

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA

*

CRIMINAL DOCKET NO. 09-209

v.

*

SECTION: "L" (3)

**CHRISTOPHER KRUMHOLT
a/k/a "Malibu Chris"**

*

* * *

FACTUAL BASIS

The above-named defendant, **CHRISTOPHER KRUMHOLT, a/k/a "Malibu Chris,"** has agreed to plead guilty as charged to Count One of the Indictment now pending against him. Should this matter have proceeded to trial, the United States of America would have proven beyond a reasonable doubt, through the introduction of relevant, competent, and admissible testimonial, physical and demonstrative evidence, the following facts to support the allegation against the defendant, **CHRISTOPHER KRUMHOLT("KRUMHOLT")**:

Unless stated otherwise, all of the facts set forth herein occurred within the Eastern District of Louisiana.

On or about June 24, 2009, a reliable confidential informant (C/I) informed Drug Enforcement Administration (DEA) agents that he could arrange a meeting with an individual known to him as "Malibu Chris," who could provide him with a source for MDMA. Agents

subsequently identified “Malibu Chris” as **CHRISTOPHER KRUMHOLT**. The C/I further advised agents that earlier in the day **KRUMHOLT** asked the C/I to pick him up at the Wyndham Hotel in New Orleans so that he could take the C/I to Metairie and introduce him to his source of supply (SOS) for MDMA tablets.

Prior to the C/I meeting with **KRUMHOLT**, agents conducted an integrity search of the C/I with negative results and provided him with a self monitoring device and digital recorder. The C/I, followed by agents conducting surveillance, then drove to the Wyndham Hotel to pick up **KRUMHOLT**.

At approximately 5:52 p.m., the C/I arrived at the Wyndham Hotel. **KRUMHOLT** entered the C/I’s vehicle and directed the C/I to drive toward Metairie, Louisiana. While headed toward Metairie, the C/I asked **KRUMHOLT**, “Will I be able to get 500 tomorrow?” referring to purchasing MDMA tablets from the SOS. **KRUMHOLT** responded, “Uh-huh. Yeah.” The C/I then asked, “Could I get some tonight to try?” and **KRUMHOLT** replied, “Yeah.”

As they arrived in Metairie, **KRUMHOLT** directed the C/I to drive to 2720 Independence Street, Apartment C. Minutes after arriving at the address, **KRUMHOLT**’s SOS, later identified as Lance Gassen (“Gassen”), driving a silver Ford F-150, parked next to **KRUMHOLT** and the C/I. After talking outside for a few minutes, they all went into Apartment C, later determined to be Gassen’s residence.

Once inside the residence, **KRUMHOLT** told Gassen, “He wants to get 500 tomorrow,” referring to the C/I’s request to purchase 500 MDMA tablets. Gassen showed the C/I approximately 500 MDMA pills he had in his possession and sold the C/I five (5) tablets for \$30.00 as samples. The C/I told Gassen that he (Gassen) could call him the next day to sell him the tablets. They agreed

to a price of \$6.00 per tablet. **KRUMHOLT** then asked Gassen, “Do you want me to give him your 601 number?” Gassen responded, “Yeah that’s fine” and told the C/I to call him when he was ready. The C/I and **KRUMHOLT** then left Gassen’s residence and returned to the Wyndham Hotel. After dropping **KRUMHOLT** off at the hotel, the C/I returned to the agents and turned over to them the five MDMA tablets he purchased from Gassen. The tablets were then analyzed at the DEA laboratory by Senior Forensic Chemist Betsy Gonzales on July 24, 2009. All five tablets tested positive for MDMA and had a net weight of 1.38 grams. After this introduction of the parties, **KRUMHOLT** was no longer involved in the MDMA distribution conspiracy. Moreover, **KRUMHOLT** earned no funds or other compensation for making this introduction. There is no indication that **KRUMHOLT** knew of any additional purchases by the C/I from Gassen, nor did he know of the activities of Jared Folks.

