

PACKERCHRONICLE 44

The Sean Reyes Criminal Cases

One dropped and another pending

By Lynn Kenneth Packer March 31, 2017

©2017 Lynn Kenneth Packer

Note: When Utah Attorney General Sean Reyes found himself on President Donald Trump's short list to head the Federal Trade Commission, I decided to update my March 31, 2015, PackerChronicle report No. 43: "Rambo Reyes and The Child Sex Slave Rescue Industry—Vigilantes Cut Through Red Tape." Since then Reyes came under FBI criminal investigation in connection with a variety of allegations including one about Operation Underground Railroad (O.U.R.) and another about his alleged attempt to bribe an operative who had dug up dirt on his political opponents. That FBI criminal probe concluded quietly and secretly (no leaks to the press) with no charges being brought. More recently the Davis County Attorney's Office has begun reviewing a potential criminal case into O.U.R., the charity that Reyes heavily promotes.

FTC chairman hopeful Sean Reyes and his Utah anti-regulation friends

When Utah Attorney General Sean Reyes was in Washington, D.C., for the presidential inauguration and to be interviewed as a candidate for Federal Trade Commission chairman, he posed for a photo during a Segway scooter tour of the National Mall. The cell phone-snapped image showed Reyes with a friend, Aaron Patey, each puffing on one of Patey's essential oils diffuser sticks, one use of which is supposed to wean smokers off cigarettes.

It's the text that accompanied the photo Patey sent to select company insiders that would delight those who would like to see the FTC defanged, but the words may also dismay anyone who favors strong government regulation. Patey wrote that his company, Utah-based PSD International, would be "very blessed" if Reyes were named FTC chairman. Both men are Mormons and blessings are seen as God's gifts to the faithful.

"It never left his mouth, ha ha," the text reads. "And amazingly he was in interviews the entire time and it looks like he is being appointed to be the Head (of the) Federal Trade Commission (FTC) if he accepts the position..."

The message claims Reyes "is a lifer for Eiji's," the brand name of the cigarette alternative, aka "oil stick." It says Reyes "loved PSDI."



Inauguration Day on the National Mall. Sean Reyes, right, and Aaron Patey puffing essential oils sticks.

If President Donald Trump appoints Utah Attorney General Sean Reyes to chair the Federal Trade Commission it could mean smoother sailing for hundreds more Utah promoters who try to fly just under the FTC's radar and would now like to see that radar shut off. Utah is a hotbed—critics say cesspool—of multilevel (direct sales/MLM) marketing companies, telemarketers, and nationwide door-to-door sales companies that come under FTC scrutiny.

Reyes has been their friend as Utah attorney general. As head of the FTC he would be even better positioned to help them, as Reyes puts it, “manage their own businesses on their own terms.”

Patey is native born Utahn who went from bankruptcy in 2009 to what he tells others heading is a multi-million-dollar business that takes inventions and products—like the essential oils stick— through the manufacturing process in China and then to market.

Patey remains secretive. “Our facility is under military grade lockdown,” he said in an interview for *PackerChronicle*. “In doing DOD and DOE contracts,” he said, “I deal with high profile people in major corporations around the world in some of their most advanced programs.” He would not name the contracts.

One of Patey's partners is long-time Reyes friend Paul Hutchinson. “Paul is a dear friend and we are looking at business opportunities together,” Patey said. Another partner is Mark Burdge who is also involved with what Patey calls secret “military stuff” that involves “advanced technologies.” Patey, Reyes, Hutchinson and Burdge are also supporters of Utah's Operation Underground Railroad (O.U.R.) that conducts worldwide sting operations to free child sex slaves. Reyes not only serves as an operative (playing the role of an armed bodyguard) on OUR raids, he is also on the charity's advisory board. Patey's, Hutchinson's and Burdge's joint venture not only provides financial support for the charity, but also serves as a vehicle to market its products on the charity's coattails. (Utah Rep. Jason Chaffetz is an O.U.R. backer and, like Reyes, has volunteered for at least two overseas missions.)

Burdge was previously involved with a Utah multi-level marketing (MLM) company that was also owned by a volatile penny stock company. His Whole Living, Inc. was a two-in-one combo of



Aaron Patey, Donald Trump and Mark Burdge

Utah pie-in-the-sky ventures: MLMs and companies that trade over the counter on the pink sheets. Whole Living, now defunct, claimed to have combined “cutting edge research with ancient wisdom” to create dietary products based on Biblical and Mormon scripture passages. The company lineup included health snack foods, natural beauty products and essential oils, the latter currently marketed by at least two more Utah-based MLMs.

Later Burdge founded a printing company that among other clients were multi-level marketing companies in Utah County. But in 2011 the Utah State Tax Commission filed felony tax evasion-related charges against Burdge including alleged racketeering, communications fraud, unlawful dealing by a fiduciary, and failure to file proper tax returns. The outcome of the case is unknown because it included an agreement to erase the records from the Utah court system database.

Burdge’s MLM company was small potatoes compared with direct sales behemoths that support Reyes’ campaigns financially. Among direct sales Reyes donors are Nu Skin (Rep. Chaffetz’s former employer), doTERRA, Vivint, USANA, Herbalife and the Utah-based Direct Selling Association with 155 members across the country, Amway among them.

The MLMs have enjoyed Utah as a so-called safe haven for direct sales companies, free of any anti-pyramid scheme prosecutions by the AG’s office, thanks to legislation supported by Reyes’ predecessor.

Reyes and the world’s largest essential oils marketer, doTERRA, are also connected through Operation Underground Railroad (OPUR) with doTERRA one of the largest donors, contributing more than \$600,000 in 2016. Just as OUR’s anti-child sex trafficking is Reyes’ signature image as attorney general, it’s also a big part of doTERRA’s image-making. The Reyes-doTERRA connection is strengthened by Kirk Jowers, a doTERRA vice president, who sits on Attorney General Reyes’ Advisory Committee.

Those relationships could serve the MLM well going forward if Reyes gets the top FTC post. doTERRA has already had its knuckles rapped by the FTC. In 2014 the Federal Trade Commission along with the Food and Drug Administration issued doTERRA warning against marketing its products as possible treatments or cures for Ebola. The products in question, the letters note, are not FDA-approved drugs, yet their marketing makes the sort of claims that only approved drugs may make—that they can be used to treat, mitigate, prevent and cure diseases. The FTC warns anyone selling MLM products to “be sure your marketing materials are truthful and that there's solid evidence to back up the claims you make about the products.”

In an interview for this article, MLM critic Robert Fitzpatrick said a Reyes appointment to the FTC would follow a President Trump pattern of appointing people to dismantle rather than vigorously run government agencies. “Who would be better to protect multi-level marketing from the FTC than the attorney general of Utah which is the vortex of MLMs,” said Fitzpatrick, president of Pyramid Scheme Alert. “It’s a perfect fit,” he said. “He’s the most likely candidate, he fits that pattern and he fits the model.”

The fear among anti-MLM detractors is that Reyes will expand Utah’s MLM safe haven status nationwide. Reyes’ attorney general predecessor, Mark Shurtleff, who had received about

\$300,000 in MLM-related campaign contributions, supported a 2006 Utah bill to make it impossible to prosecute MLMs as illegal pyramid schemes.

When Reyes first stood for election in 2014 the Associated Press reported on the sensitivity of campaign donations by multilevel marketing companies. “Several multilevel marketing firms are among companies that donated to Reyes’ predecessors, Mark Shurtleff and John Swallow, and were scrutinized by consumer watchdogs,” the AP reported. Yet one of Reyes’ biggest donors was the Salt Lake MLM ASEA LLC.

The AP said ASEA was not one of the MLMs “involved in the allegations surrounding Shurtleff and Swallow.” “Reyes has pledged to avoid campaign donations that could create a conflict of interest with the attorney general’s office,” according to the AP, “but he has not specified which industries or companies, saying he doesn’t want to insinuate they were doing anything illegal or unethical.”

The news story pointed out that the Federal Trade commission has warned that pyramid schemes often operate under the guise of multilevel marketing programs. Reyes’ campaign manager, Alan Crooks, told the wire service, “There are good players in every industry, and the campaign scrutinizes donations from multilevel marketing companies and other firms.”

Crooks may have used the term *scrutinize* as a euphemism that means if a check cashes, the firm passes. It would not have taken much scrutiny to determine that ASEA is among many Utah MLMs marketing vitamins, supplements and drinks with dubious claims of near-magical powers.



ACEA Redox supplement: life-giving, signaling molecules or salt water?

ASEA’s Renew28 drink claims to have “patented redox signaling technology that boosts the body’s natural cellular renewal and communication processes.” One critic, though, said it’s little more than salt water. “You can make your own salt water at home for much less than a dollar an ounce. The only value of the product is the entertainment value that can be derived from reading the imaginative pseudoscientific explanations they have dreamed up to sell it.” Dr. Harriet Hall wrote that ASEA is “another expensive way to buy water.”

In Europe, where ASEA is heavily marketed, Italy’s anti-trust authority fined the Utah company €150,000 EUR, accusing it of being a pyramid scheme where the selling of its products had the primary aim of recruiting other sellers. It also said ASEA attributed healing properties to its products “that are not adequately demonstrated and certified.”

Utahn Jon Taylor, who lobbied against the gutting of Utah’s anti-pyramid scheme law, says Reyes has done nothing to curb what Taylor says is the corrupting influence of MLMs. Taylor noted that the FTC last summer required Herbalife to pay \$200 million and fundamentally restructure its business. “Utah already has a reputation among many consumer advocates as ‘the scam capital of the world,’” Taylor said. “What is the basis for that? Today it is the proliferation of product-based pyramid schemes headquartered in Utah that lead to hundreds

of thousands of victims across the world who in the aggregate lose billions of dollars every year.”

The FTC press release summarizes its Herbalife action:

Herbalife International of America, Inc., Herbalife International, Inc., and Herbalife, Ltd. have agreed to fully restructure their U.S. business operations and pay \$200 million to compensate consumers to settle Federal Trade Commission charges that the companies deceived consumers into believing they could earn substantial money selling diet, nutritional supplement, and personal care products. In its complaint against Herbalife, the FTC also charged that the multi-level marketing company’s compensation structure was unfair because it rewards distributors for recruiting others to join and purchase products in order to advance in the marketing program, rather than in response to actual retail demand for the product, causing substantial economic injury to many of its distributors.

FTC’s Herbalife crackdown could have become a precedent against other MLMs, but Taylor says that hope will be gone under a Trump-appointed chairman.

Federal Trade Commission Chairwoman Edith Ramirez, a Democrat, resigned in January to create the vacancy Reyes wants to fill. Politico reported that Ramirez leaving the FTC “grants Trump, after his inauguration, an opportunity to reshape broad swaths of an agency that had tech giants like Facebook and Google in its cross hairs during the Obama administration.”

In October Reyes was a special guest speaker at the 15th Direct Selling Edge Conference held in Salt Lake City. A Direct Selling Edge press release said, “Utah Attorney General Sean Reyes has been a supporter of the direct selling industry for many years. As a former business owner himself, Reyes applauds those who desire to manage their own businesses on their own terms.”

Reyes’ Conflicts of Interest

Utah Governor Gary Herbert appointed Reyes attorney in 2013 to replace embattled Attorney General John Swallow who resigned in the face of a mounting corruption scandal. (Earlier this month a Utah jury acquitted Swallow of criminal corruption charges.) Governor Herbert required his AG nominee, Reyes, to resign from all boards—both for-profit and non-profit.

Reyes claims he did quit all board memberships as the governor asked. But records show he continued serving on the nonprofit Hale Centre Theatre board of trustees, which is made up of a collection of wealthy and influential Utahns who support the arts.

Mark and Sally Dietlein, the charity’s president and vice president, are paid a combined, annual salary of \$286,000. (In 2013 *The Salt Lake Tribune* reported, “There’s real drama in the theater’s fiscal story, too. Namely, the extraordinary salaries of its top administrative staff, matched with a prowess that’s earned the nonprofit arts organization an annual largesse of taxpayer funds.” “In the last days of the 2007 session, legislators granted Hale Centre Theatre a \$100,000 annual appropriation and \$85,000 in one-time grants. The community theater has reaped \$87,500 annually ever since in a direct appropriation of taxpayers’ money, a rare distinction among Utah arts organizations.” The legislative grants do not include taxpayers’ subsidies for the charity being tax-exempt and donors getting tax deductions.

A Hale Centre Theatre spokesperson says Reyes has served on the board since he joined before becoming attorney general. His friend Paul Hutchinson and Reyes' chief of staff, Missy Larsen, are also on the Hale Board of Trustees. (When Reyes held the first meeting with his entire AG staff in January, 2014, he held it at the Hale Center Theatre.)

After becoming attorney general Reyes continued disregarding the governor's conflict-of-interest concerns and joined 11 boards, among them the for-profit KeyBank in 2015. It's the same KeyBank that defrauded one of its customers and, in a 2012 civil action, was fined almost \$1 million by a Utah federal judge. (The Utah Attorney General's office did not bring criminal charges against any bank official involved in the scam.)

By law Reyes has to report his board memberships and conflicts on a "Financial Disclosure or Conflict of Interest" form that Utah's lieutenant governor posts on line. His 2016 disclosure shows he went on to join the 11-plus boards, in addition to Hale Centre theatre, that he was asked to resign from: Fight the New Drug board, Operation Underground Railroad Advisory Board, what he calls "multiple government boards," BYU Alumni Board, KeyBank Advisory Board, the Jason Foundation Ambassador Board, the Jimmer Fredette Foundation Advisory Board, the Trafficking in America Task Force Advisory Board, The Utah Center for Legal Inclusion Advisory Board, and the Reyes Family Foundation, Inc. Board. He noted all were unpaid positions.

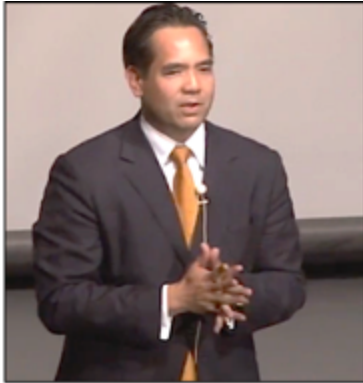
At an Operation Underground Railroad fund-raising rally Reyes told the audience he had asked Governor Herbert to make an exception for him to join the child sex slave rescue charity. He asked the governor that "even though I had stepped off all the other boards, if I could stay on with Fight the New Drug, good friends of mine, and come onto the board of Operation Underground Railroad because I was so passionate about what they were doing."

Governor Herbert declined an interview to disclose, whether, in truth, he, in agreed with Reyes's decision to violate Herbert's conflict-of-interest, board policy. (Because Utah's AG is an elected position the governor could only exercise control over Reyes at the time of the appointment. Once Reyes became attorney general he did not have to follow the governor's preference.)

"Prior to appointing him as Attorney General, the Governor required Mr. Reyes to resign from any boards he was serving on and to divest himself of any conflicts and interests in businesses," his press secretary, Kirsten Rappleye, confirmed in a statement for *PackerChronicle*. "This isn't a statutory requirement, rather an example of the Governor's commitment to fully vetting candidates," she wrote in an email. "After he was appointed, the Attorney General would not have needed the Governor's permission to serve on a board, he would have been responsible to keep the usual conflict of interest rules," she said. "However, I would not be surprised if AG Reyes ran it by the Governor to see if he was concerned." Rappleye declined asking the governor if, in fact, the attorney general did seek his advice regarding joining the O.U.R. board.

