

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA

UNITED STATES OF AMERICA)

vs.)

VIRGINIA C. HIGH)

PRESENTENCE INVESTIGATION REPORT

Docket No. 1:92-CR-182-05

Prepared For: The Honorable Robert L. Vining, Jr.
United States District Court Judge

Prepared By: Thomas E. Thurmond
United States Probation Officer
(404) 331-6441

Assistant U.S. Attorney
Allen Moye
400 U.S. Courthouse
75 Spring Street, S.W.
Atlanta, Georgia 30305
(404) 331-3754

Defense Counsel
Michael Abbott
100 Peachtree Street, N.E.
Atlanta, Georgia 30309
(404) 525-1960

Sentence Date: January 6, 1994

Offense: Ct. 1: Conspiracy to Possess with Intent to Distribute and Distribute More than 5 Kilograms of Cocaine Hydrochloride, and More than 50 Grams of Cocaine Base (21 U.S.C. §§ 841(a)(1) and 846 and 18 U.S.C. § 2), a Class A Felony
Life / \$1,000,000 fine

Ct. 13: Conspiracy to Commit an Offense Against the United States (18 U.S.C. §§ 2 and 371), a Class D Felony
5 years / \$250,000 fine

Cts. 16, 19, 21 & 22:
Structuring Transactions to Evade Reporting Requirements, Aiding and Abetting (31 U.S.C. § 5324(3)), 18 U.S.C. § 2 and 31 C.F.R. § 103.11), a Class C Felony
10 years / \$500,000 fine

Cts. 17, 18, 20, 23 & 24:
Laundering of Monetary Instruments, Aiding and Abetting (18 U.S.C. §§ 2, 1956(a)(1)(B)(i) and 1956(a)(1)(B)(ii), a Class C Felony
20 years / \$500,000 fine or twice the value of the property involved.

Date Report Prepared: December 8, 1993

Date Report Revised:

CONFIDENTIAL
The Presentence Investigation Report is a privileged document and may not be disclosed to anyone other than the court, the parties, the defense counsel, the probation officer, or other persons authorized by the court. Its use for any other purpose is prohibited by law.

Charges, Virginia C. High

1. The defendant, Virginia C. High, is named in Counts One, Thirteen, Sixteen, Seventeen, Eighteen, Nineteen, Twenty, Twenty-One, Twenty-Two, Twenty-Three and Twenty-Four of a Thirty-Nine count indictment 1:92-CR-182 (Second Superseding), returned in the Northern District of Georgia. **Count One** charges that from a time unknown to the grand jury, but at least by in or about 1987, and continuing until on or about the date of the return of this indictment. Defendants Alex Gracia, David Lee Wallace, Sims Masel Jinks. Timothy Walker. Joel Peavy, Jimmy Coley, Elmer Adkins, Jr., Willie Lawrence Wyatt. George W. High, Virginia C. High, Anna Mae Grazette. Vincent Ringer, and Gary Rounsaville. Aided and abetted by each other and others, known and unknown to the grand jury, including but not limited to Julio Cruz, Sr., Jose Prieto, Fernando Carreras, Juan Hernandez, Wilbrent Alvin Bain, Billy Eric Williams, Richard B. Simmons. Ronnie Renee Woods, Ladarius Frances Patrick, Larry Strong, Dana Gold, Anthony "Al" Brown, George Travis Williams, Lloyd Miller, Michael Thomas, who are not named in this count as defendants, did unlawfully, willfully and knowingly combine, conspire. confederate, agree and have a tacit understanding with each other and other persons unknown to the grand jury, to commit certain offenses against the United States, to wit: to knowingly and intentionally possess with intent to distribute and to distribute more than 5 kilograms of cocaine hydrochloride, and more than 50 grams of cocaine base, (crack), in violation of 21 U.S.C. §§ 841(a)(1) and 846 and 18 U.S.C. § 2.
2. **Count Thirteen:** charges that from a date which is, to the grand jury, unknown, but at least by in or about 1987, and continuing until the date of this indictment, defendants Alex Gracia, David Lee Wallace, Sims Masel Jinks, Joel Peavy, Jimmy Coley, George W. High, Virginia C. High, Anna Mae Grazette, Robert L. Ward, Jr., and Ladarius Francis Patrick together with other persons, known and unknown to the grand jury, did unlawfully, willfully and knowingly combine, conspire, confederate, agree and have a tacit understanding in violation of 18 U.S.C. §§ 371 and 2 to commit violation of the laws of the United States of America and to defraud the United States of the equitable value of an asset, to wit: the improved real property located at 426 Peyton Road, Atlanta, Fulton County, Georgia, by mortgaging said property to Beneficial Mortgage Company, and receiving value in exchange, knowing that the United States had lawfully seized said improved real property, in accordance with the provisions of 18 U.S.C. § 981.
3. **Count Sixteen** charges that between on or about August 3, 1989 and August 5, 1989, Defendants David Lee Wallace, Virginia C. High, and Anna Mae Grazette, aided and abetted by others, known and unknown to the grand jury, knowingly and willfully, and for the purpose of evading the reporting requirements of 31 U.S.C. § 5313(a), and the regulations promulgated there under, structured, and assisted in structuring the transactions, involving the purchase of cashier's checks from domestic financial institutions in violation of 31 U.S.C. § 5324(3), 18 U.S.C. § 2 and 31 C.F.R. § 103.11.

4. **Count Seventeen** charges that on or about August 9, 1989, defendants David Lee Wallace, Virginia C. High and Anna Mae Grazette, aided and abetted by others known and unknown to the grand Jury, did conduct and cause to be conducted, a financial transaction, to wit: the purchase and sale of improved real property, located at 5648 Hunter Chase Court, Lithonia, Dekalb County, Georgia, utilizing the proceeds of unlawful activities. To wit: the possession with intent to distribute controlled substances, namely cocaine, both hydrochloride and base, with the intent to conceal the nature, source, ownership and control of said proceeds, and with the knowledge that the monetary instruments utilized to purchase said property represented the proceeds of some form of illegal activity, in violation of 18 U.S.C. §§ 2, 1956(a)(1)(B)(i) and 1956(a)(1)(B)(ii).
5. **Count Eighteen** charges that on or about August 11, 1989, defendants Alex Gracia and Virginia C. High, aided and abetted by others, known and unknown to the grand jury, did conduct and cause to be conducted, a financial transaction, to wit: the purchase and sale of improved real property, located at 4070 Cascade Road, Atlanta, Fulton County, Georgia, utilizing the proceeds of unlawful activities, to wit: the possession with intent to distribute controlled substances, namely, cocaine, both hydrochloride and base, with the intent to conceal the nature, source, ownership and control of said proceeds, and with the knowledge that the monetary instruments utilized to purchase said property represented the proceeds of some form of illegal activity, in violation of 18 U.S.C. §§ 2, 1956(a)(1)(B)(i) and 1956(a)(1)(B)(ii).
6. **Count Nineteen** charges that between on or about August 11, 1989 and September 12, 1989 and between on or about November 15, 1989 and January 8, 1990, defendants Alex Gracia and Virginia C. High, aided and abetted by others, known and unknown to the grand jury, knowingly and willfully, and for the purpose of evading the reporting requirements of 31 U.S.C. § 5313(a), and the regulations promulgated thereunder, structured, and assisted in structuring the transactions, involving the purchase of cashier's checks from domestic financial institutions in violation of 31 U.S.C. § 5324(3), 18 U.S.C. § 2 and 31 C.F.R. § 103.11.
7. **Count Twenty** charges that on or about June 19, 1990, defendants Sims Masel Jinks and Virginia C. High, aided and abetted by others, known and unknown to the grand jury, did conduct, and cause to be conducted, a financial transaction, to wit: the purchase and sale of improved real property, located at 426 Peyton Road, Atlanta, Fulton County, Georgia, utilizing the proceeds of unlawful activities, to wit: the possession with intent to distribute controlled substances, namely, cocaine, both hydrochloride and base, with the intent to conceal the nature, source, ownership and control of said proceeds, and with the knowledge that the monetary instruments utilized to purchase said property represented the proceeds of some form of illegal activity, in violation of 18 U.S.C. § 2, 1956(a)(1)(B)(i) and 1956(a)(1)(B)(ii).

