

United States District Court District of Oregon

UNITED STATES OF AMERICA

v.

**CRIMINAL COMPLAINT
(Sealed)**

**BRIAN WAYNE SIMMONS, JOHN WAYNE
JOHNSON, MICHAEL SCOTT GRANTSKI,
CLIFFORD DREW RUHLAND, CALEB
JOSEPH KULP, and MICHAEL REED PERU**

CASE NUMBER: **1:12-MJ-000** *63-CL*

I, the undersigned complainant state the following is true and correct to the best of my knowledge and belief. On or about March 2010 to October 2011 in Jackson County, in the District of Oregon, defendants BRIAN WAYNE SIMMONS, JOHN WAYNE JOHNSON, MICHAEL SCOTT GRANTSKI, CLIFORD DREW RUHLAND, CALEB JOSEPH KULP, and MICHAEL REED PERU did

Unlawfully and knowingly manufacture, distribute, or possess with intent to distribute 100 or more marijuana plants and/or 100 kilograms of marijuana, a Schedule I Controlled Substance, and conspire with others to do the same,

in violation of Title 21 United States Code, Sections 841(a)(1) and (b)(1)(B)(vii), and 846.

I further state that I am a Special Agent of U.S. Drug Enforcement Administration and that this complaint is based on the following facts:
Official Title

SEE ATTACHED AFFIDAVIT OF RONALD WRIGHT.

Continued on the attached sheet and made a part hereof:

Yes No

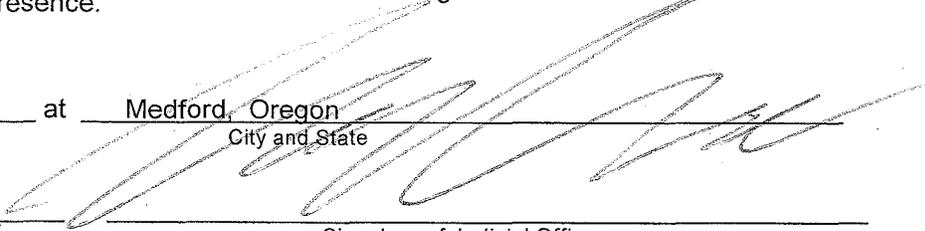


Signature of Complainant
Ronald S. Wright, Special Agent
U.S. Drug Enforcement Administration

Sworn to before me and subscribed in my presence.

4/26/12 at Medford, Oregon
Date City and State

MARK CLARKE, U.S. Magistrate Judge
Name & Title of Judicial Officer



Signature of Judicial Officer

STATE OF OREGON)
) ss
COUNTY OF JACKSON)

AFFIDAVIT OF RONALD S. WRIGHT
IN SUPPORT OF CRIMINAL COMPLAINT

I, Ronald S. Wright, first being duly sworn, depose and state:

This affidavit is made in support of a Complaint and arrest warrants for:

- | | |
|---------------------------|---------------|
| 1. Brian Wayne SIMMONS | DOB: xx-xx-72 |
| 2. John Wayne JOHNSON | DOB: xx-xx-56 |
| 3. Michael Scott GRANTSKI | DOB: xx-xx-61 |
| 4. Clifford Drew RUHLAND | DOB: xx-xx-80 |
| 5. Caleb Joseph KULP | DOB: xx-xx-81 |
| 6. Michael Reed PERU | DOB: xx-xx-41 |

There is probable cause to believe that the above-listed subjects, and others known and yet unknown, have committed the offenses of manufacture, distribution, possession with intent to distribute a controlled substance, marijuana, and conspiracy to commit the same, in violation of Title 21, United States Code, Section 841(a)(1) and (b)(1)(B)(vii), and 846.

BACKGROUND

1. I am a Special Agent with the United States Department of Justice, Drug Enforcement Administration (DEA), and have been so employed since April, 1983. I am currently assigned to the Medford Resident Office and have been so assigned since January of 1998. I have personally been involved in and participated in undercover operations and investigations relating to trafficking in marijuana, methamphetamine, cocaine, heroin, ecstasy and other drugs.

2. As a Special Agent of the DEA, I am charged enforcing the Controlled Substances Act (Title 21, United States Code). I have personally conducted or assisted in hundreds of narcotics investigations. I graduated from DEA's Basic Agent Academy and I have completed numerous in-service trainings/classes in the narcotics and other criminal investigations, including specific training in indoor and outdoor marijuana grow operations. I have been involved in the

investigation and writing and execution of numerous indoor and outdoor marijuana grow search warrants. I have experience in the area of undercover work and have written, executed and assisted in the execution of numerous other drug-related search warrants in the past.

