

MEMORANDUM TO: Assistant Director
Field Operations

THRU: Deputy Assistant Director – West
Office of Field Operations

FROM: Special Agent in Charge
Phoenix Field Division

SUBJECT: Request to Open a Firearms Trafficking Group

This memorandum serves to request approval for the creation of an additional criminal enforcement group within the Phoenix Field Division specifically dedicated to investigating firearms being trafficked from the United States to Mexico in support of the “Gunrunner” initiative. If approved this “Gunrunner” group would focus its efforts on the illegal trafficking of firearms to the violent drug trafficking organizations (DTOs) operating along the U.S./Mexico as well as the “Gatekeepers” that facilitate these DTOs’ illegal activities. This group would be located within the Phoenix metropolitan area and be co-located with the OCDETF Strike Task Force currently being proposed by the Phoenix DEA Special Agent in Charge (SAC) who fully support this ATF proposal and its co-location, if approved.

BACKGROUND

In FY-2004 the Phoenix Field Division’s “Project Southbound”, a focused approach at combating the illegal purchase and flow of firearms to Mexico, was approved as an OCDETF initiative. The mission of this strategy was and is to dramatically reduce the illegal acquisition, trafficking and use of firearms by members of Mexican DTOs by utilizing all resources that are available to ATF (i.e. NIBIN, National Tracing Center, ATF National Laboratory, DEA Special Operations Division, etc). Currently four Phoenix Field Division Special Agents, out of Group I, are assigned to “Project Southbound”. Even in FY-2004 when “Project Southbound” was proposed the Phoenix Field Division realized that the DTOs operating along the U.S./Mexico border were

preparing for an escalation of violence and needed U.S.-source firearms to carry out this activity. “Project Southbound” was and is an effort to stem this illegal flow of firearms to these violent groups. Since its inception this initiative has resulted in the seizure of 703 firearms, 43,692 rounds of ammunition, 12.5 kilograms of cocaine, one pound of methamphetamine, over 9,000 pounds of marijuana and approximately \$370,000.00 in U.S. Currency destined for violent DTOs and supporting groups in Mexico. It should be noted that the vast majority of these seized firearms are the “Weapons of Choice” (“WOC”) of the violent Mexican drug traffickers, cartel members, and mercenaries (ie. Los Zetas) employed by the cartels to provide security and enforce their will upon opposing cartels, Mexican military and police authorities. Additionally, as part of the prosecutorial aspect of “Project Southbound” 193 case reports have been forwarded for prosecution charging 379 defendants.

STATUS

In the past two years the Phoenix Field Division has continued to fully support “Project Southbound” by supplementing the limited OCDETF funds allocated to it because of the importance of its primary focus on Arizona’s growing problem of being a source and supply of firearms for DTOs operating in the Mexican States of Sonora, Chihuahua, Baja California and Sinaloa.

Recent “Project Southbound” firearms trafficking investigative efforts have led Phoenix Field Division Special Agents to suspects who are a serious threat to the safety of the public, and to the security of both the United States and Mexico. These individuals have engaged in criminal acts rivaling those of terrorist organizations operating in the Middle-East and of Colombian Narco-Terrorists who held the Colombian government at bay for many years in the 1980s and 1990’s.

Examples of the direct link between such violent criminal activity and the Phoenix Field Division’s area of responsibility include, but are not limited to, the following examples:

Jan. 18

- The bodies of two unidentified men were found wrapped in a blanket in Nogales, Sonora state, just across the border from Nogales, Ariz.
- The bodies of six unidentified people were found in an improvised grave in Chihuahua, Chihuahua State.

Jan. 19

- A U.S. Customs and Border Protection agent died during the pursuit of drug smuggler’s vehicle near Yuma, Ariz. Border patrol agents were chasing two suspect vehicles that had illegally crossed the border from Mexico into Arizona. The agent was struck by one of the vehicles while he was placing spike strips in the road. Both vehicles then crossed back into Mexico.

Jan. 20

- Tijuana, Mexico – A Mexican AFI raid on the Arellano Felix Tijuana DTO led to the seizure “WOC” 24 rifles, “WOC” 19 disassembled rifles, 30,000+ rounds of assorted ammunition, 20 magazines, and an underground firing range. **ATF**

ATF

- Culiacan, Sonora – A Mexican Army operation led to the arrest of Alfredo Beltran Leyva, a key member in the Beltran Leyva DTO (Sinaloa Cartel), and the seizure of an AK-47 variant rifle, 8 handguns and \$900,000 in U.S. currency.