8. **Count Twenty-One** charges that between on or about June 18, 1990 through June 19, 1990, defendants Sims Masel Jinks and Virginia C. High, aided and abetted by others, known and unknown to the grand jury, knowingly and willfully, and for the purpose of evading the reporting requirements of 31 U.S.C. § 5313(a), and the regulations promulgated thereunder, structured and assisted in structuring the transactions involving the purchase of cashier's checks from domestic financial institutions in violation of 31 U.S.C. § 5324(3), 18 U.S.C. § 2 and 31 C.F.R. § 103.11.
9. **Count Twenty-Two** charges that between on or about October 3, 1990 and October 5, 1990, defendants Alex Gracia and Virginia C. High, aided and abetted by others, known and unknown to the grand jury, knowingly and willfully, and for the purpose of evading the reporting requirements of 31 U.S.C. § 5313(a), and the regulations promulgated thereunder structured and assisted in structuring the transactions, involving the purchase of cashier's checks from domestic financial institutions in violation of 31 U.S.C. § 5324(3), 18 U.S.C. § 2 and 31 C.F.R. § 103.11.
10. **Count Twenty-Three** charges that on or about October 5, 1990, defendants Alex Gracia and Virginia C. High, aided and abetted by others known and unknown to the grand jury, did conduct and cause to be conducted a financial transaction, to wit: the purchase and sale of improved real property, located at 2161 Peachtree Street, Unit 905, Atlanta, Fulton County, Georgia, utilizing the proceeds of unlawful activities, to wit: the possession with intent to distribute controlled substances, namely, cocaine, both hydrochloride and base, with the intent to conceal the nature, source, ownership and control of said proceeds, and with the knowledge that the monetary instrument utilized to purchase said property represented the proceeds of some form of illegal activity, in violation of 18 U.S.C. §§ 2, 1956(a)(1)(B)(i) and 1956(j)(1)(B)(ii).
11. **Count Twenty-Four** charges on or about December 15, 1990, defendants Alex Gracia Virginia C. High and Robert L. Ward, Jr., aided and abetted by each other, and others, did conduct, and cause to be conducted, a financial transaction, to wit: the purchase of a 1991 Infinity Q45, Vin: JNKNGO1COMM102034, utilizing the proceeds of unlawful activities, to wit: the possession with intent to distribute controlled substances, namely, cocaine, both hydrochloride and base, with the intent to conceal the nature, source, ownership and control of said proceeds, and with the knowledge that the monetary instruments utilized to purchase said property represented the proceeds of some form of illegal activity, in violation of 18 U.S.C. §§ 2, 1956(a)(1)(B)(i) and 1956(a)(1)(B)(ii).
12. The defendant entered a plea of not guilty as to all counts.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA

UNITED STATES OF AMERICA)
)
 vs.)
)
 George W. High, Sr.)

PRESENTENCE INVESTIGATION REPORT

Docket No. 1:92-CR-182-4 (Second Superseding)

Prepared For: The Honorable Robert L. Vining, Jr.
United States District Court Judge

Prepared By: Thomas E. Thurmond
United States Probation Officer
(404) 331-1030

Assistant U.S. Attorney
Allen Moye
400 U.S. Courthouse
75 Spring Street, S.W.
Atlanta, Georgia 30303
(404) 331-2754

Defense Counsel
William Morrison
230 Peachtree Street
Suite 1250
Atlanta, Georgia 30309
(404) 658-1670

Sentence Date: January 18, 1994

- Offense: Ct. 1: Conspiracy to Possess with intent to Distribute and to Distribute More than 5 kilograms of Cocaine Hydrochloride, and More than 50 Grams of Cocaine Base, (21 U.S.C. §§ 841(a)(1) and 846 and 18 U.S.C. § 2), a Class A Felony
Life/\$4,000,000 fine
- Ct. 3: False Statement in Acquiring a Firearm (18 U.S.C. § 922(a)(6), a Class D Felony
5 years/\$250,000 fine
- Ct. 9: Convicted Felon in Possession of a Firearm (18 U.S.C. §§ 2, 921(3) and 922(g)(1)), a Class C Felony
10 years/\$250,000 fine
- Ct. 13: Conspiracy to Commit Offense Against the United States (18 U.S.C. §§ 371 and 2), a Class D Felony
5 years/\$250,000 fine
- Ct. 14: Structuring Transactions to Evade Reporting Requirements (31 U.S.C. § 5324(3), 18 U.S.C. § 2, and C.F.R. § 103.11), a Class C Felony
10 years/\$500,000 fine

Mandatory Minimum: No

Date Report Prepared: December 15, 1993

Date Report Revised:

CONFIDENTIAL
The Presentence Investigation Report is a privileged court document and may not be duplicated. It may be reviewed only upon order of the Court or through authorization by this Court's Probation Officer. Its contents may not be quoted or otherwise released without specific authority.

TRIED, EXPLAIN RIGHT OF APPEAL

PART A. THE OFFENSE

Charge(s) and Conviction(s)

- ①. The defendant is named in Counts One, Three, Nine, Thirteen, Fourteen and Fifteen of a thirty eight count indictment 1:92-CR-182 (Second Superseding), returned in the Northern District of Georgia. Count One charges that from a time unknown to the grand jury, but at least by in or about 1987, and continuing until on or about the date of the return of this indictment, defendants Alex Gracia, David Lee Wallace, Sims Masel Jinks, Timothy Walker, Joel Peavy, Jimmy Coley, Elmer Adkins, Jr., Willie Lawrence Wyatt, George W. High, Virginia C. High, Anna Mae Grazette, Vincent Ringer, and Gary Rounsaville, aided and abetted by each other and others, known and unknown to the grand jury, including but not limited to Julio Cruz, Sr., Jose Prieto, Fernando Carreras, Juan Hernandez, Wilbrent Alvin Bain, Billy Eric Williams, Richard B. Simmons, Ronnie Renee Woods, Ladarius Frances Patrick, Larry Strong, Dana Gold, Anthony "Al" Brown, George Travis Williams, Lloyd Miller, Michael Thomas, who are not named in this count as defendants, did unlawfully, willfully and knowingly combine, conspire, confederate, agree and have a tacit understanding with each other and with other persons unknown to the grand jury, to commit certain offenses against the United States, to wit: to knowingly and intentionally possess with intent to distribute and to distribute more than 5 kilograms of cocaine hydrochloride, and more than 50 grams of cocaine base, (crack), in violation of 21 U.S.C. §§ 841(a)(1) and 846 and 18 U.S.C. § 2.
- ②. Count Three charges that on or about February 2, 1990, the defendant, in connection with the acquisition of a firearm, that is, an Excam .25 caliber model GT27B semi-automatic pistol, serial number MI99728, from Joe's Loan office, a licensed dealer in firearms, willfully and knowingly made a false fictitious written statement likely to deceive said dealer with respect to a material fact as to the lawfulness of the sale of such firearm, in that on an ATF Form 4473, George W. High stated that he had not been convicted in any court of a crime punishable by imprisonment for a term exceeding one year, when in truth and fact he had been convicted of an offense punishable by imprisonment for a term exceeding one year, in violation of 18 U.S.C. § 922(a)(6).
- ③. Count Nine charges that on or about July 27, 1992, the defendant, having previously been convicted of crimes punishable by imprisonment for a term exceeding one year, to wit: on or about February 3, 1960, the said defendant was convicted of aggravated robbery, in the El Paso County District Court, Colorado Springs, Colorado; did possess in and affecting commerce, a firearm, to wit; one Excam model GT27B, .25 caliber pistol, serial number MI99728, in violation of 18 U.S.C. §§ 2, 921(3) and 922(g)(1).
- ④. Count Thirteen charges that from a date which is, to the grand jury, unknown, but at least by in or about 1987, and continuing until the date of this indictment, defendants Alex Gracia, David Lee Wallace, Sims Masel Jinks, Joel Peavy, Jimmy Coley, George W. High, Virginia C. High, Anna Mae Grazette, Robert L. Ward, Jr.,

and Ladarius Francis Patrick together with other persons, known and unknown to the grand jury, did unlawfully, willfully and knowingly combine, conspire, confederate, agree and have a tacit understanding in violation of 18 U.S.C. §§ 371 and 2 to commit violation of the laws of the United States of America and to defraud the United States of the equitable value of an asset, to wit: the improved real property located at 426 Peyton Road, Atlanta, Fulton County, Georgia, by mortgaging said property to Beneficial Mortgage Company, and receiving value in exchange, knowing that the United States had lawfully seized said improved real property, in accordance with the provisions of 18 U.S.C. § 981.