On June 25, 2009, the C/I and Gassen agreed to the sale of 500 MDMA tablets by Gassen to the C/I as discussed the previous day. At approximately 5:15 p.m., agents met with the C/I, conducted an integrity search with negative results, and provided him with \$3,000.00 of official agency funds along with a self-monitoring device and digital recorder to record the transaction. Agents established video surveillance at Gassen’s residence prior to the transaction.

At approximately 6:13 p.m., the C/I arrived at Gassen’s residence located at 2720 Independence Street in Metairie and entered Apartment C. Gassen gave the C/I approximately 500 pink tablets contained in five (5) clear plastic baggies. The C/I gave Gassen the \$3,000.00 of official agency funds, left the residence and turned the tablets over to the agents. The tablets were then analyzed at the DEA laboratory by Senior Forensic Chemist Betsy Gonzales on July 24, 2009. The total count of the tablets was 507.7, all of which tested positive for MDMA and had a net weight of

157.4 grams.

On June 29, 2009, the C/I and Gassen negotiated a sale of 500 MDMA tablets by Gassen to the C/I for \$6.50 per tablet totaling \$3,250.00. They agreed to make the transaction the following day at Gassen's residence.

On June 30, 2009, agents conducted an integrity search of the C/I with negative results and provided him with \$3,250.00 of official agency funds along with electronic recording devices to record the transaction. Agents also established video surveillance near Gassen's residence prior to the transaction.

At approximately 2:02 p.m., agents observed the C/I arrive at Gassen's residence where Gassen gave the C/I five (5) clear plastic bags containing approximately 500 MDMA tablets. The C/I gave Gassen the \$3,250.00 of official agency funds. Gassen told the C/I that he was expecting a shipment of MDMA tablets from his SOS and that he would let the C/I know when it arrived. The C/I then told Gassen that he would be interested in buying one thousand (1000) tablets in the future. The C/I left Gassen's residence and turned the tablets over to the agents who field tested the tablets. The tablets tested positive for the presence of MDMA.

The tablets were analyzed at the DEA laboratory by Senior Forensic Chemist Betsy Gonzales on July 16, 2009. The total count of the tablets was 504.8 tablets, all of which tested positive for MDMA with a net weight of 126.2 grams.

On July 8, 2009, agents obtained a federal search warrant to search Gassen's residence at 2720 Independence Street, Apartment C, Metairie, Louisiana. Prior to the execution of the warrant, agents learned from the C/I that Gassen was preparing to meet with his source of supply.

At approximately 4:30 p.m., agents observed Gassen exit his residence, enter the F150 and

drive to 2444 Helena Street, Kenner, Louisiana. Gassen entered Suite A at 2444 Helena Street. At approximately 4:57 p.m., agents observed Gassen and an unknown white male, later identified as Jared Folks, exit Suite A. Gassen entered his vehicle and Folks entered a black Toyota Tundra bearing license plate number X071467. The vehicle is registered to Folks at 2444 Helena Street, Suite A, Kenner, Louisiana. Agents followed Gassen's vehicle to the 3000 block of Independence Street where they then arrested Gassen. Agents searched Gassen's vehicle and seized ten (10) clear plastic baggies with knotted ends each containing orange tablets. The tablets were analyzed at the DEA laboratory by Senior Forensic Chemist Betty Gonzales on July 31, 2009. The total count of the tablets was 1000, all of which tested positive for 1-Benzylpiperazine and had a net weight of 296.4 grams of 1-Benzylpiperazine.

At approximately 5:15 p.m., agents read Gassen his Miranda rights. Gassen then agreed to answer questions and identified **FOLKS** as his source of supply. Gassen told agents that he had just obtained 1000 MDMA tablets from **FOLKS** at 2444 Helena Street, Suite A, Kenner, Louisiana. Gassen further stated that he had just given **FOLKS** \$2,500.00 as payment in full for 1000 MDMA tablets he obtained from **FOLKS** two weeks earlier. Gassen told the agents that he planned to sell the 1000 MDMA tablets he just obtained from **FOLKS** and give \$6,000.00 to **FOLKS** later in the evening. Gassen confirmed to the agents that **FOLKS** drives a black Toyota Tundra.