3. By virtue of my employment as a DEA Special Agent, I have performed various tasks which include, but are not limited to: functioning as a surveillance agent, and thereby observing and recording movements of persons trafficking in drugs, and those suspected of trafficking in drugs; and interviewing witnesses and informants relative to the illegal drug trafficking and distribution of monies and assets derived from the illegal drug trafficking.

4. I have investigated over 50 marijuana grow sites in Southern Oregon operated under the guise of the Oregon Medical Marijuana Program (OMMP). Several of these cases involved marijuana that was grown, packaged, and sold for profit. OMMP limits a registered grower to produce 6 mature marijuana plants (12" or taller) per patient for up to 4 patients, allowing 24 mature plants per grower.¹ There is no limit to the number of growers allowed at a particular site. However, all the marijuana produced belongs to the patient, and the grower, caregiver, and patient may collectively possess only 1.5 pounds of "usable marijuana" (dried flowers and leaves) per patient. From interviewing dozens of OMMP patients, caregivers, and growers, and in consulting with state and local law enforcement officers who have interviewed hundreds more, I know that OMMP patients generally receive 1.5 pounds of marijuana bud at the end of the outdoor grow season, and this amount is sufficient to satisfy their medical needs for a year.

¹ The Federal Controlled Substances Act makes no exception for the Oregon Medical Marijuana Act. Marijuana is a Schedule I Controlled Substance. Cultivation or distribution of marijuana for any purpose, even if undertaken in compliance with the OMMA, violates federal law and is a federal felony. In fact, the OMMP "Registry Identification Card" issued to the grower and patient specifically states that "The (state) Act neither protects marijuana users from seizures nor individuals from prosecution if the federal government chooses to take action against patients, caregivers, or growers under the federal Controlled Substances Act."

5. Since the advent of OMMP, Southern Oregon marijuana growers have developed the ability to grow huge marijuana plants outdoors and in green houses, ranging from 6-10 feet tall and 6-10 feet in diameter. These plants are so large that growers often encircle the plants with plastic or wire netting, or some other rigid framework, for support. Growers fertilize and trim the plants for maximum marijuana bud production. These plants are usually ready for harvest beginning late September through October. While the marijuana bud (flower) is the most valuable part of the plant, growers also keep the leaves (shake) trimmed from the plant to make marijuana extracts, oils, and other marijuana products. Southern Oregon OMMP growers that were apprehended within the last year and a half for unlawfully manufacturing and distributing marijuana have admitted that these large plants yield anywhere from 2 to 8 pounds or more of marijuana bud per plant. This results in 12 to 48 pounds of marijuana bud per patient (at 6 plants per patient), well in excess of OMMP's 1.5 pound limit. Our own experience in drying and processing several representative marijuana plants seized from OMMP grow sites yielded anywhere from 4 to 10 pounds of dried marijuana bud per plant. OMMP growers that have been apprehended, as well as persons who distribute marijuana for OMMP growers, also indicate that the excess marijuana is sold locally for \$1,800-\$2,200 per pound wholesale, and is sold in the Midwest and East Coast for \$3,400-\$5,200 per pound.

INVESTIGATION

6. In September 2011, while conducting aerial surveillance in Jackson County, Oregon, I observed and photographed approximately 455 large marijuana plants growing at 327 E. Gregory Road, Central Point, Oregon. Google Earth aerial photographs from the Summer 2010 showed 72 marijuana plants growing on the property at that time. Property records showed this site was being purchased by Brian W. SIMMONS, dba Brian's Green Thumb Farm. Property records

also showed SIMMONS purchasing rural property at 3271 Dark Hollow Road, Medford, Oregon, from Michael PERU. In September 2011, I also conducted aerial surveillance of 3271 Dark Hollow Road and observed approximately 60 large marijuana plants growing on the premises. On October 3, 2011, I obtained federal search warrants for these two properties.

1. Search Warrant at Brian's Green Thumb Farm, 327 E. Gregory Road, Central Point, Oregon (Brian SIMMONS, John JOHNSON)

7. On October 5, 2011, a federal search warrant was executed at 327 E. Gregory Road, Central Point, Oregon. This is the residence of Brian SIMMONS and Heather Stites. Also working and staying at this location was John W. JOHNSON. Agents seized 456 marijuana plants growing at an outdoor grow site on the property, with the plants ranging from 5' to 7' tall and 7' to 9' in diameter. Many of the plants had cut stems, indicating that the marijuana bud had been harvested. Supporting stakes and plastic netting surrounded each plant, and the plants were watered by a drip irrigation system. There was an elevated guard tower at one end of the grow site. Federal agents dried and processed two representative marijuana plants from this outdoor grow site. One plant yielded 7.91 pounds of marijuana bud and 5.41 pounds of shake (13.32 pounds total). The second plant yielded 10.86 pounds of combined bud and shake.