5. Count Fourteen charges that on or about June 21, 1989, defendants Sims Masel Jinks and George W. High, aided and abetted by each other, and others, known and unknown to the grand jury, knowingly and willfully, and for the purpose of evading the reporting requirements of Title 31, United States Code § 5313(a), and the regulations promulgated there under, structured, and assisted structuring transactions, involving the purchase of cashier's checks for Domestic Financial Institution in violation of 31 U.S.C. § 5324(3), 18 U.S.C. § 2, and 31 C.F.R. § 103.11.
6. Count Fifteen charges that on or about June 22, 1989, defendants Sims Masel Jinks and George W. High, aided and abetted by each other, and others, known and unknown to the grand jury, did knowingly and intentionally conduct, and cause to be conducted, a financial transaction affecting interstate commerce, to wit; the purchase and sale of improved real property, located at 3776 Panola Road, Lithonia, Dekalb County, Georgia, utilizing the proceeds of unlawful activities, to wit: the possession with intent to distribute controlled substances, namely, cocaine, both hydrochloride and base, with the knowledge that the monetary instruments utilized to purchase said property represented the proceeds of some form of illegal activity, 1) with the intent to conceal the nature, source, ownership and control of said proceeds, and 2) knowing that the transaction was designed in whole or in part to avoid a transaction reporting requirement under federal law, in violation of 18 U.S.C. §§ 2, 1956(a)(1)(B)(i) and 1956(a)(1)(B)(ii).
7. The defendant entered a plea of not guilty to all counts and received a jury trial before the Honorable Robert L. Vining, Jr. The defendant was convicted on Counts 1, 3, 9, 13 and 14 on October 13, 1993. The defendant was acquitted on Count 15. The defendant remains free on \$100,000 secured bond.

The Offense Conduct

- ⑧. The following information was obtained by interviewing the defendant, Assistant U.S. Attorney Allen Moye, DEA Agent Mark Hadaway, FBI Special Agent Alex J. Turner, IRS investigators Bill Salinski and Sheila Whipple, and by reviewing investigative material compiled by case agents.
9. During the time period covered by the indictment in this case, operating within the metropolitan Atlanta area were several drug distribution organizations engaged in the

wholesale and occasional retail distribution of cocaine hydrochloride and cocaine base, "crack."

10. These organizations were headed respectively by defendant Timothy Walker, defendant David Lee Wallace, defendant Sims Masel Jinks, co-conspirator Thia Sims, co-conspirator Winford Jordan, co-conspirator George Travis Williams, and co-conspirator Eric Baldwin. These organizations were interrelated for the purpose of maintaining a consistent supply of cocaine hydrochloride, and would buy, sell or transfer cocaine from one organization to another depending upon availability. On occasion, members of one organization moved to another organization. Frequently, customers, that is, retail distributors of cocaine hydrochloride and cocaine base would deal with more than one organization.
11. These distribution organizations depended upon other organizations and upon individuals, who had access to sources of cocaine hydrochloride from "source" cities, including Miami, Florida, and Los Angeles, California. On occasion, cocaine hydrochloride was transhipped from California via Detroit, Michigan, to Atlanta.

THE NARCOTICS CONSPIRACY: THE SOURCES OF SUPPLY

12. Operating outside of the metropolitan Atlanta area to provide cocaine hydrochloride to these distribution organizations and to the conspirators involved in this conspiracy were co-conspirator Dana Gold, in Los Angeles, and co-conspirator Julio Cruz, Sr., Julio Cruz, Jr., and Juan Hernández, who collectively formed "the Company," in Miami, Florida. These conspirators were neither the sole sources of cocaine hydrochloride in the respective cities, nor is there any indication that they provided most of the cocaine to the distributors in the metropolitan Atlanta area. However, they did supply significant quantities of cocaine hydrochloride to the distribution organizations within the metropolitan Atlanta area.
13. Co-conspirator Dana Gold, operating from Los Angeles, California during the period 1988 through 1991 and was able to provide to Winford Jordan approximately 1000 kilograms of cocaine hydrochloride.
14. After the arrest of Winford Jordan in 1992, Jordan began to cooperate with undercover agents. In October 1992, Jordan gave a statement to agents regarding his involvement with members of this conspiracy. Jordan advised that he was distributing approximately 15 kilograms of cocaine to Timothy Walker when David Lee Wallace appeared at Walker's condominium with a portion of the money to pay for the cocaine. Jordan advised that he was distributing a total of 30 kilograms of cocaine twice a week to Walker for approximately one year. On most occasions, Wallace took possession of the cocaine from Jordan at Wallace's mother's house located off Candler/McAfee Road in Decatur, Georgia. Jordan told agents that in September or October of 1987, Wallace, Sims Jinks, Romaine Knight, Donald Bell and another unidentified individual approached Jordan about breaking away from Walker's organization and beginning a cocaine distribution network of their own. Jordan reports that in the Summer of 1988, he began fronting cocaine to Jinks,

Knight and Wallace. Jordan reported that the amounts varied from five to seven kilograms of cocaine per week. Jordan reported that by Fall 1988, Wallace was being fronted eight to ten kilograms of cocaine per week by Jordan.

15. During that time, and in 1990, Gold met Anthony "Al" Brown, in Las Vegas. In the summer, 1992, Gold supplied Brown with cocaine hydrochloride.
16. Operating out of Miami, Florida, "the Company" had a direct connection to the cocaine distribution cartel in Medellin, Colombia, and was able, through that source, to acquire hundreds of kilograms of cocaine hydrochloride.
17. Juan Hernandez, one of the partners in "the Company," had five or six distributors of cocaine hydrochloride who were able to draw supplies from "the Company" stores. Two of those distributors were co-conspirators Wilbrent Alvin Bain and Neil Singleton. Bain had, since at least 1985, been providing cocaine to defendant Alex Gracia and to co-conspirator Richard B. Simmons, who were partners, distributing cocaine at a retail level in Miami. At some point, Singleton also began distributing cocaine to Alex Gracia.
18. Bain also distributed cocaine base to co-conspirator George Travis Williams, in Miami and later in Atlanta. Bain continued to provide cocaine hydrochloride and cocaine base until his arrest, in October, 1989. Hernandez continued his association with "the Company," until shortly before his arrest, in November, 1990.
19. Ladarius Patrick reported that when he obtained Gracia as his source of supply for cocaine, he was receiving 15 to 20 kilograms of cocaine per week in 1991, which eventually tapered off in 1992. Patrick reported that Gracia was receiving between 250 to 500 kilograms of cocaine per month from "the Company" and Johnny Hernandez. Tyria Ekwensi testified that Neil Singleton told her, in February, 1992, in Orlando, Florida, at the NBA All-Star game, that he was distributing 100 kilograms of cocaine hydrochloride each month to Alex Gracia.
20. Julio Cruz, Sr., the other main partner in "the Company," had two wholesale customers for cocaine in the Atlanta area. Juan Hernandez knew them as "Luke and Lloyd." On an occasion, in 1989-1990, Hernandez and Cruz, Sr., came to Atlanta and met with Bernard Luke Candis and Lloyd Miller, the two customers. Hernandez and Candis described the distribution operation to supply "Luke and Lloyd," by saying that Jose Prieto, a/k/a "Joe the Boss," supplied cocaine to Candis and others, including Luis Barroso who supplied Lloyd Miller. To these two customers, "the Company," was shipping approximately 225 kilograms of cocaine at a time.
21. Anthony "Al" Brown also had sources of cocaine in Detroit, some of whom were receiving their cocaine supplies from California. Those individuals included John Doe, a/k/a "Pops," and Timothy Peeples. On occasion, Brown distributed his cocaine to Bernard Luke Candis, and through Candis to Donald Roger Williams. Candis had another source of supply in Miami, Tony Gomez.

22. Donald Roger Williams, a jeweler by trade, also acquired quantities of cocaine from Colombians operating in Miami. He identified his source of cocaine as "Cappi."