At approximately 5:30 p.m., agents executed the search warrant at Gassen's residence and seized the following:

One clear plastic ziploc bag containing a quantity of white tablets bearing a spade insignia. The tablets were analyzed at the DEA laboratory by Senior Forensic Chemist Betty Gonzales on August 24, 2009. The total count of the tablets was 819.1, all of which tested positive for MDMA and had a net weight of 206.5 grams.

One clear plastic baggie with a knotted end containing a quantity of pink tablets bearing a horseshoe insignia. The tablets were analyzed at the DEA laboratory by Senior Forensic Chemist Betsy Gonzales on July 31, 2009. The total count of the tablets was 100, all of which tested positive for 1-Benzylpiperazine and had a net weight of 29.5 grams of 1-Benzylpiperazine.

One clear plastic baggie with a knotted end containing a quantity of pink tablets bearing a "HH" insignia. The tablets were analyzed at the DEA laboratory by Forensic Chemist Ted Chapman on September 9, 2009. The total count of tablets was 50, all of which tested positive for MDMA and had a net weight of 15.7 grams.

One clear plastic ziploc bag containing a quantity of yellow tablets bearing a footprint insignia. The tablets were analyzed at the DEA laboratory by Forensic Chemist Ted Chapman on August 14, 2009. The total count of the tablets was 63.7, all of which tested positive for MDMA and had a net weight of 17.6 grams.

One digital scale.

One black zipper bag, miscellaneous plastic baggies and money wrappers.

At approximately 6:30 p.m., in the presence of the agents, Gassen placed a consensual recorded call to **FOLKS** to arrange a meeting. **FOLKS** and Gassen agreed to meet at the Shell gas station located at the corner of Causeway Boulevard and Veterans Boulevard in Metairie, Louisiana. At approximately 6:45 p.m., agents arrested **FOLKS** after he arrived at the Shell station. Agents seized a quantity of United States currency from a white envelope in **FOLKS**' shorts pocket and read him his Miranda rights. **FOLKS** informed the agents that he understood his rights and agreed to answer questions. **FOLKS** told the agents that the white envelope contained \$2,500.00 that he received from Gassen earlier that evening as payment for 1000 MDMA tablets he gave to Gassen at 2444 Helena Street, Suite A in Kenner. **FOLKS** further informed the agents that he was at the Shell station waiting for Gassen to bring him \$6,000.00 as proceeds from the sale of the tablets and

that Gassen owed him approximately \$13,000.00 for previous MDMA transactions over the past month.

FOLKS also identified his source of supply as Cesar LNU from Houston, Texas. According to **FOLKS**, Cesar LNU provided **FOLKS** with 4,000 MDMA tablets to sell. **FOLKS** told agents that he still owes Cesar LNU \$13,000.00 for the tablets.

FOLKS consented to a search of his residence located at 606 Harrison Avenue, New Orleans, Louisiana. Found in a safe in **FOLKS**' bedroom were the following:

\$400.00 in United States currency

One Cartier Roadster wrist watch

One diamond Polanti wrist watch

One 14 karat white gold diamond engagement ring

Other items found in **FOLKS**' home included the following:

One United States of America Passport for Jared Folks

Two digital scales

One black briefcase containing a DET-2 Frequency Counter

For sentencing purposes, the Government and the defendant, **KRUMHOLT**, agree that **KRUMHOLT** should be held responsible for 512.7 MDMA tablets with a net weight of 157.78

grams for which he assisted in the delivery of during the course of the conspiracy.