Reyes told a Davis County fundraising audience that his past board memberships helped him personally vet Operation Underground Railroad. "I've sat on maybe over a dozen nonprofit boards during my career and I know there is a lot of corruption, a lot of fraud and a lot of ego in the nonprofit world." "I saw none of that," he said. "And I really looked hard at Operation Underground Railroad. No way can you have the success that they have had, no way can you raise money like they have, no way can you get the media attention, unless they are doing something wrong (sic), I looked at them hard and I could find nothing wrong."

While Reyes sees board memberships as an asset, others see them as a liability for prosecutors. "It's just common sense that no prosecutor in the Utah Attorney General's Office, or any Attorney General's Office, should serve on the Board of any private enterprise because of the potential for a conflict of interest," a former Utah prosecutor told *PackerChronicle*. "It's also potentially a violation of the statute governing the Utah AG's office and the Utah AG Policy manual. It is particularly concerning if the top prosecutor, Sean Reyes, is a member of any private boards. For example, if Sean Reyes served on the board of any entity, whether for-



YouTube video: Utah Attorney General Sean Reyes at a O.U.R fundraiser explaining the value of his board membership.

profit or non-profit, and then a claim of violating Utah's laws were brought against that entity, there would be an obvious conflict of interest for Reyes. Such a conflict can easily be avoided by resigning one's membership from any private enterprise. This is an example of why any governor appointing an attorney general, as Gary Herbert appointed Reyes, would reasonably mandate Reyes' withdrawal from any board. Reyes may claim that he could wall himself off from any potential conflicts, but he has already been accused of failing to honor a conflict screen in the case brought this March by his predecessor, the former three-term attorney general, Mark Shurtleff. The best practice for an ethical attorney is to avoid any prospective conflicts."

An attorney general even serving on their state government boards can be problematic, because it's not unusual for one state agency to sue another in order to resolve disputes. Last year the Alaska legislature considered a bill barring the state's attorney general from joining even a government board because "the attorney general may be compromised, have a conflict of interest or appear to have a conflict of interest" and "it takes away or reduces the attorney general's time, energy and focus on representing the state's interest in civil and criminal litigation..."

Like Father, Like Son?

“He really deserves to be President of the United States,” Norberto ‘Buddy’ Reyes said of his son during an interview with *PackerChronicle*. “There are many signals from *Papa*,” Buddy Reyes said referring to God using the Spanish term *Papa*, “that tells me that he is on his way there.”

But to get there, the U.S. presidency—perhaps via a Utah governorship or U.S. senate seat—Utah Attorney General Sean Reyes may have to keep building his image with alternative facts and keep thwarting news coverage of his connections to scams and scammers.

One of the skeletons that Reyes would like to keep in the closet is his father, Buddy, who for several years has been soliciting donations for an illegal charity with his son’s support, and promoting a fringe dietary supplement. Buddy has been a father who shares his son’s passion for rescuing enslaved children around the world. And has a dramatic story to tell about a raid he led in the Philippines to rescue a kidnapped Provo girl by body-organ traffickers.

Norberto Reyes was born in the Philippines in 1942. Claiming to escape political persecution, he moved to Los Angeles where he became a U.S. citizen, married and raised his family. He is an amateur painter and won some local art shows. The elder Reyes worked in the movie industry as a small-time producer and director. He became a semi-professional performer who today, at age 74, still works as a popular Elvis Presley impersonator, calling himself the “Elvis of Asia” and the “Filipino Elvis.”



Like father, like son?
Norberto and Sean Reyes

Buddy Reyes’ LinkedIn bio says he also worked 35 years in network/multilevel marketing (MLM). Sean would have grown up in Canoga Park, California, with his father working as a distributor and recruiter for NSA, originally named National Safety Associates, which began selling home fire alarms, expanded its product line to water and filters and then to a nutritional supplement.



Buddy "Elvis of Asia" Reyes on stage promoting love, Jesus, and his charity.

In 1993 the U.S. Attorney's office investigated NSA after some distributors claimed they were forced to buy excessive numbers of water filters. The next year the company introduced Juice+, a line of dietary supplements containing concentrated fruit and vegetable juice extracts fortified with added vitamins, and hired O.J. Simpson to endorse its new product. (Simpson claimed the product cured his arthritis. Later the former professional football player and Hollywood actor raised the defense that he was too incapacitated by arthritis to have murdered his ex-wife and Ron Goldman.)

After a succession of failed ventures, Buddy Reyes formed two closely connected entities, the for-profit Golden Eagles Academy, LLC. in 2006 and the non-profit Glowing Heart Society Foundation in 2008. In a promotional video, he points out that his program "is

not network marketing or MLM," but a new concept of "wellness, wealth and wisdom." Its revenue stream is centered on a purported disease cure-all named GEASOL (an acronym from Golden Eagles Academy and the word solution), a homeopathic preparation consisting of trace amounts of silver in water, retailing for \$16 per 8 oz. bottle. "It really attacks all kinds of diseases," Reyes said. "It is better than any antibiotics there is. Because antibiotics can only kill one, this one kills both bacteria and viruses."

Besides GEASOL Buddy Reyes' team of experts are also developing technology that produces water from air (condenses it out of the air), generates wind energy from winds at only 3 km an hour, and a machine that mines gold from the surface of the earth instead of from underground mine shafts and tunnels. "We get tons of gold from the surface of the earth," he said.

One blogger says Golden Eagles of the Glowing Heart Society was organized as an MLM: "I would stay far away. Smacks of MLM or even Ponzi scheme. The people at the top make all the money," the blogger wrote. One of his Glowing Hearts members claims that organization was set up as an MLM with the promise of making a lot of money by selling, among other things, a novel water filtration device, and by recruiting so-called downline distributors whose sales would create an additional revenue stream for the recruiter.

During his *PackerChronicle* interview Buddy Reyes maintained his claim to no longer support multilevel marketing. "When I saw MLMs making a lot of money, there were many abuses of people who are ignorant, who are being suckered into it." He said he wrote a widely-disseminated article about the "cardinal sins of MLM." *PackerChronicle* was unable to find evidence of it.

"I pray 10,000 times a day," Buddy Reyes says, asserting that God directs his every move in business, politics and his Mormon religion. The LDS Church's *Deseret News* reported last summer that, "As with any project he undertakes, Reyes said, he turned to God for help." "Led by divine guidance, he said, he started small in Orem (Utah) with 12 friends. Then they

expanded to Idaho, Arizona and Texas. In 2008, they launched in the Philippines, and within the first month, the foundation in the Philippines had 50,000 members.” (He now says he has 100,000 Filipino members and more hundreds more in Utah.)

Sean Reyes is one of his father’s staunch supporters. An internet blogger claimed Sean is one of the Glowing Hearts Society/Golden Eagles Academy owners, which Buddy confirmed during his March, 2017 interview.

The *Deseret News* article promoted an upcoming June 9, 2016, concert where Reyes would perform his Elvis routine to raise money for his charity and his sons Sean and Kyle (the Special Assistant to the President for Inclusion at Utah Valley University) would speak in support:

Reyes is slated to sing 26 songs, some of which will be tributes to God, women, the Philippines and the U.S. Several other musicians will also perform, and guest speakers will include Reyes’ two sons — Utah Attorney General Sean Reyes and UVU professor and assistant to the president Kyle Reyes.

Tickets are \$30, an amount that Reyes said will feed a family of six for a week in the Philippines. The funds for this particular concert will go to help “widows, orphans, the hungry, homeless, sick and afflicted” individuals in Tacloban City, Philippines, which is experiencing the effects of a devastating typhoon, according to a news release.

“Our philosophy is anything we raise, 100 percent goes to the people,” Reyes said. He and many of the other members of the Glowing Hearts Society donate funds themselves and pay their own way when they go to the Philippines.

What the *Deseret News* did not report is that Reyes’ charity was operating unlawfully. His purported nonprofit Glowing Hearts Society Foundation was neither legally registered as a business with Utah’s Division of Corporations, nor legally registered as a charity with Utah’s Division of Consumer Protection. (The for-profit Golden Eagles Academy, LLC., was registered in Nevada in September, 2007, but was since revoked. The entity was also registered in Utah in January, 2009, but expired a year later for failure to file a renewal. Reyes had falsely claimed that Glowing Hearts had been registered in Utah.)

It’s potentially a criminal offense in Utah to solicit donations without having state approval and without filing financial records that are available for public inspection. “A charitable organization may not knowingly solicit, request, promote, advertise, or sponsor a charitable solicitation that originates in Utah, is received in Utah...” the statute reads. Penalties can range from warnings, administrative fines to criminal prosecution under Utah’s Charitable

Solicitations Act and under Utah's Communications Fraud Act if any false representations were used to solicit donations.

The day after Buddy Reye's *PackerChronicle* interview, during which he was asked to provide proof his charity was legally registered, he applied to the state in an attempt to achieve after-the-fact approval to operate as a charity. Attorney General Reyes declined comment about his support for his father's alleged, illegal charity.

A father inspires his son's career choice

Before Sean Reyes was appointed Utah Attorney General, *Salt Lake City Weekly* profiled his life story in an article titled "The Bishop of Bling." "When, at 29, he was made bishop of the 19th LDS ward in downtown Salt Lake City, his congregation nicknamed Sean the 'Blingin' bishop,'" the article said. "'Blingin' is the word on his vanity license plate identifying what his wife calls his pimpmobile, a saffron-yellow Volvo C90."

The reason Reyes chose a legal profession was injustices brought to his father through the court system. "As a child, he watched his father Norberto 'Buddy' Reyes, a successful painter-turned-filmmaker, pray on his knees for hours over his endless legal struggles," the article said. "'I wanted to protect my dad,' Reyes says. 'I thought I'd become a lawyer and stand up against the guys persecuting him.'"

"His father made two low-budget martial arts movies in the late 1980s through a production company he owned. His lack of legal knowledge made him an easy target for opportunistic lawsuits. Saddled with liens against their house and judgments to be paid off, Buddy Reyes, his wife Annette Maeda and their three children endured hard times."

"Buddy struggled for years to find steady work, but few in the movie business wanted to hire a Filipino. He managed a meager living by painting portraits and making indie movies before there was such a thing." (Reyes claimed to have earned commissions "to paint portraits for Gene Autry, John Wayne and, later, Magic Johnson and the Apollo 11 crew, a painting that was sent to the Smithsonian Institute. A year after Martin Luther King Jr. was killed, he entered a portrait of King in an MLK art contest and won.")

"Sometimes he was paid in apples and dog food," Reyes told *City Weekly*. "He ate dog food. He thought it was better nutritionally than some other human food. He always said, if life gets tough, there's dog food."

Buddy Reyes: A deputized Utah Attorney General operative

Near the end of his *PackerChronicle* interview Buddy Reyes pulled out his wallet and displayed a badge his son Sean had issued him. He said he was called as agent for the Utah AG's office to rescue trafficked children. "Sean is trying to expand human trafficking (enforcement), to stop it, all over the world," Buddy said. "Asia is becoming the center. A lot of the women are being kidnapped here in Utah."

Buddy said a Utah girl had been kidnapped and taken to the Philippines, which has become a center for child trafficking. He said kidnapped Utahns are not transported there by aircraft, but

by fishing boats in steel refrigeration containers with holes punched in them so the victims can breathe.

Buddy said Sean gave him an order (a mission) to rescue two Utah girls who had been kidnapped, not as sex slaves, but to be killed for their organs. He said Mormon girls command more money for their cleaner kidneys because they don't smoke or drink.

Buddy said he went to the Philippines last summer, and created a strike force. "In three days, I was able to create a command and control center. I gathered my intel and then after that in one week I had a commando unit, an attack unit. I discovered in the Philippines they were right on top of a mountain in my province, in Zambales."

Buddy said he led his group up the mountain, being led by pigmies armed with poison arrows. They encountered a rapid-fire machine gun, that bullets were zinging past him. "We are armed to the teeth with submachine guns, M1 rifles, and I only had a .45 caliber because I was leading," he said. But instead of returning fire, he said he led his team in prayer.

"I told them I don't care what religion you are I am going to pray here and you pray with me. We are going up there. We will have angels surrounding us. Nobody is going to be killed. Try not to kill anybody. Our goal is to save the ladies there. The teenage girls," he said

He said no one was killed and they rescued 63 body-parts slaves.

Reyes would not provide the name of the Provo, Utah, girl he claims to have rescued. (A woman, 26-year-old Elizabeth Elena Laguna Salgado, a native Mexican and returned LDS missionary, had vanished in April, 2015, after last being seen downtown Provo, Utah. Her mother believed she had been kidnapped. Utah Attorney Sean Reyes had held a press conference to announce his office and several other government agencies were involved in the search. She remains missing.)

Sean Reyes' father, like his son, is an ardent conservative Republican and Trump supporter. Sean Reyes was an uncommitted delegate to the July 2016 Republican National Convention and cast his vote for Trump. After that he served as a Donald Trump for President campaign surrogate and addressed the Asian American and Pacific Islander National community in Las Vegas, ending his speech with a rap. Jason Chung, Republican National Committee national director APA Initiatives, told NBC News that Reyes "made a compelling case why AAPI voters should elect Donald J. Trump and Governor Mike Pence and deliver real change in Washington and move our country forward."

Buddy Reyes' allegiance to Trump runs even deeper. He is not only a so-called "birther" but also claims he personally investigated the validity of Barack Obama's Hawaiian birth certificate in Honolulu. He said it was fake because it did not match contemporary certificates at that hospital and that Obama's had been photo-shopped.



Buddy Reyes shows the Utah AG badge as proof he's deputized to rescue child slaves

Buddy Reyes said he is part of an international team of intelligence officers who, with God's help, are working to clean up the world and combat evil people. He refers to his own group as "the ascended ones" and the bad guys as "black hats." He called George Soros, the billionaire supporter of democratic ideals, "the most evil man in the world." He said Trump is "on the good side" and Obama is "on the bad side." "A lot of people don't like Trump because of the fact he groped some people," Reyes said. "But he never killed anybody like the Clintons did. Heavenly father is looking for somebody who can turn things around."

His religious beliefs are no less moderate. He said his Heavenly Father has sent minions here to this earth from another planet to help rid the earth of the evil people. "I've seen two of them." He said their appearance was changed to look human and that they're bringing to earth what may be the ultimate health care technology that will soon be unveiled. He demonstrated how it will work by reaching out and touching me with his finger. "Next year, when I touch you, all of your diseases will be gone."

Should Sean Reyes, as attorney general, have been investigating and then possibly arresting his father or helping him promote a possible charity donation scam? Did his involvement in his father's charity pave the way for his involvement with the Operation Underground Railroad charity that is a hallmark of his role as Utah's top law enforcement officer? That story follows. But first, a look at General Reyes' position on Utah's burgeoning nutritional supplement and multilevel marketing industries.

