” and “100% compliant with all laws of all countries;”

M. Alert potential customers to news that some jurisdictions may enact bans on K2, while urging said customers to “Stock up while you still can;”

N. Monopolize the market for “K2” by purchasing over 50 internet domain names containing the name “K2,” including the following website domain names:

k2drugs.com	k2cafe.org	k2drugshop.com
buyk2incense.com	k2herbalsmokes.net	k2herbsmoke.net
k2-incense.com	k2smokeblend.net	k2-sex.com
k2wholesale.com	k2incense.org	legalweedstore.net

O. Use internet websites to advertise the sale of, or to offer to sell, controlled substances and controlled substance analogues;

P. Use the United States mails to distribute products to customers;

Q. Promote the mail distribution scheme as the “Most discrete K2 Herb shipping, packaging, billing!”

R. Deliver products to wholesale distributors and head shop retailers;

S. Create pricing structures based on gram and kilogram units of measurement;

T. Create disclaimers forbidding retail distributors from discussing the products with

members of the media;

U. Replace product names/labels of products seized by law enforcement with new product names/labels, while continuing to sell the same product (with new label) as that seized;

V. Name straw owners to establish bank accounts and merchant accounts;

W. Establish “dummy” websites to list in applications for merchant accounts

otherwise difficult to obtain in “high risk” business ventures;

X. Establish the corporate entity SDRR Exports, LLC, in the Cook Islands;

Y. Maintain a banking account in the Cook Islands in the name SDRR Exports, LLC;

and

Z. Utilize an account with an internet-based electronic payment processor to route at least \$1,800,000 from the \$2,776,000 earned in online sales to the SDRR Exports bank account in the Cook Islands;

all in violation of Title 21, United States Code, Section 846.

COUNT 2:

[Conspiracy to Import Controlled Substances]

Beginning in July 2010 and continuing through May 2012, in the District of Oregon and elsewhere, **RYAN A. SCOTT** and **ALEXANDRE V. DIMOV**, did knowingly and willfully combine, conspire, confederate, and agree with each other and with others both known and unknown to the Grand Jury, to import “Orisha” mixtures or substances containing a detectable amount of 3,4-Methylenedioxypropylamphetamine (MDPV), 4-Methyl-N-Ethylcathinone (4-MEC), and 4-Methylmethcathinone (4-MMC, also known as Mephedrone), Schedule I controlled substance analogues as defined in 21 U.S.C. § 802(32)(A), into the United States from a place outside

thereof, knowing that the product imported was intended for human consumption as provided in 21 U.S.C. § 813, all in violation of Title 21, United States Code, Sections 952, 960(a)(1), 960(b)(3), and 963.

COUNT 3:
[Smuggling Goods Into the United States - Fraudulent Invoice]

On or about February 16, 2011, in the District of Oregon, **RYAN A. SCOTT**, willfully and knowingly and with the intent to defraud the United States, did attempt to introduce into the United States merchandise described as “Orisha Summoning Powder Insectisida para plantas en polvo,” by way of a false and fraudulent invoice valuing the merchandise at \$60.00 (6,000 packets valued at \$0.01 per packet), in violation of Title 18, United States Code, Sections 545 and 2.

COUNT 4:
[Importing Merchandise Illegally]

On or about February 16, 2011, in the District of Oregon, **RYAN A. SCOTT**, fraudulently and knowingly imported merchandise, that is “Orisha Summoning Powder,” into the United States, contrary to law, to wit: violations of Title 21, United States Code, Sections 331 (Misbranded Drug), 952 (Unlawful Importation of Controlled Substances), and 846 (Conspiracy to Distribute Controlled Substances), all in violation of Title 18, United States Code, Sections 545 and 2.