ANDRE' JONES (Date)
Assistant United States Attorney
LA Bar Roll No. 23502

CHRISTOPHER KRUMHOLT (Date)
Defendant

MICHAEL J. RIEHLMAN (Date)
LA Bar Roll No.
Attorney for Defendant

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA

*

CRIMINAL DOCKET NO. 09-209

v.

*

SECTION: "L" (3)

JARED FOLKS

*

* * *

FACTUAL BASIS

The above-named defendant, **JARED FOLKS**, has agreed to plead guilty as charged to Counts One and Five of the Indictment now pending against him. Should this matter have proceeded to trial, the United States of America would have proven beyond a reasonable doubt, through the introduction of relevant, competent, and admissible testimonial, physical and demonstrative evidence, the following facts to support the allegation against the defendant, **JARED FOLKS** ("**FOLKS**"):

Unless stated otherwise, all of the facts set forth herein occurred within the Eastern District of Louisiana.

On or about June 24, 2009, a reliable confidential informant (C/I) informed Drug Enforcement Administration (DEA) agents that he could arrange a meeting with an individual known to him as "Malibu Chris," who could provide him with a source for MDMA. Agents subsequently

identified "Malibu Chris" as Christopher Krumholt. The C/I further advised agents that earlier in the day Krumholt asked the C/I to pick him up at the Wyndham Hotel in New Orleans so that he could take the C/I to Metairie and introduce him to his source of supply for MDMA tablets.

Prior to the C/I meeting with Krumholt, agents conducted an integrity search of the C/I with negative results and provided him with a self monitoring device and digital recorder. The C/I, followed by agents conducting surveillance, then drove to the Wyndham Hotel to pick up Krumholt. At approximately 5:52 p.m., the C/I arrived at the Wyndham Hotel. Krumholt entered the C/I's vehicle and directed the C/I to drive toward Metairie, Louisiana. While headed toward Metairie, the C/I asked Krumholt, "Will I be able to get 500 tomorrow?" referring to purchasing MDMA tablets from the SOS. Krumholt responded, "Uh-huh. Yeah". The C/I then asked, "Could I get some tonight to try?" and Krumholt replied, "Yeah."

As they arrived in Metairie, Krumholt directed C/I to drive to 2720 Independence Street, Apartment C. Minutes after arriving at the address, Krumholt's SOS, later identified as Lance Gassen ("Gassen"), driving a silver Ford F-150, parked next to Krumholt and the C/I. The three of them went into Apartment C, later determined to be Gassen's residence.

Once inside the residence, Krumholt told Gassen, "He wants to get 500 tomorrow.", referring to the C/I's request to purchase 500 MDMA tablets. Gassen showed the C/I approximately 500 MDMA pills he had in his possession and sold the C/I five (5) tablets for \$30.00 as samples. The C/I told Gassen that he (Gassen) could call him the next day to sell him the tablets. They agreed to a price of \$6.00 per tablet. Krumholt then asked Gassen, "Do you want me to give him your 601 number?" Gassen responded, "Yeah that's fine" and told the C/I to call him when he was ready. The C/I and Krumholt then left Gassen's residence and returned to the Wyndham Hotel. After

dropping Krumholt off at the hotel, the C/I returned to the agents and gave them the five MDMA tablets he purchased from Gassen. The tablets were then analyzed at the DEA laboratory by Senior Forensic Chemist Betsy Gonzales on July 24, 2009. All five tablets tested positive for MDMA and had a net weight of 1.38 grams.

On June 25, 2009, the C/I and Gassen agreed to the sale of 500 MDMA tablets by Gassen to the C/I as discussed the previous day. At approximately 5:15 p.m., agents met with the C/I, conducted an integrity search with negative results, and provided him with \$3,000.00 of official agency funds along with a self-monitoring device and digital recorder to record the transaction. Agents established video surveillance at Gassen's residence prior to the transaction.