How Attorney General Sean Reyes' nutritional products plant tour hints at why Utah is still the nation's fraud capital

As I drive up and down (I-15 in Utah County), I count multi-level marketing office parks marked by pastel signs: eight in Orem, five in Pleasant Grove, four in Provo. There are more of them here than anywhere in the world, though exactly how many is difficult to say, as they open and close as fast as start-ups in a different Valley. Everyone I talk to gives the same reason why: Mormons make up 82 percent of the population in this county, and Latter-Day Saints consider it a joy and privilege to share their religion with others, which makes them amenable to sharing products, too. Mormons also tend to be more open-minded about natural medicine, while abstaining from alcohol, coffee and tobacco. Multi-level marketers here mostly sell dietary supplements. Around the world, though, they promote an arsenal of products—greeting cards, coupons, gas-enhancing liquid, real estate coaching, gold bars.

*“How Utah Became a Bizarre, Blissful Epicenter
for Get-Rich-Quick Schemes”
by Alice Hine, June 9, 201 TPM.com*

One of the dozens upon dozens of Utah County businesses associated with multilevel marketing, nutritional supplements, door-to-door sales and telemarketing that New York journalist Alice Hines may have driven past was the Twinlab Consolidated Holdings, Inc. facility in American Fork, Utah. It's a company not among the nutritional supplement giants in Utah County, such as Nu Skin whose shares trade on the New York Stock Exchange.

Twinlab's shares do not trade on the big exchanges, instead they sell “over-the-counter” on the ultra-high-risk, high-reward OTC/penny stock market. Stocks that are delisted from the major stock exchanges can end up trading over-the-counter. Stocks being manipulated by swindlers often trade there. Stocks associated with pie-in-the-sky ventures, some with minuscule chances to make it big, are often bought and sold over the counter, where's there's next to no government regulation and oversight. It's the wild and woolly world of penny stocks, stocks that trade for less than \$5 a share on little exchanges.

When Utah Attorney General Sean Reyes visited Twinlab in August last year, it was not to issue a subpoena or serve a warrant in connection with any suspected stock manipulation case or with any possible false claims being made about its products. Instead the state's top prosecutor was making a rather odd, promotional tour of Twinlab's state-of-the-art factory that produces and packages dietary supplements. Prosecutors usually maintain a comfortable distance from businesses that could run afoul of the law. But not Reyes.

“Reyes landmark visit to Twinlab's Utah manufacturing facility may set a new precedent between regulators and industry,” a Twinlab's press release said. Reyes did not talk about tougher regulations or a crackdown on any wayward nutritional products companies that might make false claims or sell tainted products. Quite the contrary. Reyes is a proponent of self-regulation. He met with Twinlab to make peace, not war. “To the extent you can self-regulate and flush out the bad actors, it certainly helps us because we have scarce resources,” he said in

an interview with the *Nutritional Business Journal* (NBJ) about his tour. “We’d rather not be chasing them down if we don’t have to, and it certainly helps you all because you’re not left with the taint of some of those bad actors.”

“We’re delighted that Attorney General Reyes could visit our research and production facilities, where our daily mission is to help people feel better, look better, perform better, and live more fulfilling lives through superior nutritional products,” said Twinlab CEO Naomi Whittel. “We share the attorney general’s commitment to the highest standards of professionalism, transparency and trust.”

Near the time of his factory tour Reyes had spoken at an NBJ Summit held in Salt Lake City. He advised supplement industry attendees to “invite your AG to visit your business.” The magazine called it a “surprising directive,” given, that too often, the nutritional supplement people and attorneys general shared “only the most confrontational of headlines” in the press. “But that’s the point: these relationships must be forged,” the article said.

“Before you judge and paint an industry like the supplement, nutrition, health and homeopathy industry with an extremely broad brush in a negative light, it would behoove you to go in and meet and see these people, and get a real feeling for what their businesses are like,” Reyes advises fellow prosecutors.

Utah’s dietary supplement businesses, which includes numerous mega-sized MLMs, consider Reyes “a supporter of the industry.” “He has been helpful for us especially in explaining how the industry can best police itself,” says Frank Lampe, vice president, United Natural Products Alliance (UNPA) headquartered in Salt Lake City.

Lampe’s organization estimates total sales of the dietary supplement industry in Utah to be just over \$11 billion in 2015 generating about .75 billion in Utah tax revenue. (Utah’s dietary supplement sales run more than four times the national, per-state average.) UNPA’ president, Loren Israelsen believes the manufacture and sale of nutrition products is Utah’s second largest industry, just behind tourism. Utah’s top nine MLMs enjoy annual revenues of more than \$100 million each. The lion’s share of that revenue is generated by multilevel marketing (MLM) companies that market products direct to the consumer via sales forces who also build sales teams underneath themselves in pyramid-like structures.

Utah’s biggest MLMs way exceed \$100 million in annual revenue. Nu Skin, for example, brought in \$2.2 billion. Twinlab, by comparison is small potatoes, bringing in \$81.7 million last fiscal year.



Utah Attorney General Sean Reyes on a Twinlab tour, August, 2016.

Reyes' support for less regulation would further irritate consumer advocate groups who already think the nutritional supplement industry is unregulated—thanks in large part to its chief protectorate, Utah Senator Orrin Hatch—and also believe the multilevel marketing system too often involves overpriced products, false health benefit claims and big financial losses for most sales people.

The Rest of the Twinlab Story

Reyes did not tell his attorney general colleagues that the nutritional supplement company he visited has a very rocky past and present. A previous iteration was a publicly traded MLM on the big NASDAQ exchange under the ticker symbol TWLB, through its subsidiary, Changes International, Inc. But Twinlab was forced into bankruptcy after facing multiple lawsuits for securities fraud. The \$148 million it raised via NASDAQ had pretty much vanished.

The new Twinlab that emerged from bankruptcy eschewed going back to the direct selling concept, but turned to the disreputable way of raising capital: penny stock sales. Such offerings attract investors who are more akin to gamblers betting on roulette or playing the lottery, reported the *Las Vegas Review-Journal* which covers the gaming industry. "It's a huge risk," said Harvey Cohen, one of the experts interviewed for the article. "Four out of five (penny stocks) have to be outright frauds."

By going the penny stock route Twinlab avoided the expensive, time-consuming, highly regulated IPO process, but instead used the method perfected in Utah decades ago. It did a so-called reverse merger with an empty shell of a company that had already issued tens of thousands if not millions of near-worthless shares, usually valued at less than ten cents each, maybe even only a fraction of a cent per share. In Twinlab's case it merged with the shell company Mirror Me Inc. which changed its name to Twinlab Consolidated Holdings, Inc. and began selling over-the-counter with ticker symbol TLCC:OTC.

By time Reyes visited the company's American Fork, Utah production facility, Twinlab was faring poorly even by penny stock company standards. Its shares were trading in the \$0.67 per share range.



Twinlab's volatile share price skyrocketed right after Reyes' Aug. 2016 visit that the company touted online and in press releases.

During the past year Twinlab share prices have fluctuated between \$0.17 and \$1.16 a share, which should have been another red flag for Utah's attorney general. Wild penny stock price oscillations can often, but not always, be a sign of fraudulent *pump and dump* schemes. That's where individuals or organizations (usually

insiders or friends of insiders called nominees) buy perhaps millions of shares, then use newsletters, chat rooms, message boards, press releases, or e-mail blasts to create interest in the stock and pump up its price. Creating and publicizing a connection to a prominent person or politician—such as an attorney general—would be one way of generating hype.

After the stock price goes up the insiders dump their shares, often reaping millions of dollars of profits, which in turn drives down the price of the stock leaving most shareholders with near-worthless securities, which insiders may buy again and repeat pumping and dumping.

Besides being funded by a highly volatile stock, Twin lab is indirectly involved in lawsuits brought by two attorneys general, one in Illinois for alleged mislabeling herbal supplements and another In Arkansas for alleged violations of its Deceptive Trade Practices Act.

That's the company for which Reyes posed for photo ops.



Twinlab hit a PR motherlode with an attorney general endorsement and photo op.

Utah: Fraud Capital of the United States/the World

Utah KSL Radio talk show host, Doug Wright, was perplexed. Wright, who wears his conservative politics and Mormonism on his sleeve, could not believe fraud is so rampant in the state. “This troubles me to the core,” he said of what he’s heard since childhood, “when I hear penny stock fraud capital of the United States, then we’re the fraud capital, and then affinity fraud capital.”



Sean Reyes interviewed by KSL's Doug Wright

Wright's guest on his November 2, 2016, show was Utah Attorney General Sean Reyes. Reyes responded with a fact followed by an alternative fact: “It is an epidemic,” Reyes told Wright's listeners, “even though our investigations have increased, our prosecutions have increased.” In truth, neither Reyes nor his immediate predecessors have cracked down on white collar fraud. (Reyes' top priority has been to stop the trafficking of child sex slaves.) It's why the fraud

capital moniker has continued to hang on for decades.

Forbes Magazine reported that “penny stocks became popular around the 1940-1950s when shares of uranium mining companies were bought and sold literally over the counter in a coffee shop in Salt Lake City.” “These unregulated markets suited the ‘wild west’ spirit in the early days of the penny markets, and a large number of companies sprang up around that time promising investors huge returns if they invested in their penny stocks. By the 1980s, penny stock fraud began to take place primarily from Salt Lake City, Denver, Spokane and Boca Raton.”

“Penny markets...are capitalism at its most speculative and treacherous. Trading is thin and volatile. Because penny stocks by definition sell for less than \$5 a share, small price increases can double an investment in a day. But just as quickly, steep gains can turn to deep losses. Though some legitimate businesses issue penny stock, loose regulations have allowed the penny markets to become a netherworld full of con artists, where fraud is practiced on an industrial scale.” (Penn Bullock writing for Fusion.net)

(It cannot be surprising that the Donald Trump-licensed Trump Magazine was funded via a penny stock offering that was later suspected of a pump and dump scheme and generated headlines such as *Trump and Dump: How Trump Magazine became a penny stock*” and *“Trump Created Trump Magazine With the Help of Boiler-Room Penny-Stock Scam Artists.”* Neither should it be a shock that President Trump’s chief strategist, was once a board member and investor in seal penny stock ventures that included homeopathic nasal spray—SinoFresh, OTC BB:SFSH, cosmetics and fragrances.

As early as 1969 the *Wall Street Journal* called Salt Lake City “a locus for shell operations.” Then by 1974 the same paper headlined a story: “Dubious Distinction: Salt Lake City Gains Reputation for Being a Stock Fraud Center.” It reported that “con men flourish in a speculative atmosphere akin to that of the gambling fever in Nearby Nevada” making Salt Lake the “stock fraud capital of the West.”

As scams continued to flourish in the state *Newsweek* magazine expanded the designation: “Utah, the Land of the Mormons, has earned itself another name: The Stock-Fraud Capital of the Nation.”

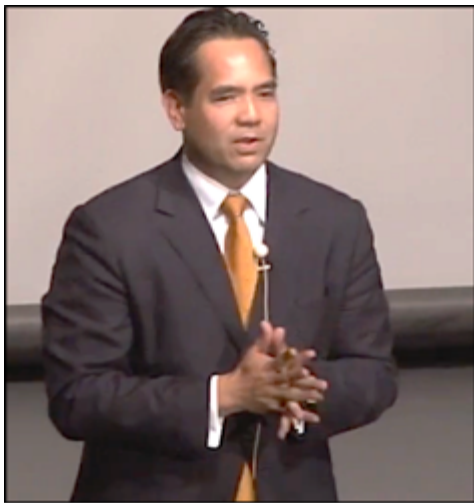
Since then penny stock scams continue unabated while the state’s flim-flam image has been further enhanced by Utah becoming a hotbed for multilevel marketing, door-to-door sales and telemarketing, all of the multi-billion dollar industries fostered and protected by the Utah legislature and attorney general’s office. Not to mention outright Ponzi scheme and securities frauds.



Premiere Publishing's Trump Magazine stock was suspected of a pump and dump scheme

The Davis County Attorney's Preliminary Criminal Investigation into O.U.R.

FARMINGTON, UTAH — The Davis County Attorney's office is deciding whether to launch a formal criminal investigation into a Utah nonprofit charity that is heavily promoted by one of its board members, Utah Attorney General Sean Reyes. The review was sparked by a citizen complaint after multiple fundraisers were held in the county for Operation Underground Railroad (O.U.R.), a purported nonprofit entity whose mission is to rescue child sex slaves.



Did Utah Attorney General Sean Reyes mislead potential donors at a Davis High School O.U.R. fundraiser?

The main solicitation event was held in late 2015 at the Davis High School auditorium in Kaysville where O.U.R. founder Tim Ballard and Attorney General Reyes addressed a full house. Besides asking for charitable contributions, the promoters also encouraged attendees to see a motion picture produced by a related, for-profit Utah company, Abolitionists, LLC.

In the meantime, both the for-profit movie entity and the 501(c)(3) O.U.R. charity are fending off accusations they mismanage funds, violate federal tax law, and are covering up improper sexual conduct by one of what they call "operatives" during at least two child sex trafficking operations.

Attorney General Reyes, besides sitting on an O.U.R. board, participated in several rescue "jumps" pretending to be a bodyguard and translator for a purported rich American seeking sex with minors. The man Reyes was guarding is the one suspected of improperly touching at least two child prostitutes while ensnaring child sex slave traffickers.

Reyes, 46, was appointed attorney general in 2013 after his predecessor, John Swallow, was forced to resign while under investigation for public corruption. Of Filipino, Hawaiian and Japanese descent, he won election in his own right last year by crushing his Democratic opponent, who dropped out three months before election day. Reyes garnered a landslide 65% of the vote. As a private attorney he claims to have helped found the so-called Fraud College, which Salt Lake Attorney Brent Baker actually founded, to help

Attorney General Reyes, besides sitting on an O.U.R. board, participated in several rescue "jumps"



Tim Ballard and Sean Reyes make appearances across the country to raise money and promote the movie.

educate the public on how to avoid being taken by scams.

Reyes claims he was appointed attorney general “to lift an office rocked by scandal and neglect” and that he “has received wide praise locally and nationally for transforming the Utah AG’s office, regaining public trust and successfully handling many of the most high profile and important cases in state history.”



Strike Force teammates: Paul Hutchinson portrays a rich American seeking child sex and Sean Reyes pretends to be his bodyguard.

Reyes is best known for his fight against international sex traffickers. “Reyes garnered international acclaim,” his official bio says, “when news broke of his travel to a dangerous area of South America last year with Operation Underground Railroad in a covert sting, where he posed as a bodyguard and translator to help liberate over 100 children from a sexual trafficking ring that spanned multiple locations.”

Reyes’s PR machine has crafted his image as a swashbuckling, crime fighting prosecutor who is often seen armed, wearing a bullet proof vest and badge when accompanying his own, government strike force on raids to capture pornographers and sex traffickers. The devout Mormon often invokes God in carrying out his missions against the dregs of criminal society.

Reyes has befriended and makes joint appearances with O.U.R. founder and CEO Tim Ballard. Ballard, a former CIA agent, has raked in millions of dollars of tax-deductible contributions for his tax-exempt charity.

Besides Reyes, Ballard has won the support of conservative Mormon political commentator Glenn Beck, Rep. Jason Chaffetz, R-Utah, Sen. Orrin Hatch, R-Utah, and Utah’s GOP Governor, Gary Herbert.

