

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA

v.

CHRISTOPHER WHITE
GRAEME MARSHALL

16
Cr. No.

33-0/M

In violation of 21 U.S.C. §§ 841(a)(1), 846,
and 858; 18 U.S.C. §§ 1956(a)(1)(A)(i),
1956(a)(1)(B)(i), and 2

INDICTMENT

The Grand Jury charges that:

INTRODUCTION

FILED
MAR 29 2016
U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND

At all times relevant to this Indictment unless herein stated:

1. Grosca, LLC ("Grosca") was a Rhode Island limited liability company created by Defendants CHRISTOPHER WHITE ("White") and GRAEME MARSHALL ("Marshall") in 2010 to design, produce and sell indoor plant growing equipment. Grosca sold equipment and supplies used for indoor marihuana cultivation.
2. White and Marshall were principals and agents of Grosca. At all times they operated Grosca with at least one employee.
3. Grosca leased the building located at 498 Kinsley Avenue, Providence, RI ("498 Kinsley"). 498 Kinsley was a large warehouse -- approximately 85,900 square feet -- with offices on the East side of the building. Grosca maintained its offices at 498 Kinsley and White and Marshall shared office space.
4. Grosca allowed a non-profit organization to use office space at 498 Kinsley.

The non-profit organization had several volunteers that worked at 498 Kinsley multiple hours a week. The non-profit organization used space at 498 Kinsley to offer classes to members of the community and to hold meetings relative to their organization.

5. 498 Kinsley was located on the corner of Kinsley Avenue and Sims Avenue. To the south of 498 Kinsley was a working factory. Across Sims Avenue from 498 Kinsley were offices used primarily by small businesses.

6. Along the west wall of 498 Kinsley, there were three small rooms. White and Marshall used the room located the furthest south along the west wall for a butane hash oil ("BHO") manufacturing laboratory. This room contained among other items, a BHO extractor, marijuana plant material also known as "trim," and two vacuum ovens. In proximity of this room, there were tanks of butane gas.

7. The fire alarm and sprinkler systems at 498 Kinsley did not operate properly. In October 2013, the alarm company advised Marshall of the deficiencies in the fire and sprinkler systems at 498 Kinsley. In April 2014, the alarm company again advised Grosca of the deficiencies in the fire and sprinkler systems.

8. White and Marshall operated Grosca at 498 Kinsley until March 9, 2015, when the building was engulfed by a devastating fire. At approximately 11:37 p.m. on March 9, a fire began in the room in which the BHO laboratory was located. The fire spread throughout the building before it was contained by members of the Providence Fire Department. Before the fire department was able to contain the fire, they had to evacuate the employees of the factory operating next door to 498 Kinsley Avenue. The

fire rendered the building uninhabitable.

BUTANE HASH OIL

9. Tetrahydrocannabinol ("THC") is a Schedule I controlled substance found in marihuana plants. BHO is made by extracting THC from marihuana through the use of butane, a solvent. BHO contains a much higher concentration of THC than marihuana does.

10. BHO, a type of hashish oil, is typically a viscous, dark colored oil. It can also exist as a dry, hardened resin commonly referred to as "shatter."

11. To extract THC from marihuana, manufacturers drip butane through a column or tube containing marihuana plant material that is then collected in a vessel. As the butane drips through the plant material, it extracts the THC from the plant material.

12. The substance or oil that collects in a vessel at the bottom of the tube is typically heated to hasten the evaporation of the butane from the oil. A vacuum oven is often used to further evaporate the butane from the BHO.

13. Butane is highly flammable. At various stages during the BHO manufacturing process, butane escapes into the air. It is heavier than air and tends to collect at ground level. When butane reaches a certain concentration in the air, it can ignite when exposed to a heat source, such as a spark or electrical arc.

BHO MANUFACTURING AT 498 KINSLEY

14. On various dates between on or about August 8, 2013 and on or about

March 9, 2015, White and Marshall purchased butane on at least fifteen occasions.

15. On or about August 29, 2013, Marshall purchased a vacuum oven to use in the manufacture of BHO.

16. On multiple occasions between on or about November 22, 2013 and on or about March 9, 2015, White ordered equipment parts to use in the manufacture of BHO.