THE NARCOTICS CONSPIRACY: ATLANTA WHOLESALE SUPPLIERS' SOURCES

23. In the Atlanta area, the distributors acquired cocaine from the different sources identified above. Some distributors demonstrated greater loyalty to particular sources than that exhibited by other distributors. However, the price and the availability of cocaine were the primary factors which determined the degree of loyalty.
24. Thia Sims' organization utilized Lloyd Miller and his organization as a source of supply. Timothy Walker's organizations utilized, for a significant period of time, Thia Sims' organization and Winford Jordan's organization as sources. David Wallace's organization utilized Timothy Walker, Winford Jordan and Alex Gracia as sources. Sims Masel Jinks' organization utilized Timothy Walker, Winford Jordan, Donald Roger Williams, and Bernard Luke Candis as sources.
25. The Government's investigation into Gracia's drug distribution activities in the Atlanta, Georgia area began in 1988. Miami, Florida FBI agents were investigating Gracia and his associates who were suspected of drug distribution activities in the Miami area. Miami FBI agents gave Atlanta investigators information regarding telephone toll records from Gracia's telephones which indicated a high degree of telephone traffic between Gracia's Miami, Florida residence, and telephone numbers in Atlanta, Georgia and Memphis, Tennessee. A confidential informant told Miami FBI agents that Gracia had moved to the Atlanta, Georgia area. PIN registers on Gracia's telephone lines identified numerous calls to David Wallace and Ronnie Renee Woods.
26. In the mid-1980's, Alex Gracia was a small-time drug dealer, working in Liberty City, Florida, selling cocaine. He and his partner, Richard B. Simmons, known as "Convertible Burt," were working within a housing project, and were dealing with Wilbrent Bain.
27. The partnership lasted until sometime in 1987, when Gracia moved to Atlanta. When he arrived, he established a business relationship with a man named Siegreth James, and the two approached Keith Bass to work with them. They were looking for a "trap" in which to sell cocaine.
28. About a month later, Bass went to work for Gracia and James. In the operation, Gracia was the cook of the cocaine, transforming the powder cocaine into crack cocaine. They were cooking about 4 kilograms of cocaine per week. Others handled the sales in a trap, which was located off Camp Creek Parkway.
29. Gradually, Gracia turned the operation over to a man by the name of Calvin West, a/k/a Short. Gracia then travelled back and forth to Miami, securing supplies of cocaine for the group to cook.

30. Gracia's operation flourished until people in the operation began to be arrested. Gracia then returned to Miami to avoid scrutiny by law enforcement officials.
31. However, while he was here, he brought up his old partner, Richard B. Simmons, a/k/a Convertible Burt, and encouraged him to set up an operation in Harris Homes. In that time, a man named Kelvin Williams, a/k/a Phillybo worked with Convertible Burt. In Harris Homes, Burt and his people sold crack cocaine in a "trap." He was distributing between 5 and 10 kilograms of cocaine. Burt's source was also Willie Bain.
32. In 1991, agents were able to get a confidential informant introduced to Richard Simmons, whom agents believed had a drug trafficking relationship with Gracia. The CI met and became familiar with Chancey Putmon, who worked for Wallace at Wallace's business establishment Simply Raw Hair Salon in Decatur, Georgia. On January 11, 1991, the CI purchased one ounce of cocaine hydrochloride from Putmon. The negotiations for the purchase took place inside the salon during normal business hours and the transaction took place in the parking lot immediately outside the salon. According to Putmon, who later began cooperating with the Government, the source of the cocaine was Gary Rounsaville, an associate of David Lee Wallace.
33. On February 15, 1991, the CI purchased one-quarter kilogram of cocaine base from Putmon which was negotiated with Putmon and executed by an associate of Putmon's while Putmon was on duty at the salon. The CI indicated that the cocaine base was provided to Putmon and a third person by the name of Mike Thomas.
34. In April 1991, the CI negotiated with Putmon, and later with Richard Simmons to exchange a large quantity of marijuana (1000 pounds) for five kilograms of cocaine. On August 5, 1991, Richard Simmons, Chancy Putmon and Joe Harper were arrested as they attempted to deliver five kilograms of cocaine hydrochloride to the CI. After his arrest, Harper indicated to agents that he had been employed by Simmons to assist Simmons in his drug distribution activities.
35. After his arrest, Harper cooperated with the United States and indicated that during the summer, 1991, he had worked for Simmons as his driver in the Atlanta area. He described deliveries of cocaine during that time period to various individuals throughout the Atlanta area.
36. After the arrest of Simmons, Ladarius Patrick recalls that he and Gracia were at Gracia's house when they heard the news. That night, he and Gracia drove to a motel on Fulton Industrial Boulevard and picked up a girlfriend of Simmons and took her to the airport. Patrick testified that during the summer of 1991, Gracia was distributing cocaine to both him and to Simmons.
37. After the arrest of Simmons, on one occasion Larry Strong was picking up cocaine at Gracia's house and Gracia commented that the cocaine taken from Simmons was his cocaine.

THE NARCOTICS CONSPIRACY: THE TRAVIS WILLIAMS GROUP

38. One of the groups of dealers in the Atlanta area, working two traps in the John Hope Homes, was the Travis Williams group. Williams, who was from Miami, was being supplied cocaine, during 1989, by Bain. Bain was providing 5 to 10 kilograms at a time. The cocaine delivered to Williams was crack.
39. In July, 1989, Gracia undertook, unsuccessfully, to supply the Travis Williams operation. He personally delivered to Williams and Roy McCollum 100 kilograms of crack cocaine. On the evening of the delivery, Williams paid Gracia \$750,000 which was half the amount due, with the agreement that Gracia could pick up the remainder in two weeks.
40. When Gracia returned, he was confronted by a number of armed individuals, and decided not to insist upon the remainder of the payment.
41. In October, 1989, Bain was arrested in the midst of efforts to supply Williams with 5 kilograms of crack cocaine, which he had gotten from Hernandez.

THE NARCOTICS CONSPIRACY: THE SIMS MASEL JINKS GROUP

42. Beginning in 1987 or 1988, a group of young men in Decatur began dealing cocaine. These individuals included David Lee Wallace, Sims Masel Jinks, Joel Peavy, Jimmy Coley and others. Timothy Walker, a cocaine distributor, who had been dealing with cocaine for about two years, securing quantities of cocaine hydrochloride from Thia Sims, a/k/a "Wolf," and from Winford Jordan, provided a significant early source for cocaine for these individuals.
43. Sims Masel Jinks was introduced into this conspiracy through Timothy Walker, for whom Jinks began as a driver in 1987. Walker provided Jinks cocaine for a period of time, but the two then split up. During the time that Jinks worked with and for Walker, Jinks lived in a condominium provided by Walker. Jinks was paid \$1,000 per week by Walker. During the time that Jinks and Walker worked together, Jinks introduced David Wallace to Walker.
44. Jinks then broke away from Walker, and began shopping around for cocaine. He received cocaine from Winford Jordan, Bernard Candis and Donald Roger Williams.
45. Bernard Candis testified that on one occasion, he sold Jinks 50 kilograms of cocaine. A dispute occurred between them concerning \$40,000 Jinks believes Candis owed him. Candis ultimately repaid Jinks with cash and cocaine.
46. In October 1991 Jinks spoke with Alex Gracia and requested five kilograms of cocaine from Gracia. Later that same day, Jinks went to Gracia's home on Cascade Road in Atlanta and received five kilograms of cocaine for \$18,000 per kilogram. Due to the poor quality of the cocaine, Jinks took approximately three weeks to distribute the cocaine.