8. Agents also discovered and seized over 2,000 pounds of semi-dry marijuana bud drying in the upstairs area of the barn. This room was outfitted with numerous multi-level drying racks which contained the harvested marijuana bud. A percentage of this marijuana was subsequently dried and weighed by federal agents, yielding a total extrapolated dried weight of approximately 1,022 pounds of marijuana. (OMMP records showed 327 E. Gregory Road was a grow site for 76, allowing for only 114 pounds of marijuana.)

9. An office in an outbuilding on the property contained a plastic tub with 32 large

plastic packages each containing about ½ pound of marijuana bud, and other empty plastic bags the approximate size of US Currency, with the notation “10K” on the bags. Documents included an “Employment Agreement” form, which articulated the responsibilities of a “Section Manager” of the grow site, and that such manager would be paid a percentage of the product:

“A percentage of the product shall be paid to the Section Manager, less payout to patients, for his efforts in producing the product. This percentage shall be ___ percent of the production within the grow site under the control of the Section Manager. The Section Manager may allow the owner to liquidate the product on behalf of the manager or he may take possession of the earned amount as he so desires. There will be no charges from the owner to liquidate this inventory on behalf of the Section Manager.”

10. Brian SIMMONS’ cell phone (541-646-xxxx) was seized from the residence. The “contacts” portion of the phone contained the name, “Cliff” (541-613-xxxx [mobile] and 541-826-xxxx [home]). The phone contained text messages exchanged with “Cliff,” with the most recent contact being on August 27, 2011. The last incoming and outgoing calls with “Cliff” were on September 7, 2011. (“Cliff” was later identified as Clifford D. RUHLAND.)

11. John W. JOHNSON, DOB: xx-xx-56, was present and detained at the scene. JOHNSON gave a post-Miranda statement to TFO Damian Amarillas and me, saying he was hired by Brian SIMMONS to work in the marijuana grow doing general labor, trimming and any other work necessary. JOHNSON believed there were around 400 marijuana plants growing on the property. JOHNSON said he was listed as an OMMP grower on the property, but that SIMMONS helped JOHNSON with the OMMP paperwork, and that JOHNSON did not know who his listed patients were. JOHNSON said that he did not know which marijuana plants were his and thought he could grow four to six plants. JOHNSON also said it did not really matter whose plants were whose. JOHNSON said he was receiving about \$1,000 per month and a place to live from SIMMONS, as well as “medicine” (marijuana) from SIMMONS. JOHNSON said the marijuana grow was SIMMONS’ only business and was tended mostly by SIMMONS and

JOHNSON, but that sometimes other listed OMMP growers would come by to help out.

JOHNSON admitted that he also worked in SIMMONS' marijuana grow the previous year (2010).

12. Brian SIMMONS arrived at the scene during the search and gave a post-Miranda statement to TFO Amarillas and me. SIMMONS admitted that he ran the marijuana grow the previous year (2010) and the current year. SIMMONS said that he was an OMMP registered grower and that there were 19 other growers on the property, representing about 82 to 84 patients. SIMMONS said JOHNSON helps him operate the grow site, and that SIMMONS sent in JOHNSON's OMMP grower paperwork. SIMMONS said only about half of the other registered growers had actually been to the grow site upon occasion. SIMMONS said his patients receive 3 pounds of marijuana per year. Upon confronting SIMMONS that evidence showed that the marijuana grow was a money-making operation, SIMMONS nodded in the affirmative and he appeared nervous by visibly shaking and clasping his hands. SIMMONS said he decided to take a risk, figuring that (President) Obama would "help" him out, and that he knew that he had to accept the consequences of his actions.

2. Search Warrant at 3271 Dark Hollow Road, Medford, Oregon
(Brian SIMMONS, Michael PERU, Michael GRANSKI)

13. Later on October 5, 2011, a federal search warrant was executed at 3271 Dark Hollow Road, Medford, Oregon. Assessor records show this property is owned by Mike R. PERU and Michael S. SNOWDEN, with Brian W. SIMMONS as the "agent." Jackson County property records show that on May 22, 2009, SIMMONS entered into a land sale contract to buy this property from PERU and SNOWDEN for \$270,000, due by July 1, 2012. Pacific Power records show Brian SIMMONS as the customer for 3271 Dark Hollow Road, with the billing address at Michael PERU's residence, 781 Eastridge Dr., Medford, Oregon. Agents discovered

and seized 64 large growing marijuana plants, approximately 5 to 8 feet tall. These plants were in large planters, supported by stakes and netting, and watered by drip irrigation, appearing identical to the marijuana grow set up at 327 East Gregory Road. A representative marijuana plant was preserved, dried, and processed by federal agents, yielding 5.4 pounds of marijuana bud and 3.25 pounds of shake (8.65 pounds total marijuana). Agents also discovered over 2,000 pounds of recently harvested marijuana bud -- some was hanging to dry in an outbuilding, and the remainder was in several dozens of paper grocery sacks which completely covered the bed of a 20 foot Mitsubishi box truck, license T565915, parked on the property. This truck was registered to Michael PERU, 781 Eastridge Drive, Medford, Oregon. (Aerial photographs I took of 327 E. Gregory Road in September 2011 showed an identical looking truck at that location.) A percentage of this marijuana was subsequently dried and weighed by federal agents, yielding a total extrapolated dried weight of approximately 634 pounds of marijuana. (OMMP records showed 327 E. Gregory Road was a grow site for 9, allowing for only 13.5 pounds of marijuana.)