At approximately 6:13 p.m., the C/I arrived at Gassen's residence where Gassen gave the C/I approximately 500 pink tablets contained in five (5) clear plastic baggies. The C/I gave Gassen the \$3,000.00 of official agency funds, left the residence and turned the tablets over to the agents. The tablets were then analyzed at the DEA laboratory by Senior Forensic Chemist Betsy Gonzales on July 24, 2009. The total count of the tablets was 507.7, all of which tested positive for MDMA and had a net weight of 157.4 grams.

On June 29, 2009, the C/I and Gassen negotiated a sale of 500 MDMA tablets by Gassen to the C/I for \$6.50 per tablet totaling \$3,250.00. They agreed to make the transaction the following day at Gassen's residence.

On June 30, 2009, agents conducted an integrity search of the C/I with negative results and provided him with \$3,250.00 of official agency funds along with electronic recording devices to record the transaction. Agents also established video surveillance near Gassen's residence prior to the transaction.

At approximately 2:02 p.m., agents observed the C/I arrive at Gassen's residence where Gassen gave the C/I five (5) clear plastic bags containing approximately 500 MDMA tablets. The C/I gave Gassen the \$3,250.00 of official agency funds. Gassen told the C/I that he was expecting a shipment of MDMA tablets from his SOS and that he would let the C/I know when it arrived. The C/I then told Gassen that he would be interested in buying one thousand (1000) tablets in the future. The C/I left Gassen's residence and turned the tablets over to the agents who field tested the tablets. The tablets tested positive for the presence of MDMA.

The tablets were analyzed at the DEA laboratory by Senior Forensic Chemist Betsy Gonzales on July 16, 2009. The total count of the tablets was 504.8 tablets, all of which tested positive for MDMA with a net weight of 126.2 grams.

On July 8, 2009, agents obtained a federal search warrant to search Gassen's residence at 2720 Independence Street, Apartment C, Metairie, Louisiana. Prior to the execution of the warrant, agents learned from the C/I that Gassen was preparing to meet with his source of supply.

At approximately 4:30 p.m., agents observed Gassen exit his residence, enter the F150 and drive to 2444 Helena Street, Kenner, Louisiana. Gassen entered Suite A at 2444 Helena Street. At approximately 4:57 p.m., agents observed Gassen and an unknown white male, later identified as Jared Folks, exit Suite A. Gassen entered his vehicle and Folks entered a black Toyota Tundra bearing license plate number X071467. The vehicle is registered to Folks at 2444 Helena Street, Suite A, Kenner, Louisiana. Agents followed Gassen's vehicle to the 3000 block of Independence Street where they then arrested Gassen. Agents searched Gassen's vehicle and seized ten (10) clear plastic baggies with knotted ends each containing orange tablets. The tablets were analyzed at the DEA laboratory by Senior Forensic Chemist Betty Gonzales on July 31, 2009. The total count of

the tablets was 1000, all of which tested positive for 1-Benzylpiperazine and had a net weight of 296.4 grams of 1-Benzylpiperazine.

At approximately 5:15 p.m., agents read Gassen his Miranda rights. Gassen then agreed to answer questions and identified **FOLKS** as his source of supply. Gassen told agents that he had just obtained 1000 MDMA tablets from **FOLKS** at 2444 Helena Street, Suite A, Kenner, Louisiana. Gassen further stated that he had just given **FOLKS** \$2,500.00 as payment in full for 1000 MDMA tablets he obtained from **FOLKS** two weeks earlier. Gassen told the agents that he planned to sell the 1000 MDMA tablets he just obtained from **FOLKS** and give \$6,000.00 to **FOLKS** later in the evening. Gassen confirmed to the agents that **FOLKS** drives a black Toyota Tundra.

At approximately 5:30 p.m., agents executed the search warrant at Gassen's residence and seized the following:

One clear plastic ziploc bag containing a quantity of white tablets bearing a spade insignia. The tablets were analyzed at the DEA laboratory by Senior Forensic Chemist Betty Gonzales on August 24, 2009. The total count of the tablets was 819.1, all of which tested positive for MDMA and had a net weight of 206.5 grams.