47. Jinks reports that he did not receive any further cocaine from Gracia.
48. At some point in 1988, Jinks began distributing cocaine to Jimmy Coley. He continued that relationship for some time. Later, Jinks introduced Coley to Don Williams, who began distributing cocaine to Coley. Jinks also vouched for Coley to Bernard Candis, who, through William Perry, a/k/a "Paco," distributed cocaine to Coley.
49. Jinks became an early source of cocaine for Joel Peavy, whose mother lived in the East Hampton Apartments, in Decatur. Jinks had been supplying cocaine to Romaine Knight, in those apartments. Peavy approached him, and began to receive cocaine from Jinks, in ounce quantities and larger.
50. Jinks reports that during 1989, he was distributing one-quarter kilogram quantities of cocaine to Joel Peavy for a six month period of time. Jinks and Peavy severed their relationship at the end of this period over a dispute concerning drug money owed to Jinks by Peavy.
51. In May 1992, an informant and cooperating individual (CI) introduced Jinks to undercover DEA Agent Andrea Clark. Jinks and Agent Clark negotiated a 6 kilogram cocaine purchase by Jinks for \$150,000. Since Jinks did not have enough money to conduct the transaction, he contacted Elmer Adkins, and Willie Wyatt. Adkins and Wyatt met Jinks at Jinks' place of employment on May 28, 1992. Jinks, fearing he might be robbed during the transaction, asked Adkins and Wyatt to carry the money to a location near the transaction site. Jinks gave them \$115,000, and they contributed \$35,000. Adkins and Wyatt followed Jinks to the meet location, the Service Merchandise Store on Cobb Parkway and Spring Road in Smyrna, Georgia. Jinks, Adkins and Wyatt parked in the Arby's Restaurant parking lot near the meet location, where they had a brief conversation.
52. Jinks got in his vehicle and drove to the Service Merchandise parking lot. The CI got out of Agent Clark's vehicle and got into Jinks' vehicle. Jinks got out of the vehicle and walked over to a beige Honda automobile. He opened the trunk and removed what turned out to be \$150,000 in U.S. currency.
53. Jinks re-entered his vehicle and drove to Agent Clark's vehicle. Agent Clark counted the money in Jinks' truck and then invited Jinks to view the cocaine, which was actually only flour. Agent Clark showed Jinks a shopping bag containing ten packages, each purportedly containing 1 kilogram of cocaine. As Jinks grabbed the shopping bag, DEA agents attempted to arrest him. He fled the area on foot and was arrested a short distance from the area. Adkins and Wyatt were arrested in the Arby's parking lot without incident. Agents seized the \$150,000 from Jinks' vehicle. Agents then searched the Honda automobile Adkins and Wyatt were in and found a loaded Smith and Wesson model 4506 semi-automatic pistol, an additional \$3,000 in U.S. currency, baking soda and other drug related paraphernalia. After his arrest, Jinks gave agents a written statement admitting his involvement in this transaction.

54. During debriefings with case agents, Jinks related that he first met Adkins in a pool room in 1991. Adkins was aware that Jinks sold cocaine and approached Jinks to make a small purchase. Adkins began to sell small quantities of cocaine for Jinks in the Conyers, Georgia area. Adkins introduced Willie Wyatt to Jinks. In 1991, Jinks, accompanied by Adkins, sold Wyatt 1/2 kilogram of cocaine. Jinks reports that he made five or six such sales to Wyatt, each sale being 1/2 kilogram of cocaine.

THE NARCOTICS CONSPIRACY: THE DAVID LEE WALLACE GROUP

55. During the time that Jinks was associated as part of the Walker operation, he introduced David Lee Wallace to Walker. Jinks had met Wallace through the Gordon High School football team, on which Jinks' half-brother, Robert Jester, played. At some point, after the introduction by Jinks, Wallace began to work with and for Walker. After some time, Walker allowed Wallace to take over the business, and Wallace continued the relationship with Winford Jordan. He then organized a group of distributors who worked in the Decatur area, near Candler-McAfee shopping area.
56. Jordan reported that he obtained a new source of supply for cocaine in July 1989 and received approximately 20 kilograms of cocaine, ten of which Wallace was fronted. The cocaine was delivered to Wallace at his mother's house off Candler/McAfee Road in Decatur, Georgia. Jordan received the money for the cocaine at Magic City in Atlanta approximately one week later.
57. In 1989, Wallace and Sam Carroll travelled to Miami, where they met Gracia. Thereafter, Gracia became their supplier, supplying them with cocaine from Bain, Juan Hernandez and "the Company," and from other sources.
58. Jordan reported that he received a shipment of approximately 60 kilograms of cocaine from his new supplier in September or October of 1989. Jordan distributed ten of these kilograms to Wallace at his mother's residence. Jordan stated that Wallace told him that Wallace was obtaining cocaine from Alex Gracia during this same time period. Jordan later spoke with Gracia, who made a statement to the effect that Wallace was distributing \$5,000 worth of cocaine per week. Wallace told Jordan that he was selling Jordan's cocaine by the weight and making crack cocaine from Gracia's cocaine.
59. Jordan reported that in December 1989, he received a shipment of 200 kilograms of cocaine, of which Wallace was to receive 40 to 50 kilograms. Jordan stated that a portion of this cocaine shipment was stored at Wallace's mother's residence.
60. Jordan reported that from January 1990 until the summer of 1991, he did not distribute any cocaine to Wallace because Jordan had received several shipments of poor quality cocaine resulting in a "falling out" with his supplier. During this time, Jordan was approached by Wallace and Gracia to join their drug distribution operation. Jordan reported that although he did not join Wallace and Gracia, he regularly socialized with them. Jordan stated that in the summer of 1991, he re-

established his relationship with his supplier and again began distributing cocaine. Jordan received his first shipment of approximately 54 kilograms of cocaine, 15 of which went to David Wallace and Joel Peavy at a car wash located off Cleveland Avenue in Atlanta. Wallace and Peavy paid Jordan for the cocaine approximately one week later at a recording studio on Cheshire Bridge Road in Atlanta.

61. Jordan received a second shipment of approximately 60 kilograms of cocaine during the Summer of 1991, ten of which went to Wallace at the recording studio. Wallace later paid Gold for the cocaine at Lenox Square Mall.
62. Jordan received a third shipment of approximately 70 kilograms of cocaine during the Summer of 1991, ten of which were distributed to Wallace and Peavy at the recording studio. Wallace and Peavy later paid Jordan for the cocaine at the studio. The studio, a business set up by David Wallace, was known as Ansar Entertainment, Inc. Wallace told Jordan that the business was established by utilizing drug proceeds.
63. At some point, Joel Peavy and Sims Jinks had a dispute, and Peavy stopped securing cocaine from Jinks. He then approached Wallace, and Peavy began receiving cocaine from Wallace. That relationship flourished, and the two invested their cocaine derived funds in Ansar Entertainment and two related entertainment businesses.
64. An individual (name withheld due to ongoing cooperation) was arrested in DeKalb County, Georgia with one kilogram of cocaine which the individual stated he received from Joel Peavy. This individual agreed to cooperate and told agents that he still owed Peavy \$19,000 for the kilogram of cocaine. The CI indicated that Wallace was Peavy's source for cocaine. The CI also related that Wallace stored cocaine at his mother's house. Undercover agents videotaped the CI on June 26, 1991, July 2, 1991 and July 12, 1991, as he met with Peavy. During those meetings, the CI paid Peavy \$5,000 and \$7,000 respectively as partial payment for the cocaine hydrochloride supplied by Peavy to the CI in May, 1991. This money was supplied to the CI by the Government. On June 12, 1991, at Peavy's direction, the CI traveled to Peavy's mother's residence in Decatur, Georgia where the CI paid \$5,000 to Cedric Peavy, Joel Peavy's brother, since Joel Peavy was not present.
65. Wallace and Gary Rounsaville were classmates at Gordon High School. Wallace provided quantities of cocaine base, of up to 1/2 kilogram in weight, to Rounsaville on an occasional basis for distribution.
66. In October 1992 DEA agents began investigating the drug distribution activities of an individual identified as Joe Cofer, who is not named as a defendant in this indictment. A cooperating individual arranged to purchase two ounces of crack cocaine from Cofer on October 6, 1992. On October 20, 1992, the CI telephonically arranged a second purchase of crack cocaine from Cofer. The transaction was conducted at Cofer's residence. The crack cocaine was brought to Cofer's residence during the transaction by two unidentified individuals. The amount of the transaction was four and one-half ounces of crack cocaine, purchased by the CI from Cofer for \$4,500.