14. Also seized from the 3271 Dark Hollow Road residence was a money-counting machine, a video surveillance system, a large amount of marijuana packaging material, scales, vacuum heat-sealer, additional marijuana that was dried and drying, and a cell phone belonging to Michael GRANTSKI (253-376-xxxx). The "contacts" portion of this phone contained "Mike PERU-cell" (ph. 541-210-xxxx), and "PERU-home" (ph. 541-608-xxxx). Also in the "contacts" portion of the phone was "Clifford" (541-613-xxxx mobile). This number, 541-613-xxxx, was the same number as for "Cliff" (Clifford RUHLAND) in SIMMONS' phone.

15. Michael Scott GRANTSKI, DOB: xx-xx-61 was present and appeared to be the sole occupant of 3271 Dark Hollow Road. GRANTSKI gave a post-Miranda statement, saying that he moved from Tacoma, Washington to 3271 Dark Hollow Road on April 20, 2011, and that

"Brian Simmons brought me to the property." GRANTSKI said he met Brian SIMMONS a year earlier through Mike PERU while GRANTSKI was working as a chef in Lakewood, Washington. At that time, PERU was GRANTSKI's landlord, and GRANTSKI managed an apartment for PERU in Washington. GRANTSKI has known PERU for approximately 3 years. GRANTSKI said SIMMONS and PERU were not happy with the other guy that ran the marijuana grow at the Dark Hollow property the previous year. SIMMONS and PERU offered GRANTSKI "twenty percent of the profits" from the projected sale of marijuana growing at 3271 Dark Hollow Road, and that they got 180 pounds of marijuana bud the previous year. After talking with PERU and SIMMONS, GRANTSKI "figured around \$100,000 for my cut." PERU and SIMMONS said they were "selling to dispensaries." GRANTSKI planned on bringing his son down from the Portland area to help with the marijuana harvest in the coming days. GRANTSKI said he was "paid \$500 per week while I'm here." SIMMONS told GRANTSKI how much nutrients to put in the water tanks for feeding the marijuana plants and showed him what to do. GRANTSKI also said, "Mike PERU came 2-3 times since I've been here; PERU is more of a financial advisor." GRANTSKI said PERU "arranges trimmers and tries to make everything look legal" with OMMP. PERU and SIMMONS "wanted a guy who didn't smoke and was straight." PERU owns property in Washington, has some type of water purification business and was possibly in Ecuador right now. GRANTSKI also said, "Brian (SIMMONS) was here this morning and had another guy named Brad with him." "Brian told me that the feds were probably coming to his house today," and that GRANTSKI should probably put a padlock on the driveway gate in case law enforcement showed up at the Dark Hollow property. GRANTSKI said that he laughed and figured "they" could get in no matter what he put on the gate. Referencing the 20 foot Mitsubishi box truck filled with several dozen grocery

bags of marijuana bud, GRANTSKI said, "Guys that work for Brian ... brought the truck over three days ago and hung the marijuana for drying." GRANTSKI said, "my boss is Brian (SIMMONS), Mike (PERU) is the money guy." GRANTSKI said, "I have been to the other grow at Brian's" (327 East Gregory Road). GRANTSKI also said, "PERU kept track of the money and taxes, PERU would actually tax the money; I haven't seen any money yet." "Brian (SIMMONS) had me sign a contract with him." GRANTSKI explained that the contract consisted of information on working at the grow site and not being responsible for injuries or damages incurred while working on the marijuana grow or at the property. GRANTSKI was told that he would be taxed on all money earned including whatever profit he made after the sales of marijuana produced from the Dark Hollow Road grow, which GRANTSKI projected to be \$100,000 or more.