17. On multiple occasions between or about November 5, 2013 and on or about March 9, 2015, White and Marshall acquired at least 37 kilograms of marijuana plant material or "trim" to use in the manufacture of BHO.

18. On or about November 25, 2013, White caused a laboratory to test BHO samples for potency and composition.

19. On or about April 8, 2014, Marshall caused a laboratory to test BHO samples for potency and composition.

20. On or about May 7, 2014, White and Marshall purchased a second vacuum oven to use in the manufacture of BHO.

21. On multiple occasions between on or about April 13, 2013 and on or about March 9, 2015, the exact dates unknown, White and Marshall manufactured a total of over 1,000 grams of BHO at 498 Kinsley using the process described in paragraphs 9 - 13 of this Indictment.

22. On multiple occasions between on or about April 13, 2013 and on or about March 9, 2015, the exact dates unknown, White and Marshall distributed a total of more than 1,000 grams of BHO. They typically sold BHO for between \$15 and \$30 per gram.

COUNTS 1 - 9- ENDANGERING HUMAN LIFE WHILE ILLEGALLY
MANUFACTURING CONTROLLED SUBSTANCE

23. The allegations contained in paragraphs 1 through 22 of this Indictment are realleged in this Count and are incorporated by reference as if fully set forth herein.

24. On or about the dates specified below, in the District of Rhode Island, the defendants, CHRISTOPHER WHITE and GRAEME MARSHALL, while knowingly and intentionally manufacturing and attempting to manufacture, in violation of 21 U.S.C. § 841, a Schedule I controlled substance, to wit, tetrahydrocannabinols contained in hashish oil, did create a substantial risk of harm to human life:

<u>COUNT</u>	<u>DATE</u>	<u>ACTIVITY</u>
1	10/8/13	Manufacture BHO using butane, a highly flammable gas
2	11/7/13	Manufacture BHO using butane, a highly flammable gas
3	11/22/13	Manufacture BHO using butane, a highly flammable gas
4	1/7/14	Manufacture BHO using butane, a highly flammable gas
5	3/24/14	Manufacture BHO using butane, a highly flammable gas
6	6/13/14	Manufacture BHO using butane, a highly flammable gas
7	9/8/14	Manufacture BHO using butane, a highly flammable gas
8	12/1/14	Manufacture BHO using butane, a highly flammable gas
9	3/9/15	Manufacture BHO using butane, a highly flammable gas

All in violation of 21 U.S.C. § 858 and 18 U.S.C. § 2.

COUNT 10 - CONSPIRACY

25. The allegations contained in paragraphs 1 through 22 of this Indictment are realleged in this Count and are incorporated by reference as if fully set forth herein.

26. Beginning on or about April 1, 2013 and continuing until on or about March 9, 2015, in the District of Rhode Island, the defendants, CHRISTOPHER WHITE

and GRAEME MARSHALL, did knowingly, intentionally and wilfully combine, conspire, confederate, and agree together and with others known and unknown to the grand jury, to knowingly and intentionally manufacture and distribute a Schedule I controlled substance, to wit: tetrahydrocannabinols contained in one kilogram or more of hashish oil, in violation of 21 U.S.C. §§ 841(a)(1) and 841(b)(1)(C), all in violation of 21 U.S.C. § 846.

COUNT 11 - 17 - DISTRIBUTION OF A CONTROLLED SUBSTANCE

27. The allegations contained in paragraphs 1 through 22 of this Indictment are realleged in this Count and are incorporated by reference as if fully set forth herein.

