



Department of Justice

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**FEDERAL GRAND JURY INDICTS TWO ASHLAND RESIDENTS
FOR DISTRIBUTING CONTROLLED SUBSTANCE ANALOGUES,
FILING FALSE TAX RETURNS AND MONEY LAUNDERING**

Indictment Also Seeks Forfeiture of \$1.5 Million

MADISON, WIS. -- John W. Vaudreuil, United States Attorney for the Western District of Wisconsin, announced the arrests of John C. Morrison, 70, and Anna F. Novak, 57, both of Ashland, Wis. Morrison and Novak were arrested this morning in Fort Lauderdale, Fla., following their indictment on December 10, 2014 by a federal grand jury in the Western District of Wisconsin. Morrison and Novak appeared in federal court in the Southern District of Florida, and were released on bail and ordered to report for their arraignment in U.S. District Court in Madison on January 6, 2015, at 9:00 a.m.

As set out in the 35-count indictment, Morrison and Novak owned and operated JC Moon, a retail business located at 411 Main Street West in Ashland. As alleged in the indictment, Morrison and Novak employed individuals who, at the defendants' direction, sold controlled substance analogues intended for human consumption.

Federal law defines a "controlled substance analogue" as any substance having a chemical structure substantially similar to the chemical structure of a controlled substance in Schedule I or Schedule II, and either actually having, or represented or intended to have, an effect on the central nervous system substantially similar to or greater than the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance in Schedule I or Schedule II.

The indictment charges Morrison and Novak with:

- (1) conspiring to distribute controlled substance analogues;
- (2) 28 counts of distributing controlled substance analogues;
- (3) maintaining a place, specifically JC Moon on Main Street in Ashland, for the purpose of distributing controlled substances;

- (4) conspiring to defraud the United States by skimming a significant amount of cash from JC Moon sales and not including this skimmed cash on their tax returns;
- (5) filing false tax returns that failed to report approximately \$575,752 in business receipts from JC Moon over a three-year period; and
- (6) engaging in a \$100,000 financial transaction in proceeds from the drug business.

In addition to the 35 criminal charges, the indictment seeks the forfeiture of approximately \$1.5 million, representing the total amount of net proceeds obtained as a result of the drug offenses, along with real property located in Ashland (the JC Moon business), Pompano Beach, Fla., and on Madeline Island, Wis.

On the 30 drug charges, Morrison and Novak face a maximum penalty of 20 years in federal prison on each count. The tax fraud conspiracy carries a maximum penalty of five years in prison, and the false tax return charges each carry a three-year maximum prison term. The money laundering charge carries a 10-year maximum prison term.

This indictment is the result of a lengthy, joint investigation conducted by the Drug Enforcement Administration; IRS Criminal Investigation; Wisconsin Department of Justice, Division of Criminal Investigation; Ashland County District Attorney; Ashland County Sheriff's Department; and Ashland Police Department. The prosecution of this case is being handled by United States Attorney John Vaudreuil and Assistant U.S. Attorney David Reinhard.

You are advised that a charge is merely an accusation and that a defendant is presumed innocent until and unless proven guilty.

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