3. Search Warrant at 781 Eastridge Drive, Medford, Oregon
(Michael PERU)

16. On October 13, 2011, agents executed a federal search warrant at Michael PERU's residence, 781 Eastridge Drive, Medford, Oregon. Various financial documents were seized along with over \$11,000 in U.S. Currency. Michael and Donna PERU came home during the search. Michael PERU had just returned from Ecuador the previous day. Michael PERU's cell phone (541-210-xxxx) was seized from his person. Michael PERU gave a post-Miranda statement to Task Force Agent Amarillas and me. PERU said that he was a business consultant and the owner of DLM Consulting. PERU acknowledged that he was a registered OMMP grower and he thought his grow site was at Brian SIMMONS' farm on East Gregory. (OMMP records show PERU registered to grow at the Dark Hollow Road address.) PERU thought he had three patients, but he did not know who they were. SIMMONS filled out the OMMP paperwork and PERU just signed it. PERU knew SIMMONS grew marijuana but PERU did not

participate. PERU said he only became a “grower” because SIMMONS needed more patients for his grow site. PERU advised SIMMONS and other medical marijuana growers on the financial matters, such as paying taxes, filling out tax returns, paying bills, getting credit, and other such business-related items. PERU said that he had a consulting contract with SIMMONS and charged SIMMONS \$5,000 per month. At one point, PERU mentioned helping the medical marijuana growers to get “legal.” PERU said he thought medical marijuana was all legal and that the grower could sell the marijuana to their patients to recover costs. PERU said that SIMMONS sold vegetables in 2010, but that several months ago, in 2011, PERU advised SIMMONS to shut down the vegetable stand as it cost too much and was not making money. PERU knew that SIMMONS had a lot of expenses associated with marijuana growing. SIMMONS has not given PERU any money (for consulting fees or to pay bills) since the time the vegetable stand shut down, but PERU felt that SIMMONS would be able to pay once the marijuana harvest came in. PERU thought SIMMONS was working on selling marijuana to dispensaries in other states, mentioning California and Nevada. PERU said he was working as a consultant for other medical marijuana growers, one named “Cliff.” At first PERU said that things did not work out as Cliff was one of those people who did not have any money, but later PERU said that Cliff always had money. PERU acknowledged that Cliff’s business was Nomad Vibes, Inc., but PERU did not know anything about this business.

4. Search Warrant at 12345 Table Rock Road, Central Point, Oregon
(Clifford RUHLAND and Caleb KULP)

17. On October 12, 2011, I obtained telephone records for 541-826-xxxx, which was listed under “Cliff” in SIMMONS’ cell phone. This number is subscribed by Clifford D. RUHLAND, c/o DLM Consulting Services, 781 Eastridge Drive, Medford, Oregon (Michael PERU’s address and business name). The service address is 12345 Table Rock Road, Central

Point, Oregon. Oregon DMV records showed Clifford D. RUHLAND, DOB: xx-xx-80, residing at 12345 Table Rock Road, Central Point, Oregon. RUHLAND also has a 2006 felony conviction for Delivery of Marijuana (Substantial Quantity), in Jackson County, Oregon. RUHLAND pled guilty, admitting he possessed and attempted to deliver more marijuana than authorized under the OMMA; he also forfeited \$3,284 cash.

18. On October 12, 2011, I conducted aerial surveillance of 12345 Table Rock Road, Central Point, Jackson County, Oregon. I observed and photographed approximately 113 large marijuana plants there, ranging approximately 3 to 8 feet tall and 4 to 7 feet in diameter.

19. On October 14, 2011, federal agents executed a search warrant at 12345 Table Rock Road, Central Point, Jackson County, Oregon, the residence of Clifford RUHLAND and Caleb KULP. Agents discovered 113 large marijuana plants, approximately 5 to 8 feet tall, growing at the premises. The plants were in large planters supported by stakes and netting, and watered through drip irrigation. This grow set up appeared identical to the marijuana grows set up at 327 E. Gregory Road and 3271 Dark Hollow Road. The perimeter of the grow area was protected by an infrared alarm system. Agents preserved two of the larger marijuana plants from the outdoor grow site which later were dried and trimmed. One plant yielded 10.77 pounds of marijuana bud and 7.03 pounds of shake (17.8 pounds total marijuana). The other plant yielded 11.16 pounds of marijuana bud and 9.30 pounds of shake (20.46 pounds marijuana total).

20. Clifford RUHLAND and Caleb KULP were present inside the residence. The residence was outfitted with drying racks in almost every room and contained a drying trimmed and untrimmed marijuana bud. This marijuana was seized and dried by the agents, yielding 35.3 pounds of trimmed marijuana bud and 54 pounds of untrimmed marijuana bud. (OMMP records show this location was a grow site for 21, allowing for 31.5 pounds of marijuana.) OMMP

paperwork listed RULAND and KULP as growers at this location. Agents seized \$2,660 from a suitcase and \$150 from a safe containing marijuana bud; RULAND and KULP denied ownership of this money. RULAND's wallet also contained \$950 cash. Agents also found a handwritten contract, in which RUHLAND agreed to pay KULP \$50,000 to assist in RUHLAND's marijuana grow. RUHLAND additionally agreed that "Caleb is also entitled to 10% of everything over 2.5 from average per plant. Patient and grower weed will be taken out of the percent over 2.5 per plant." "If needed I can supply \$500 dollars a month until end of season or until money runs out," but "if everything falls apart not due to my actions the owed amount I will not be responsible for."