Chaffetz, like Reyes has also accompanied O.U.R on foreign sting operations. Chaffetz, chairman of the United States House Committee on Oversight, declined comment for this article.



Rep. Jason Chaffetz and Sen. Orrin Hatch with O.U.R. CEO Tim Ballard at a screening for *The Abolitionists*.

Facts or Alternative Facts?

Utah’s Communications Fraud law prohibits soliciting money—such as asking for charitable donations—by means of false representations or material omissions. It requires fundraisers to make true statements and not fail to disclose important, material facts. Utah’s Charitable Solicitations Statute also prohibits “making of any untrue statement of material fact” in connection with a charitable solicitation. Charities could also engage in tax evasion if they are not organized and operated exclusively for charitable purposes.

On numerous occasions Attorney General Reyes has made representations to help solicit donations to the nonprofit O.U.R. and to encourage people to attend the for-profit *Abolitionists* movie. In a YouTube appeal, speaking as attorney general, from Utah state capitol building, Reyes called child sex slavery an “international pandemic.”



Speaking from the Utah capitol building, as the Utah attorney general, Reyes promotes the nonprofit O.U.R and the for-profit movie on YouTube.

A pandemic is a sudden, widespread epidemic which races through the human population.

Reyes offers no proof that child sex trafficking is

on any sudden and steep rise, but still proclaims that “human trafficking has now become the most lucrative criminal enterprise worldwide bar none.” He says children around the world are kidnapped, sold and not only forced into sex slavery, but some are also laden with explosives and turned into suicide bombers.

Reyes, like his O.U.R. colleagues, cites mind-boggling statistics, such as the imprecise claim that “two to five million children are trafficked for sex worldwide.” The extent to which those purported facts are alternative, fudged or false is left for donors to determine.

Ask if Reyes’ claims might violate Utah’s Communications Fraud Statute, spokesman Alan Crooks said, “You’d have to show Sean actually knew what he was saying is false. He did not know any of that. You have to actually be trying to mislead people.”

What about claims that child sex slavery occurs in donors’ hometowns, especially in white middle class America, as opposed to relatively lawless third world countries? One O.U.R promotional video shows several white—not black or brown—kids in a playground as their images slowly fade from the scene, implying any one of them could be kidnapped into slavery at any time. Indeed, O.U.R. pleas for donation often include claims that child sex trafficking is occurring in the midst of those they are soliciting, it’s just that they just can’t see it and local law enforcement is failing to root it out.

O.U.R. COO Jerry Gowen appeared at a Rexburg, Idaho, fundraiser said, “Many people in the U.S. see human trafficking as a faraway problem, not something happening here.” “Operation Underground Railroad hopes to change that,” he said. “The truth is that trafficking is happening all over the world, it is happening locally as well.” To further localize the menace Gowen said around 2 million children are being trafficked all over the world, “and it happens in the U.S., it happens right around us, under our noses, we’re not aware of it because we don’t know what to look for.”

The fact that there is little if any kidnapping of Utah kids into sex slavery does not deter O.U.R. from making up its own alternative truth. St. George, Utah O.U.R. fundraiser Zandra Zupan said, “I think it's just important that people understand that it's happening here.” “A lot of people think it doesn't go on around them, it's in another country or in another world, but for all you know it can be your next-door neighbor and this just helps bring awareness to everybody.”

The child-kidnapper-next-door fear tactic works in concert with another key O.U.R. message: government law enforcement has failed miserably in curbing the child sex trafficking epidemic. “I have kids and I would rather that they be dead than kidnapped and sex-trafficked,” the charity’s CEO Ballard tells audiences. The returned Mormon missionary says he quit his job with the Department of Homeland Security’s child-crimes unit because of its failure to halt the menace. “He was so upset at what he was witnessing, and so frustrated by the restrictions placed on him by the exigencies of government and diplomacy, that he quit altogether and founded his own private, not-for-profit rescue team, which he dubbed Operation Underground Railroad (OUR),” *The Deseret News* reported under the headline “Heroes 2014: Ex-CIA officer uses crime-fighting skills to bust child sex rings.”

Ballard sees his quest to find and free child sex slaves as a calling by God. In an interview with ldsliving.com he said he and his wife went to the temple for guidance before quitting his government job. “The next morning, in what Ballard describes as a ‘spiritual download,’ he received a clear and undeniable answer: ‘Find the lost children’.”

“There’s no question in my mind that this is the Lord’s work and that we are His hands. This is so important because it’s so important to the Lord,” Ballard once told a reporter. “Children are so vulnerable and innocent and so easy to prey upon—without outside help there is no chance for children. The admonition of the Savior was to love the children.”

Reyes told the Davis County audience that he felt like “God is with us.” That event began with a Mormon-style opening prayer. And Reyes, as he often does, warned them that the danger lurks in their midst. “It’s also happened right here in our own community,” he said, “it’s happened in Davis County.”

Taking a backhanded swipe at Davis County Attorney Troy Rawlings Reyes said, “Even though you have an amazing county attorney in Troy Rawlings, he’s prosecuting bad guys, you have terrific law enforcement personnel there, it still exists.” Reyes wondered why child sex slavery was not a topic among presidential candidates who were vying for the nomination at the time. “Anybody who would say that human trafficking and child exploitation doesn’t exist in our community is perpetuating a very irresponsible myth amongst the community,” Reyes has said.

Reyes—even as he’s on the short list as President Donald J. Trump’s nominee to head the FTC—remains unrelenting in his attempts to convince people that child sex abductions could occur in their neighborhoods. As recently as February 19 this year he told Fox 13 News in an interview, “It’s prevalent, much more than people realize.” “Human trafficking happens everywhere, even in Utah.” Then four days later, on Feb. 23, he doubled-down on his child sex trafficking claims at a press conference.

Fox 13 television reported “the Utah Attorney General scolded the media Thursday, saying they don’t do enough reporting on human trafficking crimes.” Reyes held the press conference to announce the arrests of 16 people since January 1 in connection with human trafficking or internet sex crimes against children.

“People don’t believe it can happen here, fueled sometimes by media stories and reports that these kinds of things don’t exist, that they’re fabricated by law enforcement,” Reyes told reporters as he stood before a projected image showing 16 mug shots.

“But Reyes and others participating in the press conference would not identify the individuals or provide specific details about the allegations and/or criminal charges they face,” the *Deseret News* reported. One *News* reader called the press conference “fake news.” Another commented, “Reyes has been in office for four years and he has been trumpeting his personal war against human trafficking that entire time. That war is waged predominantly with resources provided by taxpayers, i.e., millions of dollars.”



Did Governor Herbert really approve of Reyes joining the O.U.R. board? He won't say.

KUTV television’s Rod Decker also told his viewers that officials at the press conference refused to provide names and details. “The FBI and local lawmen conduct nationwide strikes against sex trafficking every year and find it in almost all cities. But in four years they’ve never found a case in Utah,” Decker said.

Reyes assured the Davis County audience that he had personally vetted O.U.R. “I’ve sat on maybe over a dozen nonprofit boards during my career and I know there is a lot of corruption, a lot of fraud and a lot of ego in the nonprofit world.” “I saw none of that,” he said. “And I really looked hard at Operation Underground Railroad. No way can you have the success that they have had, no way can you raise money like they have, no way can you get the media attention, unless they are doing something wrong (*sic*), I looked at them hard and I could find nothing wrong.”

Attorney General accuses media of reporting that human trafficking doesn't exist in Utah



When Utah Governor Gary Herbert appointed Reyes AG in 2013 Herbert required his nominee to resign from all for-profit and nonprofit boards. Reyes tells potential donors he asked the governor to make an exception for O.U.R. He asked the governor, “even though I had stepped off all the other boards, if I could stay on with Fight the New Drug, good friends of mine, and come onto the board of Operation Underground Railroad because I was so passionate about what they were doing. Governor Herbert declined an interview to

disclose whether he, in fact, agreed with Reyes’s decision.

(Besides his support for and participation in O.U.R. sting operations, Reyes also participates in raids conducted by his own office’s involvement with the Internet Crimes Against Children Task Force-ICAC. A year ago that unit took part in a nationwide sweep of child predators, called Operation Broken Heart III. Authorities arrested 1,368 suspects, including 71 Reyes implied were from Utah although no names of suspects of charges against them were provided. The suspects were charged with various offenses including possession and manufacturing of child

pornography and soliciting children online for sex. “At least six children between the ages of five and 12 were rescued during this operation,” said Leo Lucey, Chief Criminal Investigator with the Utah Attorney General’s Office. They claimed two of the cases involved human trafficking of minors inside Utah. “They’re amongst us every day and we probably just barely scratched the surface,” Lucey said. “Most of these young women were being recruited from high schools in the state of Utah and are as young as 15 years of age,” said Greg Ferbrache, Chief Criminal Prosecutor, Utah Attorney General’s Office. Reyes’s crime fighters also help expand the definition of child sex trafficking to justify using big numbers. The *Deseret News* quoted Reyes and Lucey saying that the notion that human trafficking only involves people who are abducted off the streets, sent to another state or country and forced into prostitution, is wrong. As long as prosecutors can prove the women were either forced, threatened or coerced into prostitution, then it constitutes human trafficking.)

In May 2016, two months after the Davis County fundraiser, Salt Lake’s KUTV television reported on a “Hollywood-style, red carpet” event at Utah’s capitol building where Reyes, Gov. Gary Herbert and Tim Ballard touted the re-premiere of the film “The Abolitionists.” KUTV’s news anchors introduced reporter Rod Decker who was live at the capital, by asking, “Rod do we have a lot of sex trafficking here in Utah?”

“Well a lot of international reports say some countries have a lot of sex trafficking. But recent FBI operations in Utah indicate that may not be true here,” Decker began. The piece had a Reyes soundbite, “It’s also happening here in our own communities.”



KUTV's Rod Decker questions Reyes's claims about child sex slavery in Utah.

Decker responded: “But, in fact, there seems to be little sex trafficking in Utah.” For three years the FBI has rated sex trafficking nationwide. And found victims of traffickers in many American cities. But never in Salt Lake City, though Salt Lake City has participated in all of the operations.”

Decker goes on to say that Reyes “has made sex trafficking a signature issue of his administration.” “But he’s only found a few cases in his three years in office.”

Unlike the KUTV piece, most newspaper and television coverage of O.U.R. has been effusive, repeating purported facts as O.U.R. presents them.

What may *not* have been disclosed to O.U.R. donors: *Material Omissions*

Not only have O.U.R. principals not disclosed what may be material facts about its operation, they have also gone to great lengths to keep them secret. Secrets like a looming sex scandal involving the operative who Attorney General Reyes “guarded” during a sting operation in

Colombia. And not disclosed to donors the lawsuit threats in connection with a \$2.5-million-dollar investment in *The Abolitionists* movie. But the most glaring omission may be facts that show the non-profit Operation Underground Railroad and the for-profit Abolitionists, LLC, which are supposed to operate at arm's length, have been treated by principals as one and the same organization. Concealing the connections has permitted the enterprise to get tax credits while donors get tax deductions as taxpayers subsidize *The Abolitionists* movie.

Entities that are exempt from taxation while their donors get tax deductions are supposed to be organized and operated exclusively for charitable purposes. Tax experts talk about "rigid borders" that are supposed to separate for-profit from nonprofit organizations. Nonprofit activities that spill into the for-profit sectors are called "border crossings." "Charity is supposed to be all about mission and not about money, whereas for-profit businesses are supposed to be all about money and not about mission," wrote tax attorney Allen Bromberger, "and any crossing of the lines is viewed with skepticism by regulators and the public."

If an agency or court determined that O.U.R. violated charity laws it would not only put the charity's previous tax deductions at risk but also jeopardize perhaps millions of dollars in tax deductions taken by donors. That danger may be a material fact being withheld from donors who use the tax deduction.

In the case of the Utah sex-crime-fighting entity, O.U.R., the line between for-profit and nonprofit may not have been merely blurred, but obliterated. The for-profit Abolitionists, LLC's tentacle's embrace nonprofit O.U.R. so tightly that there's no daylight between them. Take, for example, the sex scandal that O.U.R. is trying to keep the lid on. The first "touching incident" occurred during a raid in Colombia. Reyes, when he testified in May last year before the U.S. House Committee on Foreign Affairs, he talked about the event during which the first of two allegedly improper touching events occurred:

"In October of 2014, I joined an undercover sting in Cartagena, Colombia organized by Operation Underground Railroad, in which I and others posed as sex tourists to disrupt trafficking rings in 3 Colombian cities. Specifically, I was enlisted to play the role of a grim and menacing bodyguard (a bit unfairly I might add) and a dual role as translator for the main American buyer. I saw up close the horror and helplessness in the eyes of young girls ages 10-16 after the drugs the traffickers had given them had worn off and they were paraded in front of us like a pet to buy or a dessert to sample. We transacted a large amount of cash, captured on hidden cameras the disgusting things they said we could do to these children and then acted our part when arrested along with the traffickers.

Reyes left out the part about the touching, which was also captured on camera. The "main American buyer" Reyes is talking about is Utah millionaire and close Reyes friend, Paul S.



Reyes testifying before a mostly absent congressional committee on how he saw the horror close up.

Hutchinson. Besides playing a role as a rich, child-sex starved American on O.U.R. raids he has helped solicit donations and make movie promotion appearances with Ballard and Reyes.

On his very first operation with Reyes, Hutchinson reportedly broke the rules and touched one of the purported sex slaves while transacting business with the alleged child trafficker, Reyes apparently at his side.



The arrest: Bodyguard Sean Reyes (face blurred, code name "Sombra") tries to stop Columbian federal C.T.I. agent from arresting Paul Hutchinson (code name "Pablo") as Tim Ballard (white & black hat) fakes an attempted escape.

Hutchinson, in an interview for this article, claims he merely took the girl's hand to calm her fears that he was about to engage her with sex. Hutchinson's act was caught on video. One witness who saw the video, however, said he stroked her arm and, later, was warned against touching child prostitutes.

It was a warning Hutchinson claims he did not get despite the fact it's claimed the warning was also recorded on video.

During a subsequent raid in Mexico, a sex trafficking suspect took Hutchinson next to a purported prostitute to show him the wares. In an interview Darrin Fletcher, cofounder of the movie production company describes what the video shows: "It's a scene where the trafficker turns to Paul in Spanish and says something about touching this girl's breast. And she lifts up her shirt and he touches it. It's on hidden camera. When we got it in the office we said, 'Oh my gosh what do we do with this?' We showed it to Tim (Ballard) and he said don't show anybody. Just put it away."



Sean Reyes with Xango MLM's Aaron Garrity, accused of using company money to support a mistress and Paul Hutchinson who admits to having a stream of affairs and using porn.

Hutchinson admits there was the second incident and that a blouse of a prostitute had been lifted to reveal a bare breast. But he denies touching it. "There was a trafficker there next to me," Hutchinson says. "And he actually lifted up my hand. If I had pulled back right there my life would have been in danger. No doubt about it. Any undercover CIA agent anywhere would have known that. We were in a stairwell of this club. So, yeah, so if I pulled back and said oh no, then we would have been in serious danger for our lives."

Hutchinson repeated his denial he stroked her breast. He was asked if he touched her breast. “I don’t think that I even...no I did not touch her breast. He lifted up and I went over and caressed the side of her arm. I did not touch her breast at that time. I did not touch anything inappropriate at all. That’s a false allegation.”