67. On October 27, 1992, the CI telephonically arranged to purchase one-half kilogram of crack cocaine from Cofer for \$14,000. The transaction was conducted on October 28, 1992. The CI traveled to Cofer's residence at 5380 Martins Crossing Road in Stone Mountain, Georgia. During the transaction, Cofer received a telephone call from an unknown individual. Cofer then told the undercover agent that the source for the cocaine was on his way to the residence. Cofer indicated that the source had just arrived and went out of the house to meet the source and obtain the crack cocaine. The undercover agent paid Cofer \$14,000 in official Government funds and received what was represented to be one-half kilogram of crack cocaine. At that time, the individual who transported the cocaine to the residence, as well as, Cofer were arrested. The individual who brought the cocaine to the transaction was David Wallace. A search of Wallace's vehicle revealed approximately 60 grams of cocaine base. Agents also recovered the \$14,000 in official Government funds, and seized 214 grams of crack cocaine and one Taurus 9mm handgun from Cofer's residence. The passenger in Wallace's vehicle was Gary Rounsaville.
68. On December 1, 1991, the body of Bruce Lowe was found by Dekalb County Police in rural Southeast Dekalb County. Subsequent investigation by Dekalb County Police Officials and case agents revealed the following information. On November 30, 1991, David Wallace was at a basketball game at the Omni complex in Atlanta. During this time, three individuals who were members of Bruce Lowe's drug distribution organization arrived at Anna Mae Grazette's house, armed with several weapons. Grazette paged Wallace, who returned her call and learned about the situation. Wallace contacted the Dekalb County Police Department and then left to travel to the house. When Wallace arrived at the house, Dekalb Police Officers were on the scene and had two of three suspects in custody. The third suspect had dropped his weapon and fled on foot when confronted by police. The third suspect made contact with Bruce Lowe to report what had happened. Lowe indicated that he was going to go to Grazette's house to confront Wallace. At some point that evening, Lowe was shot at least one time in Grazette's yard. Dekalb Police Department investigators eventually found a shell casing from a pistol and traces of blood near the casing. DNA analysis eventually confirmed that the blood came from Bruce Lowe. Investigators also found a piece of necklace in Grazette's front yard. This piece was matched with a necklace found on Lowe's body the following day. Other witnesses observed Lowe's car between 2:00 a.m. and 2:30 a.m. on December 1, 1991 where it was recovered later that morning by police officers. Officers found Lowe's body approximately 50 yards from his vehicle. Lowe appeared to have been running and had a total of eight bullet wounds in his body. Investigators believe that someone attempted to burn Lowe's car, however, the fire set in the rear passenger side of the car did not catch the car on fire. At this point neither the U.S. Government nor the Dekalb County Police Department has credible evidence to indicate who murdered Lowe, or was a participant in this incident. AUSA Moye reports that the investigation into this homicide is continuing. AUSA Moye reports that the weapon or weapons used to murder Bruce Lowe have not been recovered.
69. After Michael Thomas' arrest, he was debriefed by case agents. Thomas reported that during 1988, he began receiving one-quarter ounce to multi-ounce quantities of

cocaine from David Lee Wallace. Thomas reported that he ultimately began distributing one-quarter kilogram quantities of cocaine every two weeks, all of which was supplied by Wallace. Thomas reported that between April 1989 and December 1989 he was distributing three to four kilograms of cocaine every one to two weeks. Thomas reported that he continued at this level of distribution until approximately August 1990 when he and Wallace had a dispute over cocaine and money and Wallace refused to supply him any further. At that point, Thomas approached Timothy Walker to obtain a new source of supply for cocaine. Walker agreed to provide two kilograms of cocaine to Thomas. Thomas received the cocaine at Wallace's mother's residence. Thomas never paid Walker for the cocaine, ending any possible further dealings with Walker.

THE NARCOTICS CONSPIRACY: OTHER ATLANTA DISTRIBUTORS

70. Gracia undertook to build a "team" of cocaine dealers who worked with and for him, supplying his cocaine. In fact, Gracia referred to this large grouping as "the team."
71. He offered cocaine to, and/or sold cocaine to Kelvin Williams, a/k/a Phillybo, Jinks, Jordan, as well as Wallace and Ronnie Reness Woods. He talked in this time period - 1989-1990 - with Ladarius Patrick, a/k/a Darryl, who was also from Memphis.
72. Gracia successfully supplied cocaine to a number of individuals, in large quantities. Much of that came from the company, but he had other sources. After first Bain, and the Juan Hernandez, were arrested, Gracia continued to receive up to about 100 kilograms of cocaine per month from Neil Singleton. This was distributed to Wallace, Woods, Kelvin Williams, Patrick and others.
73. Vincent Ringer and Antonio Moses formed a cocaine distribution organization which involved acquiring cocaine from various suppliers in the Atlanta area. Ringer would buy cocaine from several sources, including; Bernard Candis, Winfred Jordan, Eric Baldwin and Don Williams. Moses would "cook" the cocaine into cocaine base and he and Ringer sold the crack. Ringer distributed cocaine base to; Sims Jinks, Kenny Miles (unindicted co-conspirator), Eric Baldwin. Eric Baldwin testified that in 1990 or 1991, cocaine dealers were dissatisfied with the quality of the cocaine base being imported into the Atlanta, Georgia area. At that time, a new method of cooking cocaine into cocaine base was developed which significantly increased the end-volume of crack. This technique, called "the whip" was used by Moses. This became much more profitable for local dealers to purchase cocaine hydrochloride and pay Ringer and Moses to cook it into cocaine base, increasing the volume, and ultimately the profit. As a result, Ringer and Moses provided this "cooking service" to several other distributors.
74. Antonio Moses was a bookkeeper and tax consultant who worked in an office park near Ringer's apartment at 902 Clubhouse Circle, Apartment F on Memorial Drive in Decatur.

75. On November 19, 1990, DEA Agent J.T. Brayboy, acting in an undercover capacity, purchased 1/4 kilogram of cocaine base from Moses at his place of employment. During the transaction, surveillance agents observed Moses travel from his office to Ringer's apartment, where the cocaine was stored, and return to the office. Agent Brayboy paid Moses \$8,500 for the crack. Ringer was present at Moses' office during the transaction. According to DEA laboratory reports, the cocaine base weighed 248.9 grams and was 61% pure. The laboratory reports on the cocaine base indicated extremely poor quality cocaine. Agent Brayboy then negotiated the purchase of cocaine hydrochloride from Moses to obtain a better quality.
76. On December 6, 1990, Agent Brayboy met Moses at the Red Lobster Restaurant parking lot on Memorial Drive in Decatur to purchase 1/4 kilogram of cocaine hydrochloride. During the transaction, Moses went to Ringer's apartment to pick up the cocaine. Moses returned with the cocaine and received \$8,500 from Agent Brayboy. DEA surveillance agents observed Ringer at his apartment when Moses went to pick up the cocaine. DEA laboratory reports reflect that the cocaine hydrochloride weighed 249.3 grams and was 82% pure. Agent Brayboy began to negotiate with Moses to purchase 50 kilograms of cocaine. When Moses could not convince his supplier to conduct the transaction, the investigation stalled and agents decided to arrest Moses in April, 1991.
77. On January 31, 1992, Ringer met with Bernard Candis at South Dekalb Mall. At the time, Candis was acting as a cooperating individual (CI) for the DEA. Based on previous negotiations, Ringer agreed to sell Candis 1/4 kilogram of crack for \$5,000. Candis and undercover DEA Agent Truesdell arrived at the mall parking lot. Ringer arrived and parked near Candis. Candis took the money to Ringer and received the cocaine. Agent Truesdell observed Ringer counting the money. DEA laboratory reports reflect that the cocaine base weighed 240.2 grams and was 65% pure.
78. After Moses' arrest, he was debriefed by DEA agents. Moses told agents that from late 1989 to early 1991, Ringer and another individual were being supplied 30 to 40 kilograms of cocaine every two weeks. Moses stated that Ringer and the other individual were dividing the cocaine, which came from a source separate from Gracia. Moses characterized Ringer as an independent operator who sold cocaine to dealers who were unable to obtain cocaine from their normal sources. Moses related that during the summer of 1990, Ringer sold Kenny Miles 1/2 kilogram of cocaine on two occasions.
79. Vincent Ringer was arrested by DEA agents on August 3, 1992 as Ringer was leaving a night club in Atlanta, Georgia.
80. Jimmy Coley, identified in paragraph 43 above, at some point broke away from the Sims Jinks operation, and began to shop around for cocaine. He received cocaine from Bernard Candis and from Donald Roger Williams. At some point, he made contact with the Thia Sims organization, and began receiving cocaine from that group. Sims' brother, Joseph Harris, testified that he delivered cocaine hydrochloride

to Coley for a significant period of time. That cocaine came from the Lloyd Miller organization.

81. Coley also developed the ability to cook cocaine into "crack," using a method known as "the whip." Apparently Coley learned this method at about the same time as did Joe Parks, another cocaine distributor. Utilizing that method, Coley could increase the salable quantity of crack cocaine. For example, on one occasion, Bernard Candis bet Coley that he could not increase the quantity of cocaine through the cooking process. Candis watched, as Coley took one kilogram of cocaine hydrochloride and, through the cooking process, generated in excess of a kilogram and a half of cocaine base.
82. Coley distributed cocaine base to Andre Dallas, and through Todd McAllister and Darren Prather, to Eddie Glover. At some point, members of the conspiracy began to utilize Coley's expertise in the cooking of cocaine, and paid him a price, per kilogram, simply to cook the cocaine.