21. Agents also seized a "Twister" and an "Eclipse," expensive machines (\$10,000+) used to process marijuana bud. Agents also found a camera containing a photograph of RUHLAND at his property with the large white water truck and bags of fertilizer in the background. This water truck was located at SIMMONS' residence, 327 E. Gregory Road, during the October 5, 2011 search. The same camera also contained several photos of SIMMONS and others posing next to very large marijuana plants, photos of 3271 Dark Hollow Road, a photo of the white 20' Mitsubishi truck owned by Mike PERU, and several other photos of RUHLAND by himself.

5. Marijuana Distribution in Washington **(Michael Peru)**

22. On June 6, 2011, Bremerton, Washington Police arrested Reed Peru, DOB xx-xx-78, for delivering 12 pounds of marijuana to a Confidential Informant (CI). Reed Peru gave the officers a post-Miranda statement. Reed Peru admitted to having the 12 pounds of marijuana in his car, and expected payment of about \$1,750 per pound. He also admitted prior deliveries of one to two pounds of marijuana at a time to marijuana dispensaries in Washington. He said his

marijuana source was in Oregon, and that the marijuana is delivered to him by unknown “runners” from Oregon. Reed Peru also said he deposited the marijuana sales proceeds into bank accounts at Key Bank, and that the marijuana suppliers were growers who were “just farmers.”

23. Reed Peru consented to a search of his residence at 2921 90th Avenue, Edgewood, Washington. Officers arrived and found Reed Peru’s wife, and his father, Michael PERU, at the house. Reed Peru said that his father was visiting from Oregon, and that he was there to check on some properties he owned in the area. Over 18 pounds of marijuana was seized from a locked safe in the garage, along with \$11,000 in cash which Reed Peru admitted was proceeds from prior marijuana sales. Reed Peru initially denied that his father knew anything about the marijuana in the safe, and Michael PERU was allowed to leave the residence in his truck. Officers subsequently found documents in the garage that appeared to be drug ledgers, which contained handwritten columns with seven different names at the top of the columns, including “JJ,” “Cliff,” and “Dad.” Under each name are apparent dollar amounts ranging from 1,000 up to 62,420.

24. Reed Peru was questioned about the drug ledger and admitted that his father, Michael PERU, was a consultant to Oregon marijuana growers, but had nothing to do with Reed’s marijuana distribution. Reed Peru said his father introduced him to a marijuana supplier in Oregon, and that was the reason “Dad” appeared on the drug ledger. Reed Peru explained that the people listed on the drug ledger were people from whom he received marijuana, and that the figures appearing on the ledgers represented money that Reed owed to the suppliers.

25. Reed Peru telephoned his father Michael PERU and asked him to return to the residence. Michael PERU returned and made voluntary, non-custodial statements to the officers. Michael PERU said he lived in Medford, Oregon. He used to be a real estate developer, but after

the mortgage market collapsed, he began to work with a person whom he sold property to, and who was growing and selling marijuana. Michael PERU said that this person was making a large amount of money in the "medical marijuana market," and was working in cash, but not paying any taxes. PERU said that he helped this person change his operation into that of any other farming operation, and to report his marijuana sales income as "legitimate taxable income" to the IRS. Michael PERU said that word-of-mouth among the marijuana growers led him to start helping other marijuana growers in the Medford area. Michael PERU said he was a financial consultant to about 12 marijuana growing operations, that he was not a marijuana grower himself, but that he did have an Oregon medical marijuana grow card. Michael PERU further admitted that he loaded and transported the 30 pounds of marijuana from Oregon to Washington for his son that was seized at the "buy/bust" and from Reed Peru's safe in his garage. Michael PERU said that this was the second time that he had done this, and that on the prior occasion, he brought 10 pounds. Michael PERU admitted that the grower who supplied the 30 pounds of marijuana was named "Bryan" (Brian Simmons). PERU also stated that Reed gets marijuana from several of Michael PERU's clients in Oregon, and that several of these growers were named on Reed's pay/owe sheets. Michael PERU admitted that he was planning on driving the money from the marijuana sales back down to "Bryan" in Oregon. He also said that in the past, Reed had mailed the money, and also shipped it via Federal Express. The officers seized Michael PERU's pick-up truck as it had been used to transport the marijuana for sale from Oregon to Washington.

26. The officers re-interviewed Reed Peru, and he admitted that he either drives down to Oregon himself to obtain the marijuana, or his father delivers it to him in Washington. He acknowledged that his father drove the 30 pounds of marijuana to him at his residence that day

(June 6, 2011). Reed Peru further stated that he planned to give the proceeds from the marijuana sale to his father to transport the money to Oregon to the supplier.