Of course, the video would show who’s lying. But both O.U.R. and Abolitionists, LLC refuse to release it. And attorneys representing both sides moved to quash a subpoena when defendants in a child custody court case tried to get it to attack Hutchinson’s character.

O.U.R. has not told potential donors about the controversial video even though public knowledge about it could impact the credibility of the entire O.U.R.s humanitarian mission and the value of a video series the Abolitionists, LLC is now pitching to distributors. The video’s back story also reveals the incestuous relationship between the non-profit O.U.R. and the for-profit Abolitionists, LLC.

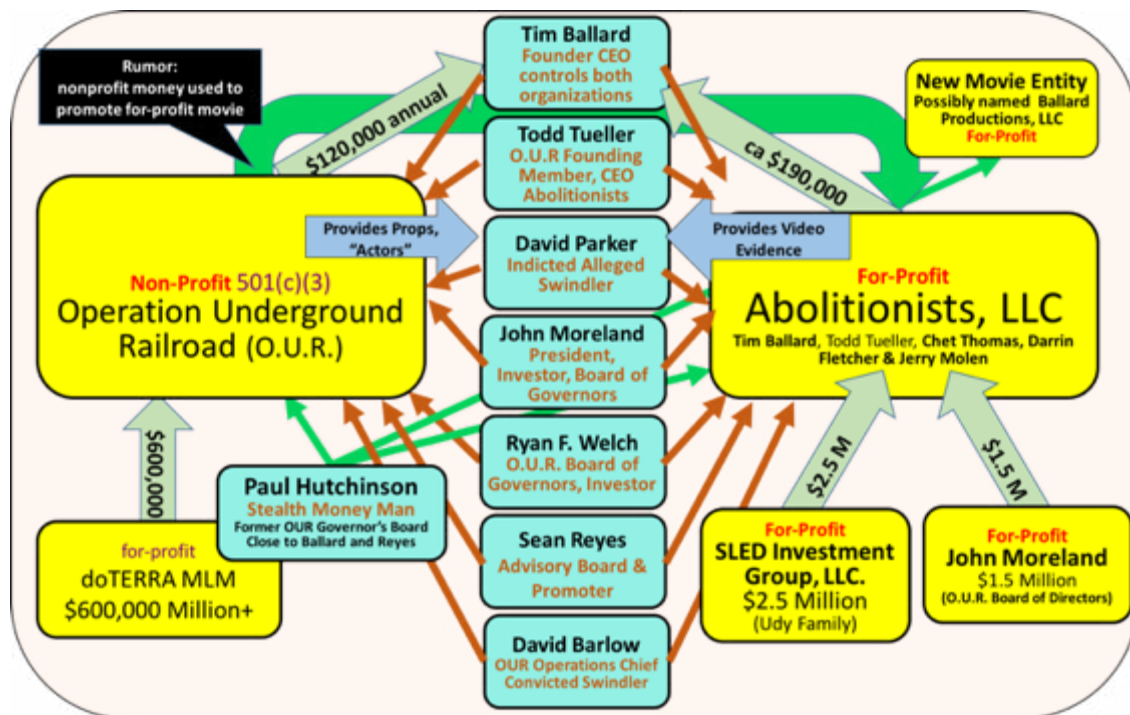
The ties between the for-profit film-making entity and the nonprofit charity are so numerous and strong it’s impossible to detect any daylight between them:

- O.U.R. and the Abolitionists LLC were created within days of each other in 2013 as their founders envisioned selling an action, reality TV series to network television and producing a movie for theatrical release. Investors in the movie were told they might make millions.
- The Abolitionists, LLC company, besides promoting its for-profit movie venture also shoots so-called evidence video for O.U.R.
- Abolitionists, LLC has paid the nonprofit O.U.R. nothing for the exclusive rights to video the sting operations, meaning that O.U.R. charity heavily subsidized the for-profit’s video production.
- Utah Attorney General Sean Reyes while sitting on an O.U.R. advisory board has been the highest profile promoter of *The Abolitionists* movie, pitching the film at live events and on YouTube.
- O.U.R. CEO and co-founder Tim Ballard was made a secret partner in the movie-making entity, Abolitionists, LLC, and took control of the footage shot of O.U.R. raids.

- Another O.U.R co-founder, Todd Tueller, was made CEO of the movie making arm, Abolitionists, LLC, a fact not revealed to donors and not mentioned in annual charity reports to the State of Utah.
- California millionaire John Moreland, who became president of O.U.R., is also a \$1.5 million investor in Abolitionists LLC movie projects.
- The feature film produced by the for-profit entity—*The Abolitionists*—which failed twice at the box office, was used simultaneously to raise money for the charity and make money for the for-profit at the same time claims were made that all movie profits would go to fighting child sex slavery.
- Ryan Welch, who once sat on the O.U.R. Board of Governors, was the representative for the Udy family that made the largest (\$2.5 million) investment in Abolitionists LLC.
- It has not been publicly disclosed that the Udy family trust wanted Abolitionists, LLC, to return its investment, is threatening legal action to get it as well as threatening to disclose a copy of the Hutchinson touching video.
- David Barlow who now manages the Udy family’s Abolitionists, LLC, investment was previously the O.U.R. operations chief. He is representing the family in its attempt to get its money back.



A television interview about another venture with 3 out of the 4 Udy siblings who invested \$2.5 million in *The Abolitionists* movie.



- David Parker, a millionaire entrepreneur involved with multilevel marketing and was co-chairman of the National Finance Committee of Romney for President Inc. was once on an O.U.R. board, but is now heading up a hush-hush mediation between O.U.R. and Abolitionists, LLC, founders and its main investors in attempt to settle a threatened lawsuit out of court. The negotiation was kept secret from past and potential O.U.R. donors.
- In an attempt to raise money to settle the threatened suit out of court, there was an attempt to sell the rights to the operations video to Glenn Beck. But it was not Abolitionists, LLC, principals who pitched the deal to Beck, but O.U.R. principals.

One of the Udy investors, in an interview for this article, said she was not aware of two of the negotiators' shady pasts. Parker, the key person trying to rescue O.U.R. from the threatened lawsuit, was indicted for alleged securities fraud, his trial was scheduled for March in federal court in California. He's a former top fundraiser for presidential candidate Mitt Romney. Parker is CEO of Nuriche, LLC, a multilevel marketer of nutritional products.

Barlow, who has been negotiating with Parker on behalf of the Udy investors, was convicted for securities fraud. He pled guilty in late 2012 and was order to pay more than \$300,000 in restitution, most of which is still owing.

Both Barlow and Parker declined requests for interviews.

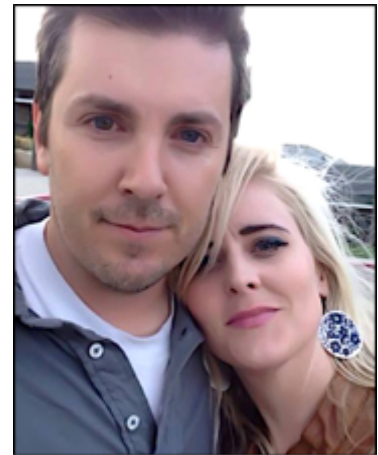
The Hidden Bra Recorder

How a child custody battle being waged in Provo Utah's 4th District Court might help end Sean Reye's AG career as well as sink the O.U.R. charity.

On February 19, 2015, O.U.R. operative Paul Hutchinson—the man accused of improperly touching at least two child sex slaves, met with a Draper woman, Jennica Smith, in an attempt to resolve a visitation dispute. What Hutchinson did not know was that Smith was recording the conversation on an audio recorder hidden in her bra.

The discussion included talk about Hutchinson's good friend, Sean Reyes, about Hutchinson's personal experiences wrestling with pornography, about his undercover work with O.U.R., and about his multiple affairs including one with Rocio Smith, the ex-wife of Jennica Smith's husband, Aaron.

Paul Hutchinson now lives with his latest girlfriend, Rocio Smith, and is helping her raise the two sons by her Aaron Smith marriage, now ages 10 and 12. Rocio has not only become his live-in girlfriend, but also his arm candy at O.U.R. events and accompanied him to Sean Reyes's mother's funeral in 2015 in California.



Aaron and Jennica Smith

The secretly recorded conversion did not result in an out-of-court resolution for Aaron and Jennica for improved visitation rights. It did result in the Smiths getting a piece of evidence they want to use to seek full custody of the two boys and to expose Hutchinson and Rocio Smith as being unfit to raise them.

It was when Jennica Smith took her case online, in social media, that the custody battle began exposing the behind-the-scenes flare-ups between the nonprofit O.U.R. and nonprofit Abolitionists, LLC. A major O.U.R. donor saw the postings and threatened to cut off funding. A Udy family representative saw the online exposé and saw it as another hammer, to use with a copy of the touching video, to force or perhaps extort repayment of the \$2.5 million investment.

Jennica Smith's online postings revealed sordid details about the ongoing custody fight, quoted emails she'd exchanged with Tim Ballard, and made accusations about several parties including the judge who ruled against them in favor of the natural mother, Rocio Smith. For example:

“We now find ourselves being threatened and harassed by...Paul Hutchinson, an operative of Operation Underground Railroad. In November of 2016 we were threatened by Tim Ballard, founder of Operation Underground Railroad, to not come forward with our story.”

Jennica also referenced the secret recoding she made when she met with Paul Hutchinson at his office to see if they could work out a visitation deal outside the courtroom.

“In this meeting (recorded) he went onto to justify to me his years of porn addiction and mistresses and how he thinks like these men who are selling these girls, that is why he is good at this work he does for charity (rescuing children from child trafficking). He threatens me that if we go to court Aaron will have his limited time ‘indefinitely’, but if we leave him in full control, we will have our full visits back.”

The Back-story

The story that leads up to Jennica’s secret recording and, after that, her online rant, begins in South America in the mid 90s.

While Aaron Smith was serving an LDS mission in Peru he met voluptuous Rocio Arce Pisconte. She eventually converted to Mormonism, came to the United States and married Smith in an LDS temple ceremony. About five months into the marriage Rocio confessed that she had lied to Smith. She had previously been sexually involved with several men, especially foreign



Mitt Romney, Paul Hutchinson and his live-in girlfriend, Rocio Smith, at a charity fundraiser.

diplomats, prior to her marriage. The marriage survived the confession and they went on to have two sons.

Smith says after Rocio gained U.S. citizenship she resumed extramarital affairs and developed a drug habit. The couple divorced and Smith was awarded custody while Rocio was granted supervised visitation. In the meantime, Aaron Smith married Jennica, who was also divorced and had custody of her two children. (Jennica is a homemaker and full-time mother for her children ages 9 and 11. Aaron is a dental technician, doing mostly cosmetic work, for a dental studio in Lindon, Utah.)

After Smith suspected Rocio was sexually abusing the boys during visitations, he filed to terminate her parental rights. That touched off a legal battle that began in 2012, was largely won by Rocio, and continues to this day.

The Smith’s had alleged that Rocio forced her older son, who was about 8 at the time, to put his tongue in her vagina and that she taught both sons to masturbate. Rocio countered with abuse allegations of her own.

In September 2012, Fourth District Court Judge Bazzelle ruled on both cases, and found that Aaron and Jennica Smith had emotionally abused the boys. The judge eventually placed them with their natural mother Rocio and her live-in boyfriend Hutchinson, and gave Aaron and Jennica only very limited visitation that excluded overnight stays. The judge’s order disregarded Rocio’s permissive lifestyle:

“Rocio admits that she has had multiple sexual partners and Aaron and Jennica contend that this somehow makes her unfit or of low moral character. I do not believe that it is an indication of low moral character. It’s an indication of being a bad Mormon, but that doesn’t mean it’s necessarily low moral character. As long as she is discreet and reasonable efforts are made to shield the children from exposure to adult activity, I cannot find that her multiple sexual partners necessarily harms the children and indeed there are many fine, fine

parents in the world who have had multiple sexual partners.”

Judge Bazzelle, a Mormon and Brigham Young University Law School graduate, lectured the Smiths about making religion a custody issue:

“What you don’t seem to understand about the gospel is that it is intended to be used as a guidance to help us improve ourselves and to build up those around us, not as a weapon and a bludgeon to persecute and tear down others. You have shamelessly used it as a weapon and I find it offensive.”

“There was (sic) some bad-Mormon accusations because she drinks and smokes and sometimes goes to dance clubs and has had multiple sexual partners. Yet, in the face of this invasion of privacy, the embarrassment, the public shaming, Rocio has NEVER flinched from her denial of sexual abuse and her desire to be in her children's lives.”



Judge Suchada Bazzelle sided found in favor of Rocio Smith in the Smith v. Smith custody fight.

Judge Bazzelle did concede she had pause about the sexual misconduct accusations the Smiths made of Rocio. But on reflection she thought there was a less alarming explanation:

“I have been troubled by the detail of certain disclosures; in that most children of (the boys’) age would not be able to describe how a woman masturbates. But still, where did the detail come from? I find that it is far more likely that the detail came from accidental or reckless exposure of the children to adult activities or content, rather than sexual abuse by Rocio. Maybe the children surreptitiously watched their mother engaged in sexual activity, or maybe they saw her, um, stepping in and out of the shower without her knowledge, or maybe they saw her changing her clothes.”

The Smiths did not give up. They complained about the judge to Utah’s Judicial Conduct commission (UJCC). They continued gathering evidence to support a possible motion to regain custody. They went to an O.U.R. rally in Orem and afterwards asked Tim Ballard to talk his associate, Hutchinson, into working out more favorable visitation. They gave Ballard the *Cliffs Notes* version of their story and told Ballard that Hutchinson frequently mentioned his close relationship with Reyes and how he will use the attorney general and O.U.R. against them. (Jennica says that on more than two occasions, as she met with Hutchinson to discuss visitation, that he got calls from Reyes on his cell phone, usually answering, “What’s up AG?”

The Smiths believe Judge Bazzelle was biased and unprofessional in her handling of their custody case. They turned to then Attorney General John Swallow for help and also filed the complaint against Judge Bazzelle to the UJCC. They said Swallow sympathized with their plight and suggested they also complain to Utah County Attorney’s Office. They said the Utah County Attorney’s Office did nothing and Swallow resigned in December 2013 after less than a year in office, following federal and state corruption investigations. (He was later arrested in July 2014 and his trial took place in February-March, 2017.)

In July 2013 the Smiths’ attorney filed their complaint with the UJCC. (Critics refer to it as the UJCCC, the Utah Judicial Conduct *Cover-up* Commission because of its secrecy and perceived pro judge bias.) The commission never reported back. The Director of the UJCC at the time was

Colin Winchester, who has fled the country and is now working as a judge in the Marshall Islands.

But shortly after the commission asked Judge Bazzelle to provide her side of the story, she recused herself from the case and it was assigned to another judge. But all of what the Smiths' consider were Judge Bazzelle's rulings against them, were left intact.

With Swallow gone the Smiths turned to Swallow's successor, Sean Reyes. "We asked AG Sean Reyes for his help in April of 2014. "He never responded back to our plea for help from the fraud committed by Judge Bazzelle," Jennica Smith says.