28. On or about the dates set forth in the chart below, in the District of Rhode Island, the defendants, CHRISTOPHER WHITE and GRAEME MARSHALL, did knowingly and intentionally distribute a mixture and substance containing a detectable amount of a Schedule I controlled substance, to wit: tetrahydrocannabinols contained in hashish oil, in violation of 21 U.S.C. §§ 841(a)(1) and (b)(1)(D), and 18 U.S.C. § 2:

<u>COUNT</u>	<u>DATE</u>	<u>CUSTOMER</u>	<u>QUANTITY</u>	<u>PRICE PER GRAM</u>
11	10/10/13	TCSCC	467 grams 119 grams	\$15 per gram \$20 per gram
12	10/24/13	TCSCC	23.7 grams	\$20 per gram
13	10/30/13	TCSCC	199.9 grams	\$20 per gram
14	11/13/13	MOD	292.8 grams	N/A
15	11/19/13	PR	25 grams	\$30 per gram
16	11/20/13	TCSCC	96.9 grams	\$20 per gram
17	1/20/14	TCSCC	220 grams	\$20 per gram

COUNT 18 - MONEY LAUNDERING

29. The allegations contained in paragraphs 1 through 22 of this Indictment

are realleged in this Count and are incorporated by reference as if fully set forth herein.

30. On or about May 27, 2014, in the District of Rhode Island, the defendants, CHRISTOPHER WHITE and GRAEME MARSHALL, did knowingly conduct a financial transaction affecting interstate and foreign commerce, to wit, the withdrawal of \$5,724.50 from Bank of America account xxxx xxxx 2137 to pay an American Express credit card bill associated with the May 7, 2014 purchase of an Across International vacuum oven, which involved the proceeds of a specified unlawful activity, to wit, the unlawful manufacture of controlled substances, with the intent to promote the carrying on of a specified unlawful activity, to wit, unlawful manufacture of controlled substances, and that while conducting such financial transaction knew that the property involved in the financial transaction represented the proceeds of unlawful activity, in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 2.

COUNTS 19 - 22 - MONEY LAUNDERING

31. The allegations contained in paragraphs 1 through 22 of this Indictment are realleged in this Count and are incorporated by reference as if fully set forth herein.

32. On or about the dates set forth below, in the District of Rhode Island, the defendants, CHRISTOPHER WHITE and GRAEME MARSHALL, did knowingly conduct and cause to be conducted financial transactions affecting interstate commerce, namely, depositing proceeds from the sale of hashish oil, a specified unlawful activity, into Bank of America account xxxx xxxx 2137 held in the name of "Grosca, LLC, Wholesale Account," and commingling said proceeds with funds obtained by Grosca,

LLC from the sale of equipment and other business ventures, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting such financial transactions, knew that the property involved in the financial transactions represented the proceeds of unlawful activity:

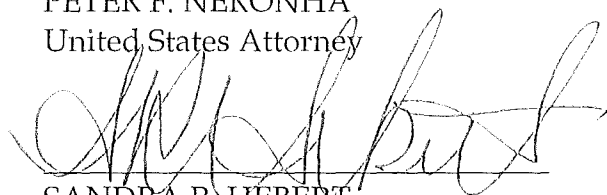
<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL TRANSACTION</u>	<u>AMOUNT</u>
19	11/9/13	Deposit check #2886 received from TCSCC	\$ 9,385.00
20	11/25/13	Deposit check #2977 received from TCSCC	\$ 474.00
21	12/20/13	Deposit check #2977 received from TCSCC	\$ 5,600.00
22	1/24/14	Deposit check #3354 received from TCSCC	\$ 3,998.00

All in violation of 18 U.S.C. §§ 1956(a)(1)(B)(i) and 2.

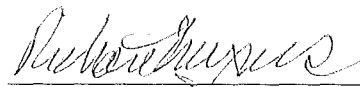
A TRUE BILL:

REDACTED

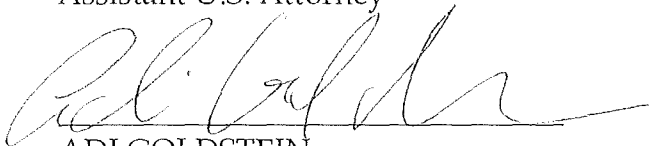
PETER F. NERONHA
United States Attorney



SANDRA R. HEBERT
Assistant U.S. Attorney



RICHARD B. MYRUS
Assistant U.S. Attorney



ADI GOLDSTEIN
Assistant U.S. Attorney
Chief, Criminal Division

Dated:

March 29, 2016

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: INFORMATION INDICTMENT COMPLAINT