ATF

Jan. 22

- Mexico City – A Mexican AFI raid led on an **State/Privacy** safe-house led to the arrest of several members of an assassin squad and the seizure of 20 “WOC” rifles, 10 handguns, 12 grenade launchers, 30 fragmentation grenades, and a large amount of magazines and ammunition. **ATF**

ATF

Jan. 24

- Caborca, Sonora – A Mexican Army operation on the **State/Privacy** DTO led to the seizure of an M3AC .50 caliber semi-auto rifle, 12 other “WOC” rifles and a significant amount of ammunition. **ATF**

ATF

February 13

- Mexico City – An SSP raid led to the arrest of a Sinaloa DTO assassin squad and the seizure of 6 Springfield Armory .308 rifles, a Barrett .50 caliber rifle, an FN 5.7 pistol, 10 fragmentation grenades, 840 rounds of ammunition and over 30 magazines. **ATF**

ATF

ATF

February 13

- Juarez, Chihuahua - the Mexican Army seized an arsenal from a safe house that was discovered as a result of a shootout. The soldiers developed information about the location of the safe house in Colonia Pradera Dorada at one of the points where the apparent running gun battle took place and went to that location only a half hour after the shootout. While the soldiers were able to recover 25 long guns, 5 pistols, bulletproof vests, ammunition, radios, and 5 vehicles (3 of which had Sinaloa plates), no arrests were made as the gunmen had already

abandoned the house.

ATF

ATF

February 13

- Tucson – A DEA operation targeting members of the Sinaloa DTO seized a large quantity of cocaine, 12 RomArm AK-47 variants, 5 “WOC” handguns and several 75-round magazines. Found in one of the raided homes was 21 empty AK-47 variant boxes.

ATF

ATF

March 6

- A State Police and Mexican Army operation led to the seizure of 50 AK-47 variants, 28 AR-15 variants, 2 M-60s, 34 handguns, over 50,000 rounds of ammunition, 840 magazines – many of them of 75-100 round capacity, and over 430 kilos of marijuana. Traces are pending but it is expected that many of these firearms will be directly linked to the Arizona area and active Phoenix Field Division trafficking investigations.

March 20

- El Saric, Sonora – the bodies of two rural policemen kidnapped on March 17 were found executed near the “El Bellotoso” ranch near El Saric, west of the Mariposa crossing near Nogales, Sonora.

March 26

- Imuris, Sonora – Intelligence sources report one of two municipal police officers from Imuris was kidnapped by a group of ten to fifteen heavily armed individuals. The kidnapped police officer was later released and the other escaped. In La Mesa, Mexican law enforcement and military killed two of the suspected kidnappers in a shootout.

These are just a few examples which highlight the direct connection between firearms trafficking and the violent DTOs operating along the U.S./Mexico border. In Arizona, the spike in firearms violence perpetrated by members of Mexican DTOs, illegal aliens, and crimes against illegal aliens continue to capture headlines. These criminal acts include the murder of Phoenix Police Officer Nick Erfle, who was shot in the head and mortally wounded while conducting an investigation of a minor traffic violation; numerous kidnappings; home invasion robberies; and the unlawful imprisonments involving members of the Mexican community, both legal immigrants and undocumented aliens. All of these activities are related to the fight for power and territory by Mexican DTOs and all involve in one way or another firearms trafficking.

The assessment of firearms being trafficked to members of Mexican DTOs has shown that the Maricopa County area is the favored region within Arizona for the acquisition of firearms. This has been established by trace data compiled by the National Tracing Center, pursuant to firearms recoveries in Mexico. Investigations conducted within the Phoenix Field Division have shown that there are a number of FFLs which are preferred by traffickers. Many of these FFLs are cooperating with ATF, and have established open lines of communication with ATF special agents.

It has been well documented that Mexican DTOs utilize their money laundering, distribution, and transportation infrastructures to acquire, transport, and distribute firearms to and in Mexico. It is estimated that approximately \$1.2 million in narcotics profits crosses the border from Arizona to Mexico daily. In order to effectively address this issue from every angle it is vitally important that ATF coordinates enforcement efforts and shares intelligence with DEA. In addition and in order to effectively disrupt firearms trafficking to Mexico ATF must establish better liaison with Mexican law enforcement authorities. In many cases this liaison can be established through existing DEA contacts.

PROPOSAL

The proposed Phoenix firearms trafficking group will build on and greatly enhance the sustained accomplishments of "Project Southbound" as outlined previously. Its mission will fall in line with ATF's OCDETF Strategic Plan, the Southwest Region's "Gatekeeper" Initiative and the OCDETF Executive Office Priorities.

It is therefore recommended that approval be granted to establish a firearms trafficking group within the Phoenix Field Division located in the Phoenix metropolitan area. This group should be staffed by a Group Supervisor, ten Special Agents, two Industry Operations Investigators (reporting to the Director of Industry Operations), one Investigative Analyst and one Investigative Research Specialist.

As outlined before this group would be co-housed with the OCDETF Strike Task Force currently being proposed by the DEA Phoenix Field Division. The DEA SAC is fully supportive of this joint venture.

If you have any question or need additional information please do not hesitate to contact me.

William D. Newell