THE NARCOTICS CONSPIRACY: THE MEMPHIS CONNECTION

83. During this time, Woods was operating a cocaine distribution network in the Memphis, Tennessee, area. Some time in 1988 or 1989, Gracia began supplying cocaine to Woods.
84. The team hung together until March 8, 1991, when Woods was arrested in Memphis, in the process of taking delivery of 25 kilograms of cocaine. In the process of the arrests, the agents seized \$325,000 in currency, which Gracia indicated was his money. As a result of this arrest, Gracia became quite nervous.
85. After the arrest, Gracia established a drug distribution relationship with Patrick, to whom he had promised to deliver. However, the deliveries were made to Patrick, and to Larry Strong, Patrick's driver, in Atlanta. It was Patrick's responsibility to get the cocaine back to Memphis.
86. Gracia and Patrick became very close. Gradually, Wallace pulled away, and, over a dispute over money, Wallace and Gracia split up. Wallace then returned to Timothy Walker as his source.

THE MONEY-LAUNDERING CONSPIRACY: REAL ESTATE

87. Through the activities associated with the narcotics conspiracy, there was generated a large amount of money, all in cash. At the various levels in the distribution chain, the conspirators realized a per kilogram profit of from \$1000 to \$10,000. In order for this money to become useful the services of money launderers was essential.
88. During the period contained in the indictment, George and Virginia High owned and operated High Realty in the Atlanta, Georgia area. George High acted as the real estate broker and Virginia High acted as a sales associate. During the course of the

conspiracy, George and Virginia High purchased several properties for members of the conspiracy by structuring the transactions to conceal the source of the money used to buy the property and by structuring the transaction to avoid the currency transaction report requirements. These real estate transactions were conducted in the previously described manner in an effort to conceal the source of the money used to purchase the property. The money was the proceeds of unlawful activities, to wit: cash received from the sale of controlled substances. The cashier's checks were obtained in amounts of less than \$10,000 in an effort to circumvent the currency transaction reporting requirements contained in 31 U.S.C. § 5313(a).

89. In 1988, Sims Jinks met George and Virginia High in connection with the purchase of some property on Thompson Mill Road. The Highs, who are married, were real estate agents at the time. They helped Jinks with three different houses, 4770 Thompson Mill, 3776 Panola Road, and 426 Peyton Road. In each case, the purchase money was delivered by Jinks to the Highs in cash, and in each case, the money was delivered to the closing attorney in cash, cashier's checks or combination of cashier's checks and cash, below the amount requiring the reporting of the cash transaction.
90. In 1988, Jinks, assisted by George and Virginia High purchased his primary residence located at 4770 Thompson Mill Road in Lithonia, Georgia. At the direction of the Highs, Jinks obtained four cashier's checks totalling \$25,000.00 which were used to make the downpayment on the house.
91. On June 21, 1989, George High assisted Sims Jinks in purchasing a residence located at 3776 Panola Road in Dekalb County, Georgia. Jinks provided George High with \$35,000 in cash, with which High obtained five cashier's checks. These cashier's checks were used as the down payment for the residence. The remaining \$45,000 for the purchase of the house was financed over a one year period. Jinks and George High made the remaining payments directly to the seller in cash at High's office.
92. In August 1989, Virginia High assisted Alex Gracia in purchasing his residence located at 4070 Cascade Road in Atlanta for \$290,000. Virginia High purchased or directed the purchase of approximately 34 cashier's checks or money orders totaling \$245,610.64. All but two of these money orders were in amounts of less than \$10,000. Alex Gracia supplied cash, which was proceeds from drug sales, to Virginia High for the purchase of this residence. \$239,000 was paid at closing, and the balance of the mortgage was eventually paid off. This residence was seized by the Government in March 1992.
93. In August 1989, Virginia High assisted Wallace's mother, Anna Mae Grazette, in purchasing her residence at 5648 Hunters Chase Court in Lithonia. High directed Grazette to purchase \$100,000 in cashier's checks in amounts less than \$10,000 which Virginia High deposited in the High Realty bank account. Virginia High then wrote a check for the house, which was valued at \$275,000. At closing, \$100,000 was paid and Grazette would deliver \$26,000 each six months for Virginia High to make the monthly payments of \$4,435 per month on the house. Grazette made two such

payments. The mortgage balance was approximately \$55,000 when the house was seized by the Government in May 1992. Grazette obtained the funds to purchase the house from drug sales proceeds of Wallace.

94. In December 1989, David Wallace purchased a residence located at 4775 Riversound Drive in Lithonia, Georgia for \$505,000. The house was purchased in the name of Jong Han Kim, with Wallace putting \$250,000 downpayment on the house. In August 1990, the mortgage was changed to Virginia High's name. Wallace made cash payments to Virginia High, who deposited the funds in the High Realty bank account. High paid off the mortgage in successive payments of \$60,000, \$10,000 and \$113,000. The house was seized by the Government in July 1992. The funds used by Wallace to purchase the house were proceeds from drug sales.
95. In June 1990, Virginia High purchased a condominium for Alex Gracia located at 2161 Peachtree Road for \$115,000. \$22,000 was paid at closing in the form of fourteen cashier's checks and money orders, and monthly payments were made by Virginia High. The mortgage balance was \$85,000 when the condominium was seized in May 1992 by the Government. Gracia gave Virginia High cash, which she deposited in the Realty account and wrote checks for the monthly note. The cash given by Gracia to High was proceeds from drug sales.
96. On June 19, 1990, Jinks purchased a residence located at 426 Peyton Road in Atlanta, with the assistance of Virginia High who acted as the real estate broker. Jinks provided Virginia High with \$35,000 in cash for the down payment on the house. High obtained five cashiers's checks which were used for the down payment. Jinks paid the remaining \$200,000 owed on the balance of the mortgage in cash over a fourteen month period of time. The residence was purchased in Virginia High's name, but was in reality Jinks' residence.
97. When Jinks was arrested, Virginia High was notified that the Government was seeking to seize some of the previously mentioned residences including 426 Peyton Road. On June 8, 1992, Jinks, assisted by George and Virginia High, executed and caused to be executed deeds transferring the title of the 426 Peyton Road property into his name in order to permit Jinks to mortgage this property. Jinks obtained a \$100,000 line of credit and on June 12, 1992 received a check in the amount of \$60,405.09, issued by Beneficial Mortgage Company, as proceeds of the previously mentioned loan.

(98) When IRS Agents executed a search warrant at George and Virginia High's residence in July of 1992, agents found an Excam .25 caliber semi-automatic pistol in a briefcase. Virginia High identified the briefcase as belonging to George High. The pistol was turned over to ATF Agents who traced the weapon. Records reflected that the pistol was purchased on February 2, 1990, by George High at Joe's Loan Office. On the required ATF Form 4473, High indicated that he had not convicted in any court of a crime punishable by imprisonment for a term exceeding one year. ATF Agents obtained a documentation that George High was convicted on February

3, 1960 in El Paso County District Court, Colorado Springs, Colorado, of Aggravated Robbery.