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COUNT 5:
[Conspiracy to Introduce Misbranded Drugs into Interstate Commerce]

Beginning in 2009 and continuing through May 2012, in the District of Oregon and in the states of Washington, Nevada, Kansas, and elsewhere, **ALEXANDRE V. DIMOV, RYAN A. SCOTT**, and **ANDRIELLE GABAREE**, defendants herein, did knowingly and willfully combine, conspire, confederate and agree with each other and with others both known and unknown to the Grand Jury, to introduce into interstate commerce drugs, as defined in 21 U.S.C. § 321(g)(1), that were misbranded in the following ways:

- (1) the labeling for said drugs was false and misleading, 21 U.S.C. § 352(a);
- (2) the labeling for said drugs failed to include a list of the names and quantities of each active ingredient, 21 U.S.C. § 352(e)(1)(A)(ii);
- (3) the labeling for said drugs lacked adequate directions for use, 21 U.S.C. § 352(f)(1); and
- (4) the labeling for said drugs lacked adequate warnings against use by children where its use may be dangerous to health, or against unsafe dosage and methods, and duration of administration, in such manner and form, as was necessary for the protection of the users of the drug, 21 U.S.C. § 352(f)(2);

and did so with the intent to defraud or mislead in the following ways: (1) defendants marketed the drugs as “incense” and labeled the drugs “Not for Human Consumption” while knowing and intending that these products would ultimately be used for human consumption by end-users as drugs to achieve euphoric and psychoactive effects similar to marijuana (for the K2 products) and stimulant effects on the central nervous system similar to or greater than those of methcathinone (for the Orisha products) and while knowing that retail distributors relied on defendants’ marketing representations for wholesale distribution of “legal” incense; and (2) by marketing the drugs as “incense” and labeling the packets “Not for Human Consumption,” defendants intended

to mislead government agencies including the Food and Drug Administration (FDA), the Drug Enforcement Administration (DEA), and Customs and Border Protection (CBP); all in violation of Title 21, United States Code, Sections 331(a), 333(a)(2), and 352, and Title 18, United States Code, Section 371.

COUNT 6:
[Conspiracy to Commit Money Laundering]

Beginning at a time unknown, but at least by July 2009 and continuing through May 2012, in the District of Oregon and states of Washington, Nevada, Kansas, countries of Canada and Peru, and elsewhere, **ALEXANDRE V. DIMOV, RYAN A. SCOTT, NANCY GABAREE**, and **ANDRIELLE GABAREE**, defendants herein, did knowingly and willfully combine, conspire, confederate, and agree with each other and with others both known and unknown to the Grand Jury, to transport, transmit, transfer and attempt to transport, transmit, or transfer funds and monetary instruments from a place in the United States to a place outside the United States, and from a place outside the United States to a place within the United States, with the intent to promote the carrying on of a specified unlawful activity, in violation of Title 18, United States Code, Sections 1956(a)(2)(A) and 2, all in violation of Title 18, United States Code, Section 1956(h).

CRIMINAL FORFEITURE -DRUG OFFENSE

As a result of committing the controlled substance offenses alleged in Counts 1-2 of this indictment, **ALEXANDRE V. DIMOV, RYAN A. SCOTT, NANCY GABAREE**, and **ANDRIELLE GABAREE**, defendants herein, shall forfeit to the United States pursuant to Title 21 United States Code, Section 853, any and all property constituting or derived from any proceeds the said defendants obtained directly or indirectly as a result of the said violation and

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any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the violations, including but not limited to the following assets:

1. DOMAIN NAMES:

best-k2.com	k2incense.org
blackmagicsmokeshop.com	k2incenseblend.com
buyherbalincense.com	k2incenseforum.com
buy-k-2.blogspot.com	k2incensereviews.com
buyk2.com	k2incensereviews.info
buy-k-2.com	k2incensereviews.net
buyk2incense.com	k2incensewholesale.com
buy-k2-incense.com	k2-sale.com
buy-k2-summit.com	k2-sex.com
buyk2summit.org	K2SMOKEBLEND.COM
herbalk2incense.com	k2smokeblend.net
k2blends.com	k2-summit.com
k2blonde.com	k2summitsmoke.com
k2cafe.org	k2-ultra.com
k2drugs.com	k2verified.org
k2drugs.org	k2wholesale.com
k2drugshop.com	k2-wholesale.com
k2fire.com	k2wholesale.org
k2herb.com	legalweedstore.net
k2herbalincenseshop.com	nextgenbuzz.com
k2herbalsmokes.net	OFFICIALK2HERB.COM
k2herbincense.com	k2spicegold.com
k2herbsmoke.net	wholesalek2.org
k2herbz.com	wholesale-k2.com
k2-incense.com	wholesalek2.net
k2incense.net	

