



United States Department of Justice

United States Attorney's Office Central District of California

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May 4, 2020

VIA EMAIL (Rebecca_Abel@fd.org)

Rebecca Able, Esq.
Officer of the Federal Public Defender
312 East Second Street
Los Angeles, CA 90012

Re: United States v. Charles C. Lynch
CR No. 07-689-GW

Dear Ms. Able:

Pursuant to the Court's scheduling order, and the prior discussions and agreement of the parties, the government provides herein an expert disclosure regarding the matters on remand in the above case. The government designates and provides notice of Dennis R. Packer, currently employed as a financial investigator for the DEA, as an expert on financial investigations and analysis, and California medical marijuana issues including marijuana "dispensaries," grows and similar operations.

Mr. Packer's training and experience, are set forth on the two-page document enclosed herewith. The government expects to use Mr. Packer as an expert to analyze any materials or arguments that the defense puts forth to meet its burden of showing on remand that defendant and his CCCC store were in full and complete compliance with California state marijuana law. His opinions will be based on his training and experience, and from having reviewed the materials in this case, including the discovery produced by the government and defense, the trial transcripts and exhibits, and the documents and materials seized from the CCCC and defendant Lynch ("defendant") in connection with this investigation, including business records of the CCCC.

Although the government has no obligation to put forth any material at this time in light of the Court's ruling that defendant has the burden on this issue, for the purpose of advanced notification, please note that, based on his training and experience and review of the materials set out above, the government expects Mr. Packer to opine, if necessary, that the CCCC and defendant did not comply with California state marijuana laws, including not operating as a collective or cooperative. Specific opinions on these issues include that: (a) Business records show that defendant never set up the CCCC to operate as a collective/cooperative, but as a profit-making enterprise; first for himself and Daniel Eister as 60/40 partners, and then, after personally buying out Eister, as a 100% sole owner of the CCCC business. (b) There was no evidence of attempts by defendant to share profits or the financial operations of the enterprise with customers/members/employees, nor was there effort to calculate what "reasonable

compensation” would be for defendant’s activities with respect to the CCCC. (c) Defendant himself admitted in his sealed proffer with the government that he intended to sell marijuana at the CCCC at whatever price the market would allow, and that he would frequently take money from the CCCC for himself and his personal use. (d) Analysis of the bank and related records for the CCCC and defendant, including the CCCC’s Bank of America bank account, and various credit card and other accounts used by defendant, confirm that the CCCC operated for defendant’s personal profit, not in any sense as a collective or cooperative organization. Defendant frequently took money from the CCCC for himself, including depositing money into his own accounts or to pay down some of the credit card accounts he used, the records for which show that they were used for defendant’s personal expenses, not for the CCCC. Such profit-taking payments exceed \$15,000 on multiple occasions and continued on throughout, and even after, the operation of the CCCC. (e) While defendant spoke of making some payments to himself at regular amounts and intervals, the timing and irregular amounts of the payments defendant made to himself from the CCCC’s revenue stream also shows that defendant was using the money generated by the CCCC’s marijuana sales opportunistically, and at his own discretion, and was not setting a regular amount of compensation for his work, sharing in profits or revenues with others, or basing his compensation on a formula for reasonable, non-profit compensation. (f) Business records show that the CCCC was not only set up to make a profit, but in fact did so, as its expenses were less than its approximately \$2.1 million in revenues from April 2006 through March, 2007. Although work continues on determining the exact CCCC expense total, based on the initial review of existing records, expenses were significantly less than revenues from marijuana sales. (g) The CCCC was organized and operated similarly to numerous other illegal marijuana stores Mr. Packer investigated from approximately 2005-09. This including using the same financial record-keeping software as the “Compassionate Caregivers” stores in the Kristich/Yellow House organization which Mr. Packer investigated with DEA, operating for maximum revenue and profit, not providing names of marijuana suppliers/growers/vendors in its records so that law enforcement could not track back to these entities, and showing no concern with respect to the quantities of marijuana sold to customers in any medical sense. (h) The CCCC was unlike the marijuana operation Mr. Packer saw in Southern California from 2005-2009 where the operators were attempting to function as a legitimate state law collective by keeping marijuana prices as low possible and sufficient only to grow marijuana based on the specific use needs of the actual members. The government reserves the right to amend or supplement these opinions based on further analysis or information, or in response to information provided by the defense.

Please let me know if you have any questions or concerns about any of the foregoing.