One clear plastic baggie with a knotted end containing a quantity of pink tablets bearing a horseshoe insignia. The tablets were analyzed at the DEA laboratory by Senior Forensic Chemist Betsy Gonzales on July 31, 2009. The total count of the tablets was 100, all of which tested positive for 1-Benzylpiperazine and had a net weight of 29.5 grams of 1-Benzylpiperazine.

One clear plastic baggie with a knotted end containing a quantity of pink tablets bearing a "HH" insignia. The tablets were analyzed at the DEA laboratory by Forensic Chemist Ted Chapman on September 9, 2009. The total count of tablets was 50, all of which tested positive for MDMA and had a net weight of 15.7 grams.

One clear plastic ziploc bag containing a quantity of yellow tablets bearing a footprint insignia. The tablets were analyzed at the DEA

laboratory by Forensic Chemist Ted Chapman on August 14, 2009. The total count of the tablets was 63.7, all of which tested positive for MDMA and had a net weight of 17.6 grams.

One digital scale.

One black zipper bag, miscellaneous plastic baggies and money wrappers.

At approximately 6:30 p.m., in the presence of the agents, Gassen placed a consensual recorded call to **FOLKS** to arrange a meeting. **FOLKS** and Gassen agreed to meet at the Shell gas station located at the corner of Causeway Boulevard and Veterans Boulevard in Metairie, Louisiana. At approximately 6:45 p.m., agents arrested **FOLKS** after he arrived at the Shell station. Agents seized a quantity of United States currency from a white envelope in **FOLKS**' shorts pocket and read him his Miranda rights. **FOLKS** informed the agents that he understood his rights and agreed to answer questions. **FOLKS** told the agents that the white envelope contained \$2,500.00 that he received from Gassen earlier that evening as payment for 1000 MDMA tablets he gave to Gassen at 2444 Helena Street, Suite A in Kenner. **FOLKS** further informed the agents that he was at the Shell station waiting for Gassen to bring him \$6,000.00 as proceeds from the sale of the tablets and that Gassen owed him approximately \$13,000.00 for previous MDMA transactions over the past month.

FOLKS also identified his source of supply as Cesar LNU from Houston, Texas. According to **FOLKS**, Cesar LNU provided **FOLKS** with 4,000 MDMA tablets to sell. **FOLKS** told agents that he still owes Cesar LNU \$13,000.00 for the tablets.

FOLKS consented to a search of his residence located at 606 Harrison Avenue, New Orleans, Louisiana. Found in a safe in **FOLKS**' bedroom were the following:

\$400.00 in United States currency

One Cartier Roadster wrist watch

One diamond Polanti wrist watch

One 14 karat white gold diamond engagement ring

Other items found in **FOLKS'** home included the following:

One United States of America Passport for Jared Folks

Two digital scales

One black briefcase containing a DET-2 Frequency Counter

Folks has challenged forfeiture of most of these articles and certain currency as not being the product of any drug dealings.

For sentencing purposes, the Government and the defendant, **FOLKS**, agree that **FOLKS** should be responsible for 4000 tablets, which consists of 1,953.9 actually recovered containing MDMA with a net weight of 524.78 grams and a net weight of actual drug per the laboratory reports of the government of 172.5 grams, 1100 actually recovered containing 1-Benzylpiperazine with a net weight of 325.9 grams and a net weight of actual drug per the laboratory reports of the government of 138.2 grams and 946.1 pills not recovered which **FOLKS** admits to having sold from

the total batch, the actual net weight and net weight of actual drug of which cannot be measured.

ANDRE' JONES (Date)
Assistant United States Attorney
LA Bar Roll No. 23502

JARED FOLKS (Date)
Defendant

FERDINAND KLEPPNER (Date)
LA Bar Roll No.
Attorney for Defendant