



THE UNITED STATES ATTORNEY'S OFFICE  
EASTERN DISTRICT *of* CALIFORNIA

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**Department of Justice**

U.S. Attorney's Office

Eastern District of California

FOR IMMEDIATE RELEASE

Wednesday, July 8, 2015

**Federal and Local Law Enforcement Execute Search  
Warrants at Large Scale Commercial Marijuana  
Cultivation Facilities on Tribal Lands**

**Commercial Cultivation and Distribution of Marijuana Violates Federal Law,  
California's Compassionate Use Act, and Locally Enacted Marijuana  
Regulations**

SACRAMENTO, Calif. — Earlier today, special agents with the Bureau of Indian Affairs (BIA) and the Drug Enforcement Administration (DEA), assisted by other federal and state agencies and the Modoc County Sheriff's Office, conducted a search of two large-scale marijuana cultivation facilities located on federally recognized tribal lands at the Alturas Indian Rancheria and the XL Ranch in Modoc County, United States Attorney Benjamin B. Wagner announced. At both sites, law enforcement seized a total of at least 12,000 marijuana plants and over 100 pounds of processed marijuana. Other than contraband marijuana and items of evidentiary value, no tribal property was seized, and no federal charges are pending.

The search warrants are part of an ongoing investigation relating to the financing and management of the commercial marijuana-cultivation projects. The search warrant affidavits were unsealed today. While it is generally the policy of the U.S. Attorney's Office to decline commenting upon ongoing investigations, exceptions are sometimes made when a matter has received substantial publicity and there is a need to inform the community regarding law enforcement actions taken in furtherance of particular public interests. The marijuana grows in question have received substantial attention in Modoc County, as has the U.S. Department of Justice's guidance relating to marijuana cultivation on tribal lands.

The cultivation facility at the Alturas Indian Rancheria was located within the tribe's former Event Center, within approximately 100 yards of the tribe's publicly operated gaming facility, the Desert Rose Casino. The facility on the XL Ranch was immediately adjacent to Highway 395 and the banks of the Pit River, and it consisted of 40 newly constructed greenhouse structures, each of

which was capable of accommodating approximately 1,000 marijuana plants, and an additional gable-roofed structure that boosted the square footage of roof-covered structures by another 50 percent. Both of the grow operations, which appear to have been operating in conjunction with each other, were well in excess of the locally enacted marijuana cultivation limits applicable to county land. The volume of marijuana that the XL facility alone was capable of producing, estimated at approximately 40,000-60,000 plants, far exceeds any prior known commercial marijuana grow operation anywhere within the 34-county Eastern District. According to tribal representatives, all of the marijuana cultivated at both facilities was intended to be distributed off tribal lands at various unidentified locations. As indicated in the search warrant affidavits, the investigation to date indicates both operations may have been financed by a third-party foreign national.

The United States Attorney's Office follows Department of Justice guidelines in exercising its prosecutorial discretion and evaluating the need for investigative and enforcement action with respect to potential violations of federal law. The investigation of the cultivation facilities searched today indicates that both are commercial marijuana cultivation projects operated with the intent to transport large quantities of marijuana off tribal lands for distribution at various locations yet to be identified by the tribes. These facts raise multiple federal enforcement concerns, including the diversion of marijuana to places where it is not authorized and potential threats to public safety, both of which are listed priorities in Department of Justice guidelines. These concerns are only heightened when the activity occurring off tribal lands is not subject to effective state or local regulation.

Consistent with Department of Justice guidelines and the federal government's trust relationship with recognized tribes, the U.S. Attorney's Office consulted with members and representatives of both tribes on multiple occasions before today's action. The U.S. Attorney's Office reminded the tribes that the cultivation of marijuana is illegal under federal law and that anyone engaging in such activity did so at the risk of enforcement action. The U.S. Attorney's Office also expressed concern that large-scale commercial marijuana grows on tribal lands have the potential to introduce quantities of marijuana in a manner that violates federal law, is not consistent with California's Compassionate Use Act, and undermines locally enacted marijuana regulations. The U.S. Attorney's Office stated that this potential was a concern for local law enforcement throughout the Eastern District and potentially warranted federal action.[search warrant](#) (1.63 MB)

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Drug Trafficking  
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