6. Financial Evidence
(Brian SIMMONS, Michael PERU, Clifford RUHLAND)

27. In October, 2011, I received records for Key Bank Business Checking account xxxxxxxxxx975, for "Brian's Green Thumb Farm, LLC," with Brian W. SIMMONS and Michael R. PERU as signers. This account was opened on August 1, 2011. These records show seven cash deposits totaling \$33,350.00, between August 8, 2011 and August 29, 2011, all made at the Edgewood-Milton Key Bank branch in Milton, Washington. Each deposit was for \$4,900.00, except for a \$3,950.00 deposit on August 29, 2011. On each deposit date, there were text messages between SIMMONS' phone and 253-973-xxxx (used by Jack D. Williams, Jr.) confirming that the deposits had been made. One such text exchange on August 12, 2011, is as follows:

Outgoing	\$4900 deposited per my discussion with mike. <i>(believed to be Michael R. PERU.)</i>
Incoming	K, thanks

Another text on August 22, 2011, referenced the deposits being made and the fact that the deposits were in relation to the sales of marijuana:

Outgoing	Hey, did u sell those two lesser quality elbows? What did you get for them? <i>(Affiant's note: "elbow" refers to pound quantities of the drug being offered for sale.)</i>
Incoming	2
Outgoing	2000?
Incoming	The two bags of your buddies went for 2 each
Outgoing	Wow, okay
Outgoing	So, do I get 17 for them?"
Incoming	Yes sir
Outgoing	By the way, total still owed is 13750
Incoming	Thank you...Deposits ok?
Outgoing	Yes

Outgoing	The transport guy is on board for later this year. Says he has a secure location for you to pick up at. Farm outside seattle.
Incoming	Outstanding
Outgoing	Kick ass
Incoming	Cant wait till we can work more

28. In November, 2011, I received surveillance camera photos from Key Bank, which depict the bank teller and customer of the seven cash deposits made in August 2011 at the Edgewood-Milton Key Bank branch in Milton, Washington. These photos show the same white male customer at each transaction. I identified this person as Jack D. Williams, Jr, DOB: xx-xx-76, through a Washington driver's license photograph. Michael PERU's seized cell phone also contained the number (253) 973-xxxx under "JJ Williams." During a November 22, 2011, interview of Michael PERU, PERU said that "JJ Williams" was a friend of PERU's son Reed Peru in the Tacoma/Puyallup, Washington area. PERU described Williams and said he spoke with Williams about two weeks ago. PERU later said he met with Williams one week ago in Washington, and they discussed the (legal) "situations" in Washington and Oregon. PERU initially denied that he knew anything about Williams working with SIMMONS, but eventually confirmed that Williams had made bank deposits in Washington into PERU's account. PERU said this was SIMMONS' money and that PERU transferred the money to SIMMONS' bank account. PERU thought the deposits were \$4,000 to \$5,000 each. SIMMONS contacted PERU about the need for the deposits to be made, and PERU directed SIMMONS to have Williams contact PERU for PERU's bank account number. PERU confirmed that he gave his bank account number to Williams so that Williams could make the deposits for the "product" that SIMMONS was selling in Washington.

29. Subpoenaed bank records from the Rogue Federal Credit Union (RFCU) for "Brian's Green Thumb Farm," Checking Account #####, also showed Brian SIMMONS and Michael

PERU and as the authorized signers. This account was opened on October 26, 2010. For the approximate one-year period from 10-26-2010 to 10-02-2011, there was \$311,865 in significant deposits into this account. This included 55 cash deposits ranging from \$1500 to \$14,000 totaling approximately \$247,000, an additional \$63,000 in check deposits from Michael PERU and SIMMONS, and a \$500 check from RUHLAND:

October 2010	\$3,000 cash
December 2010	\$35,000 cash (\$14000, 5000, 4000, 5000, 2000, 5000)
January 2011	\$43,500 cash (7000, 5500, 5000, 8000, 6000, 4000, 5000, 3000)
February 2011	\$44,500 cash (5000, 4000, 4000, 4500, 4000, 6000, 4000, 5000, 8000) and one \$2,000 check
March 2011	\$40,000 cash (4000, 4000, 7000, 8000, 5000, 3000, 5000, 4000)
April 2011	\$13,100 cash (4000, 9100), \$6,700 in checks from Peru (4700, 2000)
May 2011	\$25,500 cash (3000, 8000, 5000, 1500, 4000, 4000), \$2,190 in checks from Peru (1240, 950)
June 2011	\$10,125 cash (4500, 1500, 2000, 1000, 1125), \$17,400 in checks from Peru (5000, 2000, 3600, 5000, 1800)
July 2011	\$15,500 cash (3500, 3000, 5000, 4000), \$15,350 in checks from PERU (7200, 4630, 3520)
August 2011	\$4,000 cash (2000, 2000), \$16,000 in checks from SIMMONS (7000, 2000, 7000)
September 2011	\$11,500 cash (3000, 4000, 4500), \$500 check from RUHLAND, \$4000 check from PERU (from Simmons/Peru Key Bank Account)
October 2011	\$2,000 cash