Very truly yours,

/s/

David Kowal
Assistant United States Attorney

Enclosure: Dennis R. Packer Summary of Qualifications, 2 pages.

DENNIS R. PACKER
Email: Dennis.R.Packer@usdoj.gov

SUMMARY OF QUALIFICATIONS

WORK EXPERIENCE

- 2017-Present PRM/Senior Financial Investigator, DEA Los Angeles Field Division, Orange County Resident Office. Focusing on financial investigation and money laundering.
- 2014-2017 Supervisory Intelligence Research Specialist, DEA, Los Angeles Field Division; supervising DEA and National Guard intelligence analysts supporting drug trafficking investigations in Los Angeles/Riverside.
- 2008-2014 Intelligence Research Specialist, DEA, Los Angeles Field Division, Collections Group. Supporting strategic intelligence and Southern California Drug Task Force/HIDTA; extensive report writing and analysis.
- 1990-2008 Task Force Officer/Case Agent working with FBI, DEA, and numerous state and federal law enforcement agencies conducting asset forfeiture and financial investigations. Some of the investigations included, with approximate dates:
- 2007-09 Jason Beck – Targeting tax evasion from marijuana trafficking.
- 2005-2008 Yellow House, including defendants Kristich, Carberry, and Early. - Targeting illegal medical marijuana stores and the cultivation of marijuana.
- 2002-2005 Jamaican Express, US v. Anthony Hamilton, et al. - Targeting cocaine and marijuana trafficking and money laundering. Federal cases in So. Calif. and Topeka, KS.
- 2000-2002 Rampart police corruption.
- 2000 Susie Byun lead defendant – Targeting Korean organized crime.
- 1998-2000 White Lace, including defendant Rimma Fetisova - Targeting human trafficking and prostitution.
- 1999 Marie Taliferro and others – Targeting embezzlement and money laundering in investigation by Calif. Franchise Tax Board.
- 1995-1998 Mule Train, US v. Supermail International, et. al. - Targeting money service businesses and laundering drug proceeds.
- 1989-2003 Conquest, USA v. Cleveland et al.,- Targeting money laundering through financial institutions and the purchase of real estate.
- 1973-2008 Detective II (Detective Supervisor), Los Angeles Police Department, Asset Forfeiture Investigative Unit.

SUMMARY OF SPECIFIC MARIJUANA-RELATED WORK

- 2005-2008 worked as task force officer (TFO) on approximately 60 OCDETF investigations of marijuana dispensaries, grows, and other marijuana operations with DEA marijuana suppression group and others federal agents. Reviewed and analyzed financial information and other evidence, conducted financial investigations, reviewed interviews of targets and employees, prepared approximately 20 seizure warrants in federal and state courts for assets relating to marijuana operations.
- 2005-2008 worked as LAPD Detective and TFO in assisting with 25-30 California state marijuana investigations including of marijuana grows and dispensaries. Provided expertise to lead investigators, analyzed financial records, helped conduct asset forfeiture actions. Testified as a money laundering expert approximately 5-6 times in state criminal cases, typically at preliminary hearings. Agencies included LAPD, Los Angeles County Sheriff's Dept., Riverside County Sheriff's Dept., LA County Department of Water & Power, Glendale PD, San Fernando PD, and Palm Springs PD. Testified as marijuana expert in one state case in Northern California.
- 2006-2009 conducted numerous trainings and taught classes to law enforcement groups on medical marijuana dispensaries and cultivation including indoor and outdoor grows, and financial investigation techniques, both generally and specific to marijuana operations. Classes and training typically lasted 4 to 8 hours. These included:
 - Classes for the California District Attorney's Association in Sacramento (typically three times per year) and to the California Narcotics Officers Association, (two times per year in Northern and Southern California).
 - Training for individual police forces on marijuana issues, including Burbank PD, Glendale PD, Ventura County Sheriff's Dept., Los Angeles County Sheriff's Dept., San Diego PD, and Santa Monica PD.
 - In-service training for LAPD at LAPD Police Academy and Advanced Officer School and Supervisory Training Course.

EDUCATION

1987-Present	Specialized state and federal training courses on asset forfeiture; financial analysis; bookkeeping and accounting, banking, operations and money service businesses; investigative techniques; undercover operations; Attorney General Exempted intelligence gathering; Dark Web; drug trafficking trends; criminal enterprises and Organized Crime.
2009	Basic Intelligence Research Specialist Course, DEA
1972	Bachelor of Arts, Political Science, University of California at Davis
1970	Associate of Arts, General Education, Los Angeles Valley College