CASE NO. _____

Matter Sealed: Juvenile Other than Juvenile
 Pre-Indictment Plea Superseding Defendant Added
 Indictment Charges/Counts Added
 Information

USA vs.
 Defendant: CHRISTOPHER WHITE

Name of District Court, and/or Judge/Magistrate Location (City)
 UNITED STATES DISTRICT COURT RHODE ISLAND
 DISTRICT OF RHODE ISLAND Divisional Office

Address
REDACTED

Name and Office of Person Furnishing Information on THIS FORM: PETER F. NERONHA
 U.S. Atty Other U.S. Agency
 Phone No. (401) 709-5000
 Name of Asst. U.S. Attorney (if assigned): Sandra R. Hebert

Ir _____
 Birth Date _____ n
 Date _____ (able)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
 ATF: James Hartman, Special Agent

Social _____

person is awaiting trial in another Federal or State Court (give name of court)

this person/proceeding transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

Issue: Warrant Summons

Location Status:

Arrest Date _____ or Date Transferred to Federal Custody _____

this is a reprosecution of charges previously dismissed which were dismissed on motion of:
 U.S. Atty Defense

Currently in Federal Custody
 Currently in State Custody
 Writ Required

this prosecution relates to a pending case involving this same defendant. (Notice of Related Case must still be filed with the Clerk.)

SHOW DOCKET NO.

Currently on bond
 Fugitive

prior proceedings or appearance(s) before U.S. Magistrate Judge regarding this defendant were recorded under

MAG. JUDGE CASE NO.

Defense Counsel (if any): _____

FPD CJA RET'D
 Appointed on Target Letter

Place of offense: RHODE ISLAND County

This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 22

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	See Attachment		<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor

Trial: 1 week

**OFFENSE CHARGED – U.S.C. CITATION – STATUTORY MAXIMUM PENALTIES –
ADDITIONAL INFORMATION OR COMMENTS**

Total # of Counts: 22

Count Breakdown	Title & Section/Offense Level (Petty = 1/ Misdemeanor = 3/ Felony = 4)	Description of Offense Charged	Felony/Misd.
1-9	21 U.S.C.§ 858 and 18 U.S.C.§ 2	Endangering human life while illegally manufacturing a Schedule I controlled substance.	FELONY
	Imprisonment: 10 years Supervised Release: 3 years	Fine: \$250,000 Special Assessment: \$100	
10	21 U.S.C.§ 846	Conspiracy re: Endangering human life while illegally manufacturing a Schedule I controlled substance.	FELONY
	Imprisonment: 20 years Supervised Release: Life	Fine: \$1 million Special Assessment: \$100	
11-17	21 U.S.C.§841(a)(1) and (b)(1)(D) and 18 U.S.C.§2	Distribution of a Schedule I controlled substance.	FELONY
	Imprisonment: 5 years Supervised Release: Life	Fine: \$ 250,000 Special Assessment: \$100	
18	18 U.S.C.§1956(a)(1)(A)(i) and 2	Money Laundering	FELONY
	Imprisonment: 20 years Supervised Release: 3 years	Fine: \$ 500,000 Special Assessment: \$100	
19-22	18 U.S.C.§1956(a)(1)(B)(i) and 2	Money Laundering	FELONY
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REDACTED

Name and Office of Person Furnishing Information on THIS FORM: PETER F. NERONHA
 U.S. Atty Other U.S. Agency
 Phone No. (401) 709-5000
 Name of Asst. U.S. Attorney (if assigned): Sandra R. Hebert

Int: _____

Birth Date: _____

Social S: _____

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person is awaiting trial in another Federal or State Court (give name of court)

this person/proceeding transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

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SHOW DOCKET NO.

MAG. JUDGE CASE NO.

Issue: Warrant Summons

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Currently in State Custody

Writ Required

Currently on bond

Fugitive

Defense Counsel (if any): _____

FPD CJA RET'D

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Place of offense: RHODE ISLAND County

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	Imprisonment: 5 years Supervised Release: Life	Fine: \$ 250,000 Special Assessment: \$100	
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