She thinks Reyes was biased. "Right after when Paul became aware of our plea to AG Sean Reyes, Paul boasted that he was 'buddies' with Sean Reyes and things weren't going to change. He took phone calls right in front of us when Sean Reyes was calling his cell phone personally. Paul even went to Sean Reyes's mother's funeral in California and took Rocio along."

The Smiths, of course, knew that Hutchinson was involved with O.U.R. and had become good friends with Tim Ballard who, by all appearances, was a deeply religious and compassionate person. They thought he might intervene and convince his friend and "Rocio to settle their visitation dispute out of court." Here's what happened in Ballard's words:

"During an OUR event at UVU in October 2016, Aaron Smith (Jennica Smith's husband) raised his hand, in a packed auditorium, and indicated that he was aware of a trafficking case, including the individual being wealthy and having connections that "keep him safe." Aaron asked me "how do you deal with that?" Aaron and Jennica Smith then approached me after the event and asked to speak with me privately about this circumstance. I was shocked to hear this information. I cleared my schedule to speak with Aaron and Jennica. Jennica and Aaron then proceeded to tell me details of a custody case involving his ex-wife, Rocio Smith. Jennica and Aaron falsely indicated that her stepchildren were being trafficked. Rocio was dating Paul Hutchinson (Paul). Jennica and Aaron indicated that an "employee" of OUR, Paul, was the individual trafficking the children. I informed them that Paul was not an employee, but a donor and supporter. I also indicated that it appeared to be a custody case. When I indicated to her that I was not sure that I could do anything, she responded by telling me that if I did not get involved and the matter was not resolved, that she had friends in the media and that it would hurt OUR. I felt threatened by the comments."

Ballard's account of events appeared in a sworn statement to a motion Hutchinson's attorney filed to require the Smiths to remove objectionable material from the internet. His statement says he had advanced warning Jennica Smith was going public. The day before Thanksgiving Jennica emailed Ballard threatening to take the matter public and tell the truth "about your operative and (Hutchinson's) action with kids between operations."

Ballard said he "appropriately considered Jennica's statement a threat to cause damage to OUR":

"On January 21, 2017, I became aware of Jennica Smith and Aaron Smith posting on Aaron's public Facebook page, on a public blog, and a GoFundMe page multiple false allegations about both Paul Hutchinson and OUR. In fact, Jennica went so far as to falsely allege on her GoFundMe page that she was "threatened by Tim Ballard, in write, that if we go public about

our information regarding Paul Hutchinson he will throw the power of Operation Underground Railroad behind him to go after us.”

“After these postings, I had multiple people call me regarding the blog postings and Facebook postings, including donors to OUR. I have been required to contact these donors and have discussions with them to ensure that they continue to be involved in OUR. Jennica and Aaron’s behaviors have had a substantial impact on OUR. Jennica and Aaron’s actions have caused over a hundred thousand dollars of donations to OUR to be at risk. Jennica and Aaron’s actions have possibly affected the lives of children that are being saved from trafficking through the efforts of OUR.”

Jennica Smith had ripped open a hornet’s nest.

Even before a Provo judge made the temporary order permanent, Jennica removed her web messages. But by then they had attracted attention from one of O.U.R.’s largest donors (about \$600,000 last year), doTERRA, a Utah County-based multilevel marketer of “essential oils” and also from one of Abolitionists, LLC, co-founders, Darrin Fletcher.

doTERRA declined comment. But a source familiar with their concerns said doTERRA management was told about some lawsuits brewing in connection with *The Abolitionists* movie and with some “allegations about some improprieties regarding some guy who does not work for O.U.R., but is like a supporter and goes on some of the operations,” and that some issues arose via a custody battle. The source referred to the matters as “smoke” and said Abolitionists, LLC, co-founder Darrin Fletcher was “the main purveyor of smoke.” doTERRA apparently found no fire and the source indicated a series of meetings with O.U.R. officials seemed to resolve matters.

Although doTERRA would not grant an interview it did release a statement:

“dōTERRA was pleased to donate to almost 300 charities in 2016, including to Our Underground Railroad (“O.U.R.”). O.U.R. “exist(s) to rescue children from sex trafficking” and dōTERRA is committed to aiding organizations that can effectively save children from this unthinkable situation and bring the traffickers to justice. In the past three years, O.U.R. has rescued almost 650 victims and assisted in the arrests of more than 275 traffickers around the world. dōTERRA will continue to vet and contribute to a wide array of worthy charitable organizations in 2017.”

Even though doTERRA would not answer questions, the man the company considered the main purveyor of smoke, Darrin Fletcher, did. At least he talked initially, before he retracted everything he said and declined further comment. He said he was caught having a bad day and if his interview were printed “it will be seen as false and consequences will be legal.”

The Defamation Allegation

In late March 2017 Paul Hutchinson doubled down. His attorney filed a defamation lawsuit against the Smiths seeking monetary damages, punitive damages, attorneys’ fees and anything else the judge deems appropriate.

In a rambling complaint filed in Third District Court, Hutchinson’s Orem attorney, Ron Wilkinson, said Aaron and Jennica Smith “published statements to third parties regarding Paul including false allegations of trafficking children, abusing children, downloading child

pornography, and hiring prostitutes.” He also accused them of making false allegations against Hutchinson’s fiancé, Rocio Arce Smith even though she’s not a plaintiff in the lawsuit.

Another of Hutchinson’s attorneys, Nathan Shill, said it was approximate to include alleged defamations of non-plaintiff Rocio Smith because it shows the court a pattern of bad conduct.

The complaint also alleges that

“Aaron has also reached out to Paul's third party investors for his business and made multiple false allegations against him. Aaron's action recently led to an investor withdrawing funding. In the previous year, the investor provided \$35 million in investments, which provided a commission of over a million dollars for the year. The individual was Paul's largest investor.”

The Smiths said they have no knowledge of who Hutchinson worked with at his former place of employment, Bridge Investment Group. “We have no knowledge of who invested with him. They’re making things up, it’s a lie.”

Shill declined naming any of the third-party investors his law firm claims Smith contacted including the one who purportedly withdrew a \$35 million investment.

The Moviemakers and the Damaging Film Clips

Darrin Fletcher and Chet Thomas, et al

During his “bad day” interview Fletcher said he and his Abolitionists, LLC, partner Chet Thomas were trying on behalf of the Udy family investors to get the \$2.5 million back they had put into *The Abolitionists* documentary film. He said they were attempting to settle out of court in a mediation headed by a former O.U.R. Board of Governor’s member, David Parker. Fletcher said if the talks failed the matter would end up in “massive court litigation.” “I want the family taken care of,” he said. “If your story comes out and ruins our film there will be no other option than to go nuclear, and we will extract the money for the family in a different way.”



Abolitionist, LLC co-founders: Jerry Molen, Academy Award-winning executive producer, with co-producers Chet Thomas and Darrin Fletcher on the Glenn Beck Show, Sept. 2013.

Fletcher said the falling out with Ballard occurred more than a year ago around the time he and his partners quit shooting rescuer missions. They continued to finish editing what might be sold as a series of eight 45-minute documentaries for television, cable or streaming video.

Fletcher said tension between his company and Ballard had reached a flash point when Ballard used force to become a partner in the movie production company. “Tim Ballard is the current operating president of The Abolitionists, while being the CEO of O.U.R.,” Fletcher said, “which I fought and fought and fought.” “We said right out it’s a conflict of interest. You should not have anything to do with The Abolitionists.”

He said Ballard not only took control of the company and required a payment of about \$190,000 for practically doing nothing (recording some voiceovers for the movie), in addition to the \$120,000 plus he makes annually, across the line, over on the O.U.R. side. Fletcher called it “blackmail.” “He had us bent over a barrel,” because if they did not agree he says Ballard would have refused them the right to market and screen the footage.”

Fletcher said he had told Ballard to get rid of Hutchinson because of his inappropriate conduct on the missions. “We kept telling him, ‘Get rid of him. He’s there at the screenings saying all of these things.’” He said they have audio, where on one occasion, a cameraman told Hutchinson, “You can’t be so sexual with these kids.”

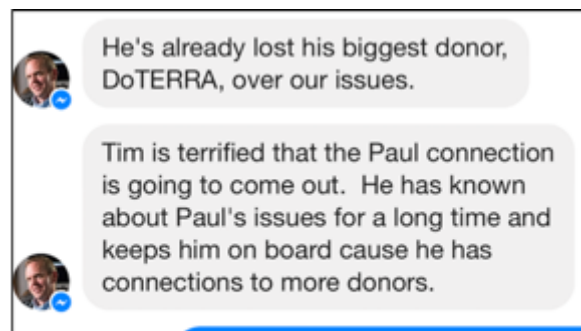
Fletcher described at least two video clips showing on one occasion Hutchinson stroking the arm of a child prostitute and another where he touches the breast of a prostitute.

In a bizarre twist, Abolitionists, LLC, cofounder Darrin Fletcher saw Jennica’s online posting and then exchanged a flurry of text messages with Aaron Smith. Fletcher attacked his moviemaking

partner and encouraged the Smiths to take their story to the media and to subpoena the Hutchinson improper touching video to use at a court hearing related to the custody dispute between the Smiths and Rocio and Paul.

A sampling of Fletcher's texts:

- **"I am the producer /director of the Abolitionists. We have our own issues with Tim Ballard we are trying to resolve." "I can tell you that the press would be interested in your story."**
- **Tim is terrified that the Paul connection is going to come out. He has known about Paul's issues for a long time and keeps him on board because he has connections to O.U.R. donors."**
- **"We are just a few days from filing out own lawsuit that will obliterate them completely. If they play ball with us then they will survive."**
- **David Barlow can help. He used to run OUR when they were fighting for good."**
- **"Tim and Sean are good friends." Tim has Sean Reyes in his back pocket. "He's contacted Sean and pulled him into this. I have a feeling the AG's office is pulling some strings." "...Sean is a politician and isn't gonna want to be tied to a scandal."**
- **He's already lost one of his biggest donors, doTERRA, over our issues." "I do know your blog was seen by the president of doTERRA and he is calling one of our cameramen into his office to talk about it tomorrow. This guy was hired by doTERRA after they saw the film. He knows Paul (Hutchinson) and all this didn't surprise him."**
- **There was someone on their last jump who said they saw a text from his ex (wife) saying, "Are you sure you should be out rescuing children when you yourself have a problem with child porn?"**
- **"We were all ready to string Tim up and had plenty of evidence."**
- **"If you want to subpoena us, we (will) give you everything we have on audio and video."**
- **"...whatever brings more donors, that's it. Morals and ethics go right out the window for him.**
- **Q. I would assume Paul's fondling is of minors? Boys or girls?**
- **"Girls. That's just what I have seen. He's just caressing them and kissing their hands and telling them how pretty they are...on the ops...he's been told not to.**



Darrin Fletcher text to Aaron Smith.
Fletcher may have sent them when he was having a bad day.

The Smiths took Fletcher's advice. They contacted this reporter which set research for this article in motion. And they subpoenaed the video for use at their scheduled February 13, 2017 court hearing to defend a temporary restraining order (TRO) which forced Jennica to pull her website.

The subpoena met swift reaction by Hutchinson's and Abolitionists, LLC, attorneys. On February 9, Hutchinson's attorney sought a court order to quash the subpoena. He argued the video was not relevant and that it could damage O.U.R. if made public.

“Paul assists with rescuing trafficked children. OUR works closely with foreign law enforcement on its missions to save children from trafficking. The footage likely contains images of the trafficked children, details of the coordination with law enforcement investigations, and other sensitive information. The release of the information could impact law enforcement’s investigations and potentially violate foreign treaties. Most concerning, the footage may include video images of children victims, which could place the children at risk.”

The motion included that sworn declaration by Tim Ballard.

The same day, February 9, the *Abolitionists, LLC* attorney, David Tufts, emailed Jennica Smith a letter that objected to the subpoena based on a series of objections. He wrote that there was not sufficient time to search for the clips, that certain materials were not owned by Abolitionists, LLC, and that it required disclosure of “sensitive, confidential material.” He wrote the video “is subject to commercial rights,” that the video created during the course of state sanctioned law enforcement investigations and, as such, are protected from disclosure by legal privilege and principles of public safety and welfare.” He wrote, “Mr. Hutchinson has instructed us not to produce the requested documents...”

In other words, they refused to turn over the video absent a court order.

Paul S. Hutchinson: Reyes buddy and key O.U.R. Player

Paul S. Hutchinson lurks in O.U.R.’s shadows. The official company line is that Hutchinson is not an employee, not a board member, and merely happens to be one of perhaps dozens of volunteer operatives who rescue sex slaves. “I am actually not part of the organization,” Hutchinson said. “I do not work for O.U.R. I’m not on payroll. I donate money like a lot of people.”



Paul Hutchinson with Reyes and the AG's chief of staff, Missy Larsen

The fact is Hutchinson is a major O.U.R. player, not just because he’s a purported millionaire and donates to the sex slave rescue cause, but also because he raises money for the charity and for movie production. Not to mention he’s close friend with Tim Ballard and Sean Reyes.

Hutchinson further explained his low profile: “The most dangerous thing that could happen is for my name as an undercover operative to get out there in the media. There are hundreds, well, I think I’ve taken down 35-plus, this is like taking an undercover agent who has been out there putting narcotics guys away, and making them public. That’s why I

stayed very private for a long time.” “I am not a Tim Ballard. I do not need to have my name in lights.”

But his purported crossing the line during child rescue raids may put his name in lights and not in a good way. The problem is that Ballard and most likely Reyes, who was his body guard during one of the incidents, knew about it and did nothing except for Ballard and his attorneys making every effort to block access to the video and to silence witnesses.

Up until this February Hutchinson was a partner with Bridge Loan Capital Fund, L.P. (BLoC). He was involved with real estate investment, fund management and capital markets. Or, simply put, he did very big money deals. To borrowers, lenders and investors he was an experienced, savvy, and innovative financial manager. An office receptionist says she does not know where he went and his partner declines returning calls.

Hutchinson's admitted use of pornography exacerbates the alleged improper touching of child prostitutes. A former girlfriend says Hutchinson told her that his pornography preferences kept getting younger. "He called to justify why he watched child porn," Sandra Fan said. "He said, 'Well you watch normal porn and then it kind of gets boring so you want to check out what else is out there and it's just a bit more exciting. When I watch porn it's not like I am addicted to it, and the reason I checked out child porn was I was curious, and it was a different kind of excitement.'"

Fan said Hutchinson was trying to prove he was not addicted to porn. She wondered why given what they knew and what they had heard that Ballard and Reyes still associated with Hutchinson. "There are only two possibilities." She said, "Either Tim Ballard and Sean Reyes are idiots, and they cannot recognize that Paul is such a great actor...or they are in the same boat as him."

(Some anti-porn politicians and religious leaders use their advocacy as a cover for their own obsessions. US House Representative Mark Foley was a leader against child pornography and sex offenses against children, but resigned after being connected with seeking inappropriate photos of his young male pages. Anti-pornography preacher Jimmy Swaggart resigned after confessing he had been plagued by a fascination with pornography and pornographic literature.)



Hutchinson with one of his mistresses, Sandra Fan.



Apocalyptic novel:
On Paul Hutchinson's
recommended reading list.