2. MONEY JUDGMENT: A forfeiture of \$5,358,402 representing a portion of the proceeds of defendants' criminal activity and/or was used to facilitate defendants' criminal activity and/or was involved in defendants' criminal activity in violation of Title 21, United States Code, Section 841(a)(1) as set forth in the Indictment.

If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

CRIMINAL FORFEITURE - MONEY LAUNDERING

Upon conviction of any one or more of the money laundering charges alleged in Count 6, **ALEXANDRE V. DIMOV, RYAN A. SCOTT, NANCY GABAREE, and ANDRIELLE GABAREE**, defendants herein, shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), all property, real and personal, involved in the money laundering offense(s) and all property traceable to such property including but not limited to the following:

1. PROCEEDS

A sum of money equal to at least \$5,358,402 in United States currency, representing the amount of property involved in the conspiracy for which the defendants are jointly and severally liable.

2. BANK ACCOUNTS

(A) All United States currency funds or other monetary instruments credited to account number XXXX XXXX 4092 in the name of KTW Enterprises, Ltd., Inc, located at Bank of America;

(B) All United States currency funds or other monetary instruments credited to account number XXXX XXXX 4319 in the name of Ryan A. Scott, located at Bank of America;

(C) All United States currency funds or other monetary instruments credited to account number XXXX XXXX 7198 in the name of Ryan A. Scott, located at Bank of America;

(D) All United States currency funds or other monetary instruments credited to account number XXXX-XXXX-9662 in the name of Alexandre V. Dimov, located at Bank of America;

(E) All United States currency funds or other monetary instruments credited to account number XXXX XXXX 2915 in the name of Alle Grand Enterprises, Alexandre Dimov located at Bank of America;

(F) All United States currency funds or other monetary instruments credited to account number XXXX XXXX 6493 in the name of Andrielle N. Gabaree, located at Bank of America;

(G) All United States currency funds or other monetary instruments credited to account number XXXX-XXXX-6572 in the name of Andrielle Gabaree, located at Bank of America;

(H) All United States currency funds or other monetary instruments credited to account number XXXX XXXX 0402 in the name of Allegrand Enterprises, Mariya N.

Simeonova, located at Bank of America;

(I) All United States currency funds or other monetary instruments credited to account number XXXX XXXX 4574 in the name of Mariya Simeonova, located at Bank of America;

(J) All United States currency funds or other monetary instruments credited to account number XXXX XXXX 6967 in the name of KTW Enterprises, LTD, located at U.S. Bank;

(K) All United States currency funds or other monetary instruments credited to account number XXXX5676 in the name of Andrielle L. Gabaree, located at One Nevada Credit Union, formerly Nevada Federal Credit Union;

If any of the above-described forfeitable property, as a result of any act or omission of the defendant(s):

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or

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(e) has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant(s) up to the value of the forfeitable property described above.

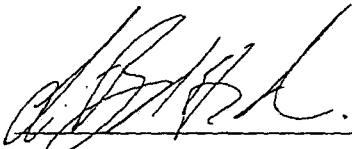
Dated this 9 of May 2012.

A TRUE BILL.

OFFICIATING FOREPERSON

Presented by:

S. AMANDA MARSHALL, OSB# 95347
United States Attorney
District of Oregon



LEAH K. BOLSTAD, OSB #052039
Assistant United States Attorney

ANNEMARIE SGARLATA, OSB #065061
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