30. Subpoenaed Rogue Federal Credit Union bank records for "NOMAD VIBES, LLC," account #####, showed Clifford D. RUHLAND, owner, and Michael PERU, consultant, as the authorized signers. This account was opened on March 3, 2010. RUHLAND provided RFCU with the Articles of Organization filed with the Oregon Corporation Division on January 29, 2010, describing NOMAD VIBES, LLC as a "vegetable (except potato) and melon farming, other" type of business, with RUHLAND as the registered agent and organizer. (The Oregon Corporations Division Business Registry shows Clifford RUHLAND as the registered agent for this business, and that its status was apparently inactive since April 2011.) RUHLAND also provided RFCU with an "Operating Agreement" indicating that he contributed \$22,000 to

Nomad Vibes, LLC on March 3, 2010. From March 2010 through October 2011, there was \$273,511 in significant deposits into this account. This included 67 cash deposits ranging from \$1000 to \$10,000 totaling \$248,311 and \$25,200 in checks from Brian SIMMONS and Michael

PERU:

March 2010	\$ 2,000 cash, \$22,000 check from SIMMONS (“inventory purchase”)
April 2010	\$19,951 cash (2417, 1287, 3127, 1000, 3620, 5000, 3500)
May 2010	\$25,120 cash (8000, 10000, 2120, 5000)
June 2010	\$14,900 cash (2000, 5900, 1000, 6000), \$2200 check from PERU
July 2010	\$5765 cash
August 2010	\$16,700 cash (2200, 5860, 5000, 3640)
Sept. 2010	\$16,440 cash (2200, 2840, 3960, 3860, 3580)
October 2010	\$7,000 cash (3000, 4000)
Nov. 2010	\$11,400 cash (5400, 6000)
Dec. 2010	\$4,920 cash (2920, 2000)
Jan. 2011	\$13,500 cash (6500, 5000, 2000)
Feb. 2011	\$24,750 cash (5000, 5000, 5000, 5000, 4750)
March 2011	\$15,110 cash (7700, 3270, 4140)
April 2011	\$5,500 cash (2460, 3040), \$1,000 check from PERU
May 2011	\$19,000 cash (8000, 5000, 5000, 1000)
June 2011	\$12,800 cash (4000, 3300, 1500, 2000, 2000)
July 2011	\$8,400 cash (2400, 3000, 3000)
August 2011	\$13,535 cash (3500, 5000, 2695, 2340)
Sept. 2011	\$8,520 cash (2800, 2000, 1720, 2000)
October 2011	\$3,000 cash (1000, 2000)

The \$22,000 check from SIMMONS for “inventory purchase” was deposited into the NOMAD VIBES, LLC account on March 3, 2010, the same day that RULAND opened the account and listed \$22,000 as his initial contribution to the business.

CONCLUSION

31. Based on the foregoing, I have probable cause to believe that Brian Wayne SIMMONS, John Wayne JOHNSON, Michael Scott GRANTSKI, Clifford Drew RUHLAND, Caleb Joseph KULP, Michael Reed PERU, and others have committed the crimes of Manufacture, Distribution and Possession with Intent to Distribute Marijuana, and Conspiracy to commit the same, in violation of 21 U.S.C. § 841(a)(1), (b)(1)(B)(vii), and §846.

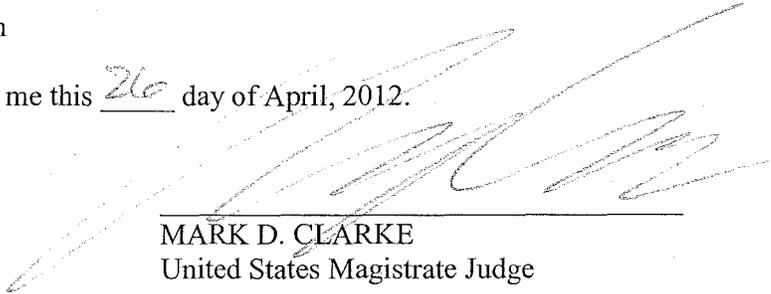
WHEREFORE, I request that the court authorize arrest warrants for these persons for the crimes alleged above.

32. I have presented this affidavit to AUSA Douglas W. Fong and he advised me that the proposed Complaint and affidavit are in proper form and supported by probable cause.



RONALD S. WRIGHT, Special Agent
U.S. Drug Enforcement Administration

SUBSCRIBED and SWORN to before me this 26 day of April, 2012.



MARK D. CLARKE
United States Magistrate Judge