

STATEMENT OF SPECIAL AGENT N. BASGALL

On Friday, June 7, 2019, at approximately 10:30 p.m., Special Agents (S/A) D. Parker and I entered LEATHER AND LACE, located at 2101 South Blvd, Charlotte, NC, 28203 in an undercover capacity. LEATHER AND LACE is a licensed establishment through North Carolina Alcohol Beverage Control (ABC) Commission which currently retains Active Malt-Beverage On-Premise, Unfortified Wine On-Premise, Fortified Wine On-Premises, and Mixed Beverage Private Club permits. The reason for our visit was to ensure the business was complying with all ABC Laws, ABC regulations and all other North Carolina General Statute(s). S/A T. Ogg and M. Stemple were acting as the cover team.

S/A D. Parker and I entered the establishment through the front door and was obstructed by another door that required us to be buzzed in. We were greeted by an unidentified female who told us the cover fee was \$15 dollars to enter and we had to sign the guest log before entering. We both paid the entrance fee and signed the guest log and she buzzed us in. Neither of us was asked to provide proof of membership or filled out the applicable membership application, paid the membership fee, nor were provided any proof of membership.

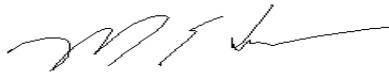
We walked through the second door and I observed approximately 8 patrons inside, the same bartender who was present the first operation, at least one security staff, and approximately 4-6 dancers. S/A D. Parker and I went to the bar to get a beverage. I was approached by "Aspen" later identified as Anne-Marie Weatherly (07/27/95), again and she asked if I would purchase her an alcoholic beverage. She ordered a *Tequila Sunrise* and I observed the bartender construct it using spirituous liquor. It was given to Weatherly, I paid for it, and Weatherly consumed it quickly. Weatherly asked me to the VIP area for a dance, in which I did so.

She took me to the VIP area and said something along the lines of "you are in for a treat" and from a small purse she was carrying pulled out a vape pen. She declared there was THC oil in the pen, took a long drag of it, and coughed out the vapor aggressively. The vapor had a strong odor of marijuana.

I asked what percent the THC oil was and she said it was the strong stuff California or Colorado and was 96% pure THC oil. As she told me this she was pointing to and we were watching the yellowish brown oil move around in the clear storage area of the vape pen. As the session was ending she asked if I wanted to take a hit of the pen. I refused by saying my work conducted urinalysis on me but, I could do other stuff and I would see her shortly to discuss it.

I went to the bar again and observed another dancer with a patron. She was speaking to him attempting to get him to purchase her an alcoholic beverage. The patron eventually gave in and the dancer ordered a drink from the bartender in which the bartender supplied the dancer a shot of Grey Goose. The dancer took and consumed the shot.

I approached Weatherly again and she asked if I would purchase her another drink, I said I would. Weatherly and I went to the bar and she ordered another *Tequila Sunrise*, in which it was constructed by the bartender, I paid for it, and Weatherly consumed it. I asked her over to an area where no one was around and told her my job conducted random urinalysis on me but, I had a prescription for Oxycodone. I asked her if she would be able to get me Oxycodone or Hydrocodone. She said she might be able to. I asked if there was anyone there I could get some off of. She said there might be. I told Weatherly "coke" (meaning cocaine) showed up the same as Oxycodone on a

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urinalysis for me and I could use cocaine. I asked Weatherly if she could provide me with cocaine. She said she could but, I would need to go to the stage when she dances before she would contact her source. I agreed to the deal.

Shortly after she was called to the stage by the announcer and she walked me over to the stage and sat me down in one of the chairs. She danced for several songs then came off the stage. Once off stage, she requested another VIP dance in order to order the cocaine from her source. I agreed to it.

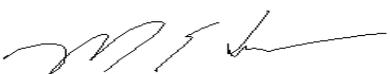
She took me to the VIP area and began the session. As she was doing so I observed her texting the number 704-858 – 1453. She texted the number and for asked for cocaine, how much per gram, and order the two grams I requested. The replies from the other individual where quick and punctual coming within seconds of her sending her message. The session ended and she asked me to be nearby for when her source arrived. She also stated sometimes it, meaning the cocaine, could be snuck into the VIP area and consumed. I went to notify S/A Parker of the situation then went to the restroom to notify cover agents of the same.

While in the restroom one of the bouncers at the club entered the restroom and told me Weatherly was outside wishing to speak to me. I walked from outside the restroom and the bouncer and Weatherly were standing there. Weatherly told me her source was here and escorted me to an older tall and skinny unidentified black male, later identified as James Hart (06/30/61), who was sitting at the bar talking to another bartender. She walked up to the unidentified black male, said something to him, and he turned, looked at her then me, then back to her, said something then continued his conversation with the bartender. She stood a few more moments looking confused and tried to get his attention again. That was when I noticed a younger look unidentified black male standing approximately five feet to the left of the older male. He walked up to Weatherly and she said something to him such as “this is the guy.” He looked at her then me, then back to her and said: “I don’t know what you’re talking about.” She turned around looking at me with a confused look about her face.

We walked over to a table and I asked her what was going on. She said she did not know and maybe he was just busy talking to the bartender since they know each other. Weatherly said she may have gotten him confused with someone else and texted the number again asking if he was there. There was no reply. I talked to her a few more minutes waiting for a reply and there was not one. I told her I would check back in a few minutes. I returned to S/A Parker to discuss with him what was going on. While conversing with S/A Parker I continued to observe the two males.

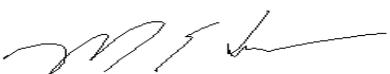
The younger of the two seemed to always be facing the crowd and/or open area of the club while the older was engrossed in conversation with the bartender. I observed the older male get up and walk towards the exit and the younger male stood up and do the same trailing behind the older. They returned inside a few minutes later in the same manner in which they left. They appeared to hardly speak to one another, if at all with the younger male always watching the other patrons of the club.

S/A Parker notified me the male he was playing pool with, later identified as Dwayne Stewart (10/02/72), was offering to sell cocaine to him. We realized we did not have enough undercover funds to conduct both transactions. I returned to Weatherly and asked if her source has replied. She told me he has not, which I found to be uncharacteristic considering the exchange I observed before. I returned to S/A Parker.

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I provided S/A Parker with all my remaining undercover funds, exited the building into the parking lot, and observed S/A Parker enter a 2004 Lexus 335 bearing the South Carolina registration plate QYT 248 with Stewart. They sat in the vehicle for a few minutes talking to one another then S/A Parker exited the vehicle and Stewart turned the vehicle on and drove away. S/A Parker approached me and advised he completed the drug transaction. While in the parking lot cover agents directed me to a silver Dodge Ram pickup truck that Weatherly's suspected source was driving. The pickup truck had a North Carolina registration plate EAJ3432, in which the vehicle was registered to Hart.

At approximately 1:30 a.m., S/A D. Parker and I left the premises.

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