Those who know Hutchinson say he is deep into the survivalist movement, a so-called "prepper." They say he has a stockpile of weapons, ammunition and food. He has at least two large, Humvee and larger military surplus vehicles in storage, ready to go should Armageddon be imminent. One of his truck suppliers is an Ogden, Utah, dealer that specializes in prepping survivalists for apocalyptic calamity, in case "everyday life changes due to an earthquake, hurricane, blizzard, tornado, financial collapse, War, pandemic, political unrest, zombies.....well...yeah...any of those things."

Hutchinson had his then-girlfriend Fan read best-selling author William R. Forstchen's novel *One Second After*. The book, a favorite among preppers, is about an Electro Magnetic Pulse weapon that knocks out all electricity, communications and transportation in America pitting some survivors against cannibals in search of food.

Fan says her boyfriend's obsession with O.U.R. was a turning point in their relationship. "He could not stop talking about it." "She said, "He spent all his time talking about O.U.R. I felt it was almost like an addiction."

After Hutchinson and Fan split he began living with Rocio Arcia Smith and becoming the ersatz father to the two Smith boys.

The surreptitious audio recording that Jennica Smith made of her conversion with Paul Hutchinson has the same tone as when Hutchinson told Sandra Fan about his purported viewing of child pornography.

He told Jennica about several affairs beginning with an employee named Wendy "who wanted to sleep her way to the top and was successful in doing so." "I went to my bishop and got disfellowshipped," he said. Later when he was in his LDS Elder's quorum presidency and teaching a Gospel Doctrine class his new stake president called him in, asked him about his affair with Wendy and excommunicated him. Then he dated a Russian girl, still while he was married and "I had more sex in a week than I'd had in seven years." The next was Juliet whom he said "was happy being the mistress."

Later Hutchinson met Rocio Smith, but that affair coincided with the one with Sandra Fan until he finally settled on Rocio and, last year got a divorce from his first wife, Tiffany.

Despite watching pornography and sleeping around Hutchinson stayed a Mormon true believer:

"My testimony has never dropped one iota. I have, in fact I've had multiple talks with my bishop where I've talked to him about receiving inspiration. When I go on the O.U.R. trips I promise you I feel the Spirit of the Lord 100% with me directing me, speaking me through every single step of the way. And I had a Bishop once who said, 'Oh that's not possible you can't have the Spirit without...' And I said you know what, you can have the Spirit without the gift of the Holy Ghost. My relationship with my Heavenly Father is as strong as it's ever been. As strong as it was on my mission. Now, how is that possible when you're committing adultery? Well you know what, that's between me and God, not between me and anybody else. I believe that I'm doing the right thing I believe that my focus and my energy is in the right places."

Hutchinson continued venting in the secretly recorded meeting with Jennica. He said one of his girl friends told him she'd been raped by a prominent Utahn. Hutchinson responded that he would see the man go to jail. "I'm going to call up Sean Reyes. We're going to open up an investigation."

He also discussed pornography:

"I found myself going down the road of pornography. I've had this discussion multiple times with Tim Ballard and Sean Reyes and one of the reasons why I'm so effective at speaking and going undercover at OUR things is this, I know the difference between addiction to pornography, and just looking at pornography. Here in Utah— Sean and I had this conversation



Military-grade, Humvee with tent. Similar to several "survival trucks" Hutchinson owned to supplement his food, weapons and ammunition storage.

just last night again—here in Utah there is a higher pornography addiction per capita than anywhere in the country. You'd think that we're above that.

But he denied seeking out child pornography. "I found myself going down the road, now have I ever looked at child porn – never, not once, not once ever, now did I find myself finding the 25-year-old more attractive than the 35 absolutely. Pretty soon I was looking at the barely legal sites—just 18's—and I saw the adversary pulling me toward that direction..."

(Reyes, like Hutchinson, speaks out publicly against pornography. At that Davis High School rally Reyes said, "Not everyone who consumes pornography will end up being a human trafficker. But every human trafficker that we've caught, that were prosecuted, has admitted that they gateway to this darkness, to this depravity, was pornography." Reyes offered no proof for his claim.)

Hutchinson, in his interview for this story, claimed to have possibly saved lives by stroking a sex slave's arm—or her breast if witnesses to the video claim.

"I remember that they brought this young girl, and...she was scared, and every cell in my body wanted to—you're getting this Lynn—they brought her out, they introduced her to the men at the party, and every cell in my body wanted to just hug this little child and say you're going to be fine. You can see your parents again. It's so sad because she was looking at me as this guy is a horrible person. I held my hand out and her little hands were shaking and I just looked her in the eyes and said I told her it's okay in Spanish."

Hutchinson said the allegation he touched her breasts is false. "There is nothing on the video because it never happened." He said it may have looked bad, however. "I caressed the side of her arm at the time. When we looked at it later I like kind of felt uncomfortable that she raised the shirt there on that video."

Even so he said the touching is not an issue because, as he says, it turned out the girl was a woman, not a minor. "Number one, she was actually not a minor." He said when they took those parts of the video to the federal police in Mexico, they said those girls were actually not even minors. "So that was not an issue at all." He said one of the security operatives at the scene was a "medical guy" said, "I am 99% sure she was not 15. Everything about her anatomy looked like she was at least 19 or 20 or 21."

Attorney General Reyes declined an interview about his close friend Hutchinson's alleged bad conduct on O.U.R. missions and his possible pornography addiction. But Reyes' political consultant and spokesman Alan Crooks, after being requested for comment about those allegations appearing in an upcoming *PackerChronicle* article, did provide comment after looking into the matter. (Crooks has known Hutchinson as well. All three of them—Reyes, Hutchinson and Crooks—were together on the O.U.R. Colombian child sex slave rescue.)

"Some people think he's a creepy guy," Crooks said after *PackerChronicle* requested comment. "Other people have confirmed he has issues with those things." "He's so blind to it he does not even realize he has a problem. He's like an alcoholic who says, 'I'm not an alcoholic'." Crooks said he has reason to believe "there's a lot more out there."

(Note: The March 10 statements were the last time Crooks responded to requests for comments despite several requests via email and phone messages.)

Glenn Beck: Rescuing the Rescuers

In late 2016 O.U.R. claimed to have millions of donated-dollars in the bank, while Abolitionists, LLC, owed millions to investors. With Fletcher threatening to air O.U.R.'s dirty laundry in public if investors were not repaid, and with O.U.R. barred from putting money directly into the for-profit venture, the relationship teetered on collapse. The principals turned to Glenn Beck for rescue. Beck was there at the beginning and is now there at what could be the end. Or at the beginning of a rebirth. Beck was called on to rescue the rescuers. Whether Beck, after talks and meetings at his Texas headquarters, decided to bail out Abolitionists, LLC, and avert the Fletcher's plan to "go nuclear" remains a closely guarded secret.

In December, Glenn Beck picked up Paul Hutchinson in his private jet and flew to an O.U.R. op in Mexico, a clear sign Beck was thinking about reengaging. The two preppers have apparently become friends in the movement. (Beck advocates preparation for some end-of-days event by telling his followers to grow their own food, learn how to barter with "gold, food, cigarettes, liquor, sugar, ammunition, guns, and seeds." "Live near like-minded people, Texas, Mountains or where God still plays a role in real life." "I would suggest that you prepare for all-out war," Beck said in a web interview. "War unlike we've ever seen in our lifetime because that's what I believe is coming, unfortunately. I'm hoping that there's a way to put this genie back into the bottle, but I don't see it.")



December 2016: Glenn Beck in Haiti— on a trip with Paul Hutchinson— that Beck says changed his life.

Just before Christmas Beck reported on his trip to Haiti:

"Conservative radio host Glenn Beck recently traveled to Haiti with an organization he has partnered with, Operation Underground Railroad (O.U.R.), to visit some of the children who have been rescued by the organization. Years ago, Beck helped raise the first \$1.5 million for O.U.R., allowing founder Tim Ballard to transition from special agent for Homeland Security involved in sex trafficking operations to non-profit CEO rescuing women and children victims to sex trafficking. O.U.R. aims to stop global sex trade and put an end to child slavery. Their organization, outfitted with retired military personnel, sets up sting operations complete with undercover cameras, to provide enough evidence needed to convict the criminals involved in sex trafficking rings. Outside of their organization, in the last year 16,000 sex traffickers were arrested and only one third of those were convicted — mostly because conviction usually requires testimony from the victims and that usually doesn't happen. But O.U.R. has a 100% conviction rate due to the effectiveness of the hidden cameras they utilize, and that 100% rate is without any victim ever having to testify in court."

Beck reentered the scene at a time two versions of *The Abolitionists* movie failed at the box office despite massive promotion and appeals by Sean Reyes. It was at a time that Abolitionists, LLC, cofounder Chet Thomas expressed his belief that no less than Satan himself was trying to thwart their plans, as he posted last October:

“Hey everyone...The craziness continues. Hollywood for some strange reason is trying to push us out. Not sure what the deal is or the motives, if it’s only a select few or what but we can’t be stopped or shut down. So...we’ve built our own platform and we finished it yesterday!!! You can stream the film today WITHOUT their support. Now forgive me for my emotions on this but today, the war begins against the SCUM of the earth that are trafficking our children...There’s no way that I could ever explain it but there is a dark, evil opposition that is doing everything possible to stop us...it must know how powerful you all are together and the importance of this cause because the opposition is real. We need the light to win on this one but we can’t do it without you. We need your help to throw this one in the face of evil. It’s important that you know that the proceeds from the sales go directly to putting our teams out there around the world.”



Dec. 2016: Glenn Beck took Paul Hutchinson and his son Jordan to Haiti to give gifts to orphans.

Yet another professed millionaire, like Hutchinson, has joined O.U.R after going to Haiti with Ballard and Beck. “Since that day in Haiti my soul is calling to me to serve and do all I can to help this effort,” wrote Aaron Arnold Patey, 32. Patey is a Lone Peak High school graduate, former Utah Valley University student and founder of Lindon-Utah-based PSD International. At PSDI, Patey is focused on taking new innovative products and technology to market. (Patey was previously affiliated with Via Motors, a Utah electric vehicle truck manufacturer that became a huge money pit for investors.



Aaron Patey with Donald Trump and his O.U.R.-branded nutrition shaker bottle being sold on amazon.

Patey donated \$25,000 to the Donald Trump campaign well before it looked like Trump had any chance of winning. Patey has a list of products he’s supposedly helping inventors take to market. One is an O.U.R.-branded, FitWhisk “nutrition shaker bottle” that has a built-in, powered turbine blade to mix powdered nutritional supplements.

Another is a scented e-cigarette. Patey texted friends a photo of himself and Sean Reyes with the product dangling from their mouths. A co-worker who saw the photo said the text described the man as being “on a short list to become the head of the FTC. And if he’s head of the FTC then our new company that we’re part of is going to be dope. We’re going to be golden.”

Postscript

It was just four years ago when Tim Ballard and his associates were conceptualizing Operation Underground Railroad. The plan was to not only rescue child sex slaves but also to capture the operations on video for a reality television series. Back then, as now, the Mormon filmmakers Fletcher, Thomas and Molen sought funding from Beck.

They already had a partnership with Beck to produce a children's education program for Beck's cable television and online network. The concept had been for filmmakers (Fletcher and Thomas) to train high school filmmaker wannabes how to shoot Hollywood-style movies via live, online classroom sessions. (Despite Beck's and Molen's support, the early pilot videos were surprisingly amateurish.)

As they were trying to launch the online education concept Fletcher pitched Beck the idea of funding a TV series about dramatic child sex slave rescues. Fletcher said they had not even finished the pitch when Beck "pounded on his desk pointed, at Chet and me and said, 'I know what I want. I want a television series and I want you two to produce it for me'."

At the point FletChet was pitching Glenn Beck, Tim Ballard was still working for the government and O.U.R. was still in the planning stages with no actual missions that could be filmed. So, Ballard and FletChet videoed some ex-Navy SEALs and Army Special Ops members undergoing training with automatic weapons. They produced the "teaser" for a series they would title *The Abolitionists*.



The Abolitionists' heavily armed jump team preparing to go after bad guys.

Beck took the concept to the air, on his television show, and helped solicit at least a million dollars on O.U.R.'s behalf. "They need your tax-free dollars," he told his viewers, asking them to donate "a dollar, or anything you can, or at least just spread the word." "If you didn't get a chance to donate, you can now by going to OperationUndergroundRailroad.org and donate."

Now, millions of dollars in donations later, with a new feature-length movie on the drawing board, it may be Beck who breathes new life into the so-far failed concept.

Reyes' Deadbeat Hatchet Man: Alan Shawn Crooks

Alan Shawn Crooks, 51, may well be to Sean Reyes what Paul John Manafort is to Donald Trump: Campaign manager, political consultant, lobbyist and close confidant. Crooks has worked mostly behind the scenes to steer Reyes' career from the Utah statehouse in an upward



Alan Crooks and Paul Manafort: Both influential, bomb-throwing campaign managers,

trajectory, targeting, perhaps the Utah governorship or a U.S. Senate seat with Crooks riding the Reyes coattails.

Any political success Crooks wants to achieve for himself probably has to be by proxy. Crooks' financial record could not stand up to the same opposition research he helps conduct on Reyes' political foes. That's because Crooks is a deadbeat. Perhaps a deadbeat on steroids.

Crooks was raised in San Jose, California. From 1986 to 1988 he served an LDS mission to Guatemala. Afterwards Crooks graduated from

Brigham Young University, carrying a 4.0 grade average, with a degree in political science and Spanish.

Out of college Crooks went to work at the Salt Lake office of what was once the nation's largest brokerage for penny stocks trades: The Stewart-James company. The brokerage had placed a series of ads in Utah college newspapers encouraging graduates to consider careers as "investment bankers," but what were really cold-calling, penny stock telemarketers. Crooks was licensed as a broker in 1989 and, again, in 1993; the latter indicating he may have joined another brokerage after Stewart-James went under. Starting his career in the fraud-riddled over-the-counter (OTC) stock industry portended things to come.

After selling securities, Crooks next pursued a business career, racking up a string of failures and a lengthy list of unpaid debts. Among his business failures or abandonments:

- Harvest Enterprises, West Valley City, 1994
- American Financial Group, LLC, West Valley City, 1994-1998

**ATTENTION:
ALL MAJORS**



The Stuart-James Company currently has a limited number of positions available for highly motivated, success oriented individuals.

In addition to management potential, we feel Stuart-James offers one of the most successful training programs in the industry.

You can expect:

- Personalized Training
- Long Hours
- Excellent Income Potential

Are you in search of excellence? We are! Call us now for your career packet today, or see your local Career Placement Office.

STUART-JAMES
Investment Bankers

(801) 488-2400
National (800) 344-5452
Utah (800) 344-7921
Member NASD, S.I.P.C., M.S.E.

1989 Stuart-James college newspaper ad. The Salt Lake office was once at 175 E 400 S.

- Prospector One Real Estate, LLC, Salt Lake City, 1995
- American Automobile Group, LLC, Salt Lake City, 1994
- C and A Distribution, Salt Lake City, 1996
- Black Bear Construction, LLC, (no city), 1996
- Prospector One Development, Inc., Orem, 1997
- Wasatch Front Roofing and Siding LLC, 1997, DBA under wife's name, Rebecca Miner, 1998-2000
- Capital Resource Group, October 1999. (Nevada Corporation, revoked 2008)
- Saint George Chess Academy, St. George, 2003-2006
- Capital Resourced Group Management LLC, 2008, expired after one year (mortgage broker, registered in wife's name, Rebecca Crooks)
- Saint George Chess Center and Club, St. George, 2010 (registered under second wife's maiden name, Jamee Porter.
- Utah Republican Hispanic Assembly, 2003, 2009, 2013 (on again/off again) Salt Lake City.
- Comprehensive Strategic Consulting, St. George, 2012-2016 (now delinquent), registered under wife's name, Jamee Porter.)



Crooks' political consulting business is in the name of his second wife, Jamee Porter.

Crooks left Salt Lake Valley after his failed attempt at housing development and started Wasatch Front Roofing and Siding in Heber City, Utah. In March, 1998, he purchased a home at 743 S. Southfield Road. By February, 2000, his mortgage holder, Beneficial Mortgage Company of Utah filed a notice of default for \$216,000. The debt went unpaid, so the lender foreclosed and on May 4, 2001 the property was auctioned in a sheriff's sale.

By the time Crooks' Heber home was foreclosed upon he was already resettled in St. George to launch a new career as a mortgage broker. The Heber default probably had yet to hit his credit rating as he bought a house at 115 W Hope Street in his name, alone. It may have been the Heber default procedure that prompted Crooks to transfer full ownership to his wife, Rebecca, in June, 2000. After that, in July 2004, the property was deeded to his mother, Teresa Guarascio-Crooks of San Jose, California, an executive with Marriott hotels, who took out a new loan. Perhaps because neither Alan nor Rebecca could qualify.

While brokering home loans Crooks began managing political campaigns. He ran the Tim Bridgewater congressional campaign in 2004. Bridgewater had been chairman of the Utah County Republican Party and had run twice—in 2002 and 2004—for the Republican nomination in Utah's 2nd Congressional District, losing both times to John Swallow in what the *Salt Lake Tribune* described as “fiery, bare-knuckled campaigns.”

(In an interview with *PackerChronicle* Swallow said he met with Crooks in St. George after Swallow beat Bridgewater for the second time in 2004 in an attempt to get Bridgewater's endorsement for the general election. “(Crooks) looked me in the eye and said, ‘I was just a week away from destroying your career forever. He said he had a couple of brochures he

wanted to run, that the campaign would not let him run, that would have destroyed me.’ He said ‘I was just this close’ and he held his fingers together, this close within a week of destroying you forever. The implication he gave me was he was going to get me at some point.” Seven years later Crooks headed the Sean Reyes campaign for attorney general against Swallow. (See next section that follows.)

In January 2011, the lender filed a notice of default on the Crooks’ St. George property. Instead of the Crooks family paying off the \$216,000 loan they allowed the house to go into foreclosure. It was sold at a sheriff’s sale in December 2011.

As he made the transition from mortgage broker to campaign manager and consultant, Crooks divorced his first wife, Rebecca, in November 2009, and married his second, Jamee Porter, in October 2011, a woman who had apparently been attending an LDS singles ward where Crooks served in the bishopric.

In 2010 Crooks worked on GOP incumbent Salt Lake District Attorney Lohra Miller’s loss to Democratic challenger Sim Gill, In 2012 his client, Stephen Sandstrom, lost the GOP nomination to Mia Love for Utah’s new 4th District congressional seat.

After the foreclosure on Crooks’ St. George home there were several court judgments against the Crooks that resulted in liens filed with the Washington County recorder’s office. An attorney

for Yellow Book Sales filed one for \$54,750. And the attorney for a Crooks office worker filed another for \$7,752.

That employee told *PackerChronicle* she was in the LDS singles ward where Crooks was in the bishopric. He hired her, at 19, to work in the office. He convinced her to sign for the lease of a credit card machine that was used to take payments for Crooks’ chess business. When those businesses failed, the credit card machine company demanded payment from her and she was stuck with the bill. Crooks never repaid her.

In the meantime, the Crooks were not paying their taxes. It appears from county recorders’ records they paid no federal tax between 2001 and 2007. (Whether they began paying taxes after that remains unclear.)

The IRS filed four notices of tax liens, in 2007, 2008 and 2010, totaling over \$885,000. Those judgments remain unpaid. By now, with interest and penalties, they could well exceed \$1 million.



Who’s paying? Crooks, an ardent Trump supporter, attended the July 19 GOP convention, the Jan. 20 inauguration and Pres. Trump’s Feb. 28 speech to Congress.

Crooks' tax problems do not end with the IRS. The Utah State Tax Commission also filed multiple liens against Crooks in Utah's Fifth District Court in St. George. It appears from the filings that Crooks paid no state tax between 2001 and 2007. The amount due at the time one of the liens was filed in 2010 was about \$84,501 and remains unpaid, potentially with interest and penalties still accruing.

Interspersed among those tax-related financial woes, Crooks has filed for bankruptcy protection three times: in 1995 when he was still living in West Valley City, in 1998 when he was living in Heber city and again in 2000 while still in Heber City.

Crooks and Reyes declined comment for this section of the article.

The John Swallow Takedown

How one FBI investigation relates to another

No sooner than the FBI was winding up its multi-year corruption investigation into former Utah Attorneys General Mark Shurtleff and John Swallow, when it began a criminal probe of their successor, Sean Reyes.

It was an odd investigation. It was short-lived, lasting months not years. There were no leaks to the news media as with the FBI's Shurtleff/Swallow probe. And there's no tangible sign there was ever sufficient evidence to warrant prosecution.

But the Reyes FBI case does illuminate efforts on the part of Sean Reyes and Alan Crooks to destroy John Swallow's reputation as a means for Reyes becoming attorney general.

Both Crooks and Reyes decline comment, so only one side of the Reyes-under-criminal-investigation story emerges, at least for now. The beginnings of the 2011 plot to get Swallow goes back years earlier, to the two times Alan Crooks ran Tim Bridgewater's, campaign against Swallow in Utah's Republican primary for Congress in 2002 and 2004. He lost both times.

By 2011 Mark Shurtleff had racked up an unprecedented three election victories for attorney general, all three by huge margins. He was a shoe-in to win a fourth in 2012. But after Shurtleff announced he would not seek reelection, Sean Reyes met with him and said he planned to run and wanted Shurtleff's support. But Shurtleff told Reyes he planned to back his chief deputy, John Swallow.

Reyes proceeded anyway. His campaign manager was Alan Crooks who was a veteran of two previous mudslinging campaigns against Swallow. They were fully prepared to overcome Shurtleff's endorsement and take Swallow down. Which is how the events over the next several months came to become known as *The John Swallow Takedown* or, as Swallow supporters would later call it, the *Swallow Assassination*.

Long story short: Crooks enlisted the help of veteran private investigator Rob Joseph, a former police officer to, as Joseph puts it, dig up dirt on Swallow and assist in leaking damaging information to the news media. The Reyes camp accessed leaks from the Department of Justice about an FBI probe ensnaring Shurtleff and Swallow. That leaked information would be passed on to reporters. In exchange for Joseph's help, Reyes, if elected, would form a public corruption unit and hire Joseph as the investigator.



Alan Crooks and Sean Reyes at a Romney v. Holyfield boxing match fundraiser, June, 2016. Romney's blows to Holyfield were fake, Crooks' and Reyes' to Swallow were not.

At first the plan failed. Reporters did not bite on the leaked, FBI probe information. Swallow flattened Reyes in the 2012 primary with 68 per cent of the vote. Swallow next went on to pulverize his Democratic opponent in the general election with 64 per cent of the vote.

Reyes and Crooks did not give up according to their operative, Rob Joseph. He said he continued working with Crooks "to feed the media information about Shurtleff and Swallow, keeping them in the public eye while pushing for criminal investigations." "This continued after Swallow was elected as I fed a number of people in the media information that the Feds were targeting them for corruption," he said.

Even though Swallow won on November 6, 2012, Reyes and Crooks continued their campaign to bring him down, either having him removed from office or forcing him to resign. "The plan at that time was to get enough information to the media using any source, including Jeremy Johnson, so as to generate public interest and outcry. Crooks as I understand, was also working with individuals within the State legislature to push for an investigation," Joseph said.

Finally, shortly after Swallow was inaugurated, the story broke. On Jan. 12, *The Salt Lake Tribune* headlined the piece written by Tom Harvey and Robert Gehrke: "Indicted businessman: Utah A.G. tied to alleged scheme."

It began:

Embattled St. George businessman Jeremy Johnson says new Utah Attorney General John Swallow helped broker a deal in 2010 in which Johnson believed he was to pay Senate Majority Leader Harry Reid \$600,000 to make a federal investigation into Johnson's company go away.

But when the federal government filed a lawsuit Johnson thought he had paid to quash, he demanded Swallow return some of the \$250,000 initial payment. Then, just days before the Nov. 6 election, Johnson engaged in a frenetic but unsuccessful effort to get Swallow to drop out of the race, saying information about what Johnson called a "bribe" would come out and force the Republican's resignation if he became attorney general.

That bombshell was followed by an even bigger explosion the next day when Fox 13 reported that Swallow as not only a key subject in the FBI investigation, but also a target as well. Rob Joseph had been leaking to Fox reporter Max Roth for several months and, finally, Fox was the first to report the FBI focus on Swallow and used a soundbite from Joseph to help document it:

Security consultant and former police officer Rob Joseph, who was once close to Swallow, tells FOX 13 an investigation is underway.

"The FBI has obviously been investigating this case and probably has a lot of information," Joseph said.

When asked how he knows the case is being investigated by the Federal Bureau of Investigation, Joseph said, "I just know the FBI has been investigating this case."

Swallow, after several months, was eventually forced to resign. By law the Republican Central Committee would provide the governor three names and he would select one of them to replace Swallow.

A member of that committee told *PackerChronicle* that she had become aware of Crooks' efforts to take down Swallow a year earlier, at the GOP convention, where Swallow and Reyes had emerged as the party's choice to appear on the primary ballot. She said Crooks had told her of his plan to "roll out the story" to discredit Swallow. He was "secretive and conspiratorial," she said, and "took credit for orchestrating the John Swallow takedown" that led to his resignation.

In the event Swallow would resign or be impeached, Utah Governor Gary Herbert would name his replacement from that list of three names submitted by the Republican Central committee. Even before Swallow stepped down two names surfaced as frontrunners: Lt. Governor Greg Bell and former State Senator John Valentine, both close to Herbert.

"When news broke that Utah Attorney General John Swallow would resign on December 3, John Valentine was the first name that journalists latched onto as his replacement. Valentine, with more than twenty years in the Utah legislature and a well-reputed attorney, had indicated early in the Swallow scandal that he would be interested in filling the Attorney General's office, if Swallow stepped down." (*publiusonloine.com*)

"After Swallow resigned I was then asked to go after anyone under consideration for appointment by Gov. Herbert," Joseph told *PackerChronicle*. "This included leaking info about an FBI investigation into Lt. Gov Bell as well as info about Senator Valentine's alleged affair. The purpose of this was to undermine the Governor's likely top picks and ensure that Reyes was the only viable choice."

What Valentine affair and what Bell investigation?

Joseph said that Crooks had heard a rumor that Valentine, a former Mormon bishop, had had an affair. Joseph said he did not verify the rumor, but passed it on to reporters, suggesting they ask Valentine about it, and the mere asking would prompt him to drop out of contention. For whatever reason Valentine pulled his hat out of the ring.



Utah Governor Gary Herbert picked Sean Reyes for attorney general after the frontrunners dropped out.

Bell had also been an LDS bishop. Joseph said he stirred the pot about Lt. Gov. Bell being the target of an investigation into whether he used his power in the office to influence a child-protection case involving a friend and member of his LDS congregation. Two months before the governor would pick a Swallow successor Bell resigned as Lt. Governor. Even though the Davis County attorney announced he would not pursue charges against Bell, Bell was already out as an AG contender.

The GOP Central Committee member who had voted against Reyes said he was a "weak presenter" among the candidates who had pitched their credentials before the committee. But, she said, other committee members "felt like he deserved it because he had been ripped off by a guy now (thought of as) a criminal."

That left Reyes as the governor's easy choice because, after all, he had run against Swallow and some thought deserved the job.

She said Crooks was giddy when he learned, before the public announcement, that Reyes was the governor's pick. He took credit for the Swallow takedown, she said, although she saw him as someone untrustworthy. "Alan has the right last name," she said, "He has the reputation of being a bad buy. He looks like a mobster and kind of acts like a mobster."

Crooks often appears with Reyes at Conference of Western Attorney General (CWAG) and Republican Attorneys General Association (RAGA) conferences. While Crooks is not an employee of the AG's office, he is nonetheless listed by Reyes as a "Senior Advisor, State of Utah" – evidence that Reyes is willing to erase the line which should exist between his campaign staff and his AG's office staff.

The FBI Reyes Investigation

With Reyes successfully winning the AG appointment Joseph expected to be hired on as a public corruption investigator. But it did not happen.

Joseph claims he was told it might look bad, that it could lead to the media discovering his role digging up dirt and fomenting news coverage about Swallow and Shurtleff. "Alan was fearful I was going to go public because I was pissed off that Sean reneged on our deal," Joseph says. "Alan said, 'We'll work out a way to get you compensated'."

"They tried to bribe me into silence," Joseph alleges. He said he was told to file a notice of intent to file a lawsuit against Shurtleff and Swallow for civil rights violations and for obstruction of justice. Crooks, Joseph claims, said Reyes had the power to settle a threatened lawsuit by cutting a check for \$150,000 and he needed no legislative approval to do it. "I took that as buying loyalty and silence," Joseph says.

Rather than accept any money that Joseph would consider a bribe, he sought legal counsel. He told his attorney, Shane Johnson, about the scheme. He also emailed a friend in a previous LDS ward where Joseph had been a member and Swallow the bishop.

Joseph said that email was somehow filtered to the FBI which resulted in two FBI agents knocking on his door early one morning January 2016. Special Agents Todd Palmer and Cindy Roberts wanted to know more. That began a ten-month investigation conducted primarily by Agent Roberts who was working public corruption cases. Joseph provided her emails, text messages and audio recordings. He also passed along rumors, such as one about Reyes having been paid in gold by his former employer eTAGZ, Inc., possibly to escape some tax liability and another where



Informant and FBI Agent:
Rob Joseph and Cindy Roberts (now an actress and model)

Operation Underground Railroad purportedly used charity funds to pay some of his expenses for a trip to Super Bowl XLVII played February 2, 2014, at MetLife Stadium in East Rutherford, New Jersey.

After Roberts had gathered information and interviewed witnesses she took the case to the U.S. Attorney's office to see if it was interested in prosecuting Reyes and Crooks. Joseph said he was told the feds thought it would be better prosecuted under state laws. After federal authorities turned it down Roberts met with Salt Lake District Attorney Sim Gill.

Gill's office says it did not formally screen the case, that at the point they met Agent Roberts had no solid proof. But that she was invited to return if she turned up anything solid.

Joseph said Roberts told him the district attorney did formally review the evidence and turned it down. Not long afterward Roberts resigned from the FBI to take time to resolve some personal matters. It appears that no other agent took up her case and it died. Neither Crooks, Reyes, nor Roberts would comment.

END