THE MONEY-LAUNDERING CONSPIRACY: AUTOMOBILES

- (99) In early 1991, the Internal Revenue Service (IRS) obtained an informant who was introduced to Wallace. The informant, an independent car broker, established a relationship with Wallace, Joel Peavy and Alex Gracia. They would give the confidential informant cash and the CI would obtain vehicles for these individuals registered in nominee names. During the week of January 21, 1991, the informant received \$29,000 in U.S. currency from Joel Peavy and Ladarius Patrick for the purchase of two automobiles. The CI made the money available to SA Turner of the FBI and SA Whipple of the IRS. A drug detection dog was then presented with four plastic bags with one containing the cash provided by Peavy and Patrick. The dog immediately alerted on the plastic bag containing the cash indicating the presence of drug residue.
100. On August 29, 1991, the CI was contacted by David Wallace who stated he had someone who needed to sell a BMW automobile. The CI agreed to purchase the vehicle from Wallace and conducted the transaction later that same day. After purchasing the vehicle, the CI found a Glock 17, 9mm handgun, serial number 7X496 in the vehicle.
101. In 1988, Robert Ward met David Wallace at a pizza restaurant near South Dekalb Mall. Ward indicated that he wanted to be involved in purchasing cars for David Wallace. Wallace eventually introduced Ward to Alex Gracia and George and Virginia High. In March 1989, Ward purchased a Cadillac automobile for Anna Mae Gazette for \$32,000. Ward received cash from Wallace and converted the cash to cashiers' checks in amounts less than \$10,000, in an effort to defeat the currency transaction reporting requirements contained in 31 U.S.C. § 5313(a). Ward titled the vehicle in his own name, transferring the title to Gazette at a later date. At trial, Wallace testified that he discussed with Ward that he should purchase cashiers checks in amounts of less than \$10,000 or the bank would have to "fill out a form". Wallace stated that Ward told him he was already aware of this fact. Wallace testified that he paid Ward \$1,000 as a commission to purchase the Cadillac.
102. In 1990, Ward purchased a Mercedes Benz 300TE from Atlanta Classic Cars for Alex Gracia. The vehicle, which cost \$42,500, was paid for using one personal check from his Cameron Station Federal Credit Union checking account, two checks from an account styled in the name Mr. and Mrs. Robert Ward.
103. In December 1991, Ward purchased an Infinity Q45 from Roswell Infinity, using one check drawn on his personal bank account in the amount of \$3,500, and six cashier checks, all in amounts under \$10,000. All of the cashier checks reflected the payee as Alex Gracia. The remitter on five of the cashier checks is reflected as High Five; the sixth check reflects the remitter as Georgia Home Improvement Company (both corporations were formed by the Highs). In addition to the seven checks used to

purchase the vehicle, Ward traded a 1986 Porsche owned by him. The Infinity was titled in the name Robert Ward. A suspicious form 8300 was filed by Roswell Infinity. Since Ward had reported his home address to be Alexandria, Virginia, IRS Special Agent Trish Lingan (from the Bailey's Crossroad, VA IRS office) met with Ward on May 7, 1991 to question him about the Infinity transaction. In that interview, Ward told SA Lingan that the vehicle was his, and that he was loaned money to purchase the vehicle by his cousin, Alex Gracia. He stated that he did not know why there were so many cashier's checks, but that perhaps his cousin had to draw money from several different business accounts. Ward told SA Lingan that since he was being detailed to Korea for a year, the car was at his parents home in Decatur, Georgia. He also told Lingan that he would be staying with his parents until he left for Korea. He provided an address of 2037 Rebecca Lane (which is actually Anna Mae Grazette's residence). Evidence reflects that immediately after Ward was interviewed by SA Lingan, he traveled to the Atlanta, Georgia area and transferred the title of the Infinity automobile to Virginia High. Shortly thereafter, Alex Gracia contacted the cooperating individual (referred to in paragraph 94) and asked the CI to sell his Infinity. The CI sold the car and delivered the proceeds, \$27,000 in cash, to Gracia.

104. At trial, Robert Ward stated that he purchased the Infinity for Virginia High, and that after being questioned by Trish Lingan about the transaction, he called Virginia High as a "courtesy." He stated he never said Gracia was his cousin or that his parents lived at 2037 Rebecca Lane.
105. In March 1991, Ward purchased a Chevrolet pickup truck for David Wallace using five cashier's checks in amounts less than \$10,000 and five Traveler Express money orders in amounts less than \$10,000. The purchase price of the truck was \$18,000, and the vehicle was put in Ward's name.
106. In April 1991, Ward took Alex Gracia's Mercedes Benz 560 SEL (which was titled in the name Robert Ward and insured by Robert Ward), to Radley Acura in Alexandria, Virginia and attempted to trade the vehicle for an Acura NSX. Not satisfied with Radley Acura's offer, Ward sold the automobile to Metropolitan Motors for \$54,000. Ward deposited the \$54,000 into his 12-year old daughter's bank account (of which he was the trustee) on April 4, 1991. On April 18 and 19, 1991, he drew the money out in the form of two cashiers checks, for \$25,000 and \$26,000 respectively. Also on April 18 and 19, 1991 he purchased two cashiers checks at the Cameron Station Federal Credit Union, which was where Ward maintained a savings and a checking account. The two Cameron Station checks were in the amounts of \$6,000 and \$5,885. The four checks were presented to Radley Acura as payment for a 1991 Acura NSX, which was titled in the name Robert Ward and insured by Robert Ward. This vehicle was actually owned by Alex Gracia and in around November, 1991, Gracia asked the CI (referred to above) to sell the NSX and deliver the proceeds to him. At the time the CI sold the NSX, he found insurance and title documents for the vehicle which reflected the owner as Robert Ward.

107. At trial, Ward admitted to purchasing the NSX for Gracia, and stated that, as a car broker it was not unusual to title a vehicle in his name, nor to insure a vehicle that was titled in his name.
108. Evidence introduced at trial reflects that during the time period of the conspiracy, Ward was continually borrowing money from a number of different federal credit unions. At one time, Ward had 5 different loans from the Leterkenny Federal Credit Union with an outstanding balance of around \$70,000. The monthly payments of over \$2,000 exceeded his monthly net income.
109. Other evidence introduced at trial showed that Robert Ward was the holder of title of a 1991 Acura Legend (for David Wallace). Ward applied for a loan for the vehicle, and made monthly payments to the lender against the loan after receiving the money from Wallace.
110. Ward was also the owner of title on a Mazda Navajo owned by Gracia, and a jet ski and trailer owned by Wallace.
111. At trial, David Wallace testified that Ward had asked Wallace about participating in a drug transaction to make some money. Wallace indicated that he told Ward that he had a good military career and should stay out of the drug business.
112. Investigators learned that at the time of the Ward's arrest, he had several loans totalling approximately \$70,000 which he was attempting to repay.

Relevant Conduct

113. Since the defendant retained the broker's license for High Realty, he is considered accountable for all of the real estate transaction conducted by High Realty, which are included in this conspiracy. According to IRS SA Bill Salinski, the total value of property involved in this case is \$1,220,000.

Victim Impact

114. Although the United States is the victim in this case, the Government has seized all of the properties involved, so no restitution is due.

Offense Level Computations

115. Due to the possibility of an Ex Post Facto violation, the probation officer has computed the guidelines for each of the offenses involved, both in the 1989 edition of the Guidelines Manual as well as the 1993 edition. If the Court adopts the probation officer's recommended grouping set forth below, there appears to be no difference in the total adjusted offense level in the 1989 or 1993 editions of the Guidelines Manual. Therefore, the 1993 edition of the Guidelines Manual has been used to calculate these offenses.

116. Since the defendant's involvement in the conspiracies outlined in Counts One and Thirteen of the indictment involved activities related to money laundering, these two counts will be treated as money laundering counts, pursuant to U.S.S.G. § 1B1.2(a) and Application Note 5 and the Background Commentary to § 1B1.2. The probation officer has grouped the counts of conviction as follows:

Group A - Counts One and Thirteen

Group B - Count Fourteen

Group C - Counts Three and Nine

Group A -- Money Laundering

117. **Base Offense Level:** The United States Sentencing Commission Guideline for violation of 18 U.S.C. §§ 1956(a)(1)(B)(i), 1956(a)(1)(B)(ii) is found in U.S.S.G. § 2S1.1 and calls for a base offense level of 20. 20
118. **Specific Offense Characteristics:** Pursuant to § 2S1.1(b)(1), three levels are added since the defendant knew or believed that the funds were proceeds of an unlawful activity involving the manufacture, importation, or distribution of narcotics or other controlled substances. 3
119. Pursuant to § 2S1.1(b)(2)(F), the offense is increased five levels, since the value of the funds was approximately \$1,220,000. 5
120. **Victim-Related Adjustments:** None. 0
121. **Adjustments for Role in the Offense:** The defendant was the owner of a real estate firm, High Realty. Drug distributors in this conspiracy used the defendant and his company to launder proceeds from drug sales. The defendant assisted members of the conspiracy in purchasing residential properties. These transactions were structured by the defendant to conceal the source of the funds and to evade reporting requirements contained in 31 U.S.C. § 5313(a). There appears to be no evidence that the defendant acted in a managerial role in this conspiracy, so no adjustment is made for role in the offense, pursuant to § 3B1.4. The probation officer has considered the application of § 3B1.3, abuse of a position of trust or use of a special skill. It is considered that the defendant's position as a licensed real estate broker does not meet the definition of use of a special skill, so no adjustment is made. 0
122. **Adjustment for Obstruction of Justice:** None. 0
123. **Adjusted Offense Level (Subtotal):** 28