



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

July 19, 2011

The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

This supplements our previous responses to the Committee's subpoena of March 31, 2011, and your letter of June 8, 2011, relating to Operation Fast and Furious.

We are delivering today to your office an additional 53 pages of material. These documents bear limited redactions to protect specific details about pending investigations, including text that would identify targets and sensitive techniques, plus information relating to line employees. In addition, we have redacted from multi-subject documents text that is not responsive to your requests. The nature of specific redactions is indicated by a redaction code ("RC") in accordance with the attached index. Even with the redactions, many of these documents contain non-public material and are not appropriate for public disclosure. In response to requests from Chairmen Smith and Leahy, we also will provide these documents to the House Committee on the Judiciary and the Senate Committee on the Judiciary, respectively.

We hope this information is helpful and look forward to working with the Committee as this matter continues.

Sincerely,

Ronald Weich
Assistant Attorney General

Enclosures

cc: The Honorable Elijah Cummings
Ranking Minority Member

Index to Redaction Codes

RC-1: Redaction of text for privacy purposes.

RC-2: Redaction of text that is non-responsive.

RC-3: Redaction of text that relates to law enforcement sensitive investigative techniques.

RC-4: Redaction of text that relates to investigative targets or subjects.

RC-5: Redaction of text that discloses law enforcement sensitive investigative details.

From: Newell, William D.
Sent: Sunday, February 14, 2010 11:21 PM
To: Gillett, George T. Jr.
Subject: Re: SRT Operational Plan Draft (SRT-10-099)

10-4.
Bill Newell
Special Agent in Charge
ATF Phoenix Field Division (AZ and NM)
RC-1

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

From: Gillett, George T. Jr.
To: Newell, William D.
Sent: Sun Feb 14 23:20:52 2010
Subject: Re: SRT Operational Plan Draft (SRT-10-099)

Still at Acosta's residence. RC-3

George T. Gillett
ASAC - Phoenix Field Division
RC-1

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

From: Newell, William D.
To: Gillett, George T. Jr.
Sent: Sun Feb 14 23:18:38 2010
Subject: Re: SRT Operational Plan Draft (SRT-10-099)

Any movement on the gun with the tracker? I told HQ we had plenty of surveillance (loosely the truth) but that we may end up losing the tracker if the battery runs out before it goes south. After that we'll have to wait for the gun to get seized before we can potentially get it back.

Bill Newell
Special Agent in Charge
ATF Phoenix Field Division (AZ and NM)
RC-1

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

From: Gillett, George T. Jr.
To: Boteler, Blake L.; Newell, William D.; ATF MacAllister, Hope A.
Cc: Flanery, William H.
Sent: Sun Feb 14 22:27:38 2010
Subject: Re: SRT Operational Plan Draft (SRT-10-099)

HOGRAF - 002470

DOJ-FF-51398

Blake -

The Op Plan is approved. Thank you!

George

George T. Gillett
ASAC - Phoenix Field Division
RC-1

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

From: Boteler, Blake L.
To: Newell, William D.; Gillett, George T. Jr.; ATF; MacAllister, Hope A.
Cc: Flanery, William H.
Sent: Sun Feb 14 21:05:45 2010
Subject: SRT Operational Plan Draft (SRT-10-099)

I hope everyone is having a wonderful Valentine's Day.

Attached is the SRT Operational Plan Draft (SRT-10-099) for the anticipated RC-5 operation scheduled to take place around noon on Wednesday February 17th. Please review this at your convenience and contact me with any questions or concerns that you may have and I will address them. This is mostly a duplication of the previously approved operational plan (SRT-10-86) with the primary changes being that of dates and personnel. Once I receive your Division's approval I will forward this operational plan to SOD for briefing to the appropriate DAD.

Thanks again for requesting the SRT's assistance in this investigation and we look forward to working with you all in the future.

S/A Blake Boteler
ATF-Special Response Team 3

RC-1

From: Gillett, George T. Jr.
Sent: Friday, January 22, 2010 1:10 PM
To: Gribble, Christine A.
Subject: FW: Phoenix Field Division SWB Briefing Paper Submissions
Attachments: Phoenix SWB Submissions 1-21-10.doc

Christine:

The Phoenix submission:

Have a great weekend.

George

From: Simpson, Kevin
Sent: Thursday, January 21, 2010 4:20 PM
To: Gillett, George T. Jr.
Cc: Quinonez, Louis A.; Needles, James R.
Subject: Phoenix Field Division SWB Briefing Paper Submissions

George,

Please review our division's SWB Briefing Paper submissions (attached). These should be forwarded to Christine Gribble by C.O.B., tomorrow (January 22, 2010).

Thank you.

Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street - RC-1
Phoenix, Arizona 85004-2428

RC-1

HOGF ATF - 002472

DOJ-FF-51400

PHOENIX FIELD DIVISION

Investigations:

Phoenix Group VII

RC-2
[REDACTED]

785115-10-0004 Jacob Chambers et al: This case is a large scale conspiracy between more than twenty straw purchasers. Thus far in the investigation (September through present) the group has purchased over 800 firearms; most of which are the AK-47 variant 7.62 assault rifles and or the F.N. Herstal 5.7 mm pistols. Of those 800 firearms purchased by the group approximately 150 have been recovered in Mexico or near the Mexican Border (the serial numbers are continually being updated and changed thus affecting the trace results) with a short time-to-crime; some as little as one day. ATF special agents continue to coordinate with the DEA [REDACTED] as it affects this investigation and also to work with the USAO [REDACTED]

RC-3
[REDACTED] Additionally, agents [REDACTED]

RC-3
[REDACTED] consensually record calls to/from a friendly FFL and one of the suspects for the purpose of ordering and discussing large scale firearm purchases.

Tucson Group I

RC-2
[REDACTED]

From: Gillett, George T. Jr.
Sent: Monday, February 08, 2010 1:42 PM
To: Gribble, Christine A.
Subject: FW: SWB Briefing Paper - Phoenix Field Division Submissions
Attachments: Phoenix SWB Submissions 2-3-10.doc

Christine ~

The Phoenix submission.

George

From: Simpson, Kevin
Sent: Wednesday, February 03, 2010 6:47 PM
To: Gillett, George T. Jr.
Cc: Quinonez, Louis A.; Needles, James R.; Cook, Nancy F.
Subject: SWB Briefing Paper - Phoenix Field Division Submissions

George,

Please review our division's submissions for the SWB Briefing Paper. Our submissions should be forwarded to Christine Gribble by C.O.B. this Friday February 5th.

NOTE: The SAC advised he wanted to see entries from our industry operations groups. I spoke with DIO Cook and emailed each area supervisor. Each area supervisor has provided good submissions, in the past. Each explained they are continuing to look for any appropriate items to report. Many of our industry operations investigators are currently working on an explosives initiative which, to date, has lead to no southwest border related leads.

Thank you.

Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street - Suite 940
Phoenix, Arizona 85004-2428

RC-1


HOGF ATF - 002474

DOJ-FF-51402

PHOENIX FIELD DIVISION

Investigations:

Phoenix Group VII

RC-2



785115-10-0004 Jacob Chambers et al

This case is a large scale conspiracy with more than twenty connected straw purchasers. Thus far in the investigation (September through present) the group has purchased over 850 firearms; most of which are the AK-47 variant 7.62 assault rifles and the F.N. Herstal 5.7 mm pistols. Approximately 150 of those firearms have been recovered in Mexico or near the Mexico Border. This past week, members of this organization have purchased two .50 caliber rifles (Bushmaster and Barrett). They have questioned the FFL concerning how to obtain NFA machineguns. Last week, this case was presented by ATF and granted OCDETF status by the Phoenix committee who will forward the proposal to the Houston Regional Committee. ATF is continuing to receive data RC-3

RC-3 which overwhelmingly shows the connection amongst the straw purchasers and the FFLs. RC-3

Tucson Group I

RC-2



From: Gillett, George T. Jr.
Sent: Friday, February 19, 2010 4:31 PM
To: Gribble, Christine A.
Subject: FW: Phoenix Field Division Submission SWB Briefing Paper
Attachments: Phoenix SWB Submissions 2-18-10.doc

Christine -

Attached is the Phoenix submission.

Thanks!

From: Simpson, Kevin
Sent: Thursday, February 18, 2010 7:15 PM
To: Gillett, George T. Jr.
Cc: Quinonez, Louis A.; Cook, Nancy F.; Needles, James R.
Subject: Phoenix Field Division Submission SWB Briefing Paper

George,

Please review and forward the attached as our division's submissions for the next SWB Briefing Paper. This submission is due to Christine Gribble RC-1 [REDACTED] by C.O.B., tomorrow.

Thank you.

Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street - RC-1 [REDACTED]
Phoenix, Arizona 85004-2428
RC-1 [REDACTED]

PHOENIX FIELD DIVISION

Investigations:

Phoenix Group I

RC-2
[REDACTED]

Phoenix Group VII

RC-2
[REDACTED]

785115-10-0004, Jacob Chambers et al

This case is a large scale conspiracy of over a twenty interconnected straw purchasers. This group has purchased over 850 firearms; most of which are the AK-47 variant 7.62 assault rifles and or the F.N. Herstal 5.7 mm pistols. Approximately 150 firearms have been recovered in Mexico or near the Mexico Border with a short time-to-crime. New straw purchasers are continually being identified as part of this investigation.

This is an approved ATF OCDETF investigation. ATF is continuing to receive data [RC-3]

[RC-3] which overwhelmingly shows the connection amongst these straw purchasers and the FFLs. [RC-3]
[RC-3]

Las Cruces Group I

From: Simpson, Kevin
Sent: Tuesday, March 09, 2010 6:08 PM
To: Gribble, Christine A.
CC: Gillett, George T, Jr.
Subject: FW: Phoenix Field Division SWB Briefing Paper Submissions
Attachments: Phoenix SWB Submissions 3-4-10.doc

Christine,

Here is our latