

# DiMatteo indicted on federal charges; S. Tahoe never did background check on pot club owner

By Kathryn Reed

Gino DiMatteo has been indicted by a federal grand jury on three drug charges.

The grand jury had been looking into DiMatteo for longer than the city of South Lake Tahoe has allowed medical marijuana dispensaries to operate within its borders. The federal investigation was between June 1, 2009, and Sept. 5, 2012, with the indictment being handed down Nov. 21.

DiMatteo operated City of Angels II collective until this summer when he had to close shop because his landlord wanted him out and the City Council would not allow him to move his operation. Since then he bought Push Fitness.



Gino DiMatteo

Right now he is sitting in a Sacramento jail awaiting a bail hearing set for Nov. 26.

The indictment reveals DiMatteo was convicted in January 2002 in New York of conspiracy to distribute marijuana.

No one with a felony conviction was supposed to receive a permit by South Lake Tahoe officials to operate a medical marijuana collective.

When DiMatteo was arrested in August on state charges the documents included reference to a felony weapons charge from 1999 in New Jersey. At that time city officials believed the reason that charge did not turn up in their search was that DiMatteo also goes by Sergio Franco Ottomanelli.

Names can change, but fingerprints don't; so that logic was suspect.

*Lake Tahoe News* has since learned that the city does not have DiMatteo's prints.

"We did have a checklist. We did not have checked off the criminal history review," Police Chief Brian Uhler told *Lake Tahoe News*. "We dropped the ball. I don't have any other way of putting it."

DiMatteo did go in to have his prints run. But he outsmarted officials by having the number at the top of the paperwork go to some obscure firm instead of back to the city, Uhler said.

Ultimately it is the city manager who issues pot club permits. That would have been Tony O'Rourke in this case.

"I was told those applicants were screened," O'Rourke told *Lake Tahoe News*. "Yes, I was ultimately responsible. When I signed off it was based on everything being reviewed and consistent with requirements."

Clearly, that was not the case. And clearly O'Rourke did not review the checklist and instead went with what he was told, not with the facts.

What is not known is why the city attorney would allow the city manager to sign the permit without everything being in order. City Attorney Patrick Enright did not return a phone

call.

While it's possible DiMatteo would still be in trouble with the feds because they were looking at him before he set up shop in South Lake Tahoe, had the city done its due diligence and all the players done their jobs accurately, the resulting chaos involving Councilwoman Angela Swanson would not likely have been an issue. This is because DiMatteo would not have had a business from which to make a donation to a nonprofit she is affiliated with.

Swanson got caught up in the DiMatteo matter in August when the El Dorado County District Attorney's Office charged DiMatteo with bribing a public official – Swanson. While the charges against DiMatteo have been dropped, the DA says he is still investigating city officials and keeps Swanson on a yo-yo in what appears to be a game of politics.

The three counts leveled against DiMatteo in the indictment are conspiracy to manufacture and possess with intent to distribute marijuana; possession with intent to distribute marijuana; and manufacture marijuana.

If DiMatteo were convicted of at least one of the offenses, he would have to give up all his property deemed to have been associated with or bought by money from drug transactions.

If convicted on three counts, DiMatteo could face 60 years to life in prison and fines of more than \$30 million.

Rob Woelfel, DiMatteo's attorney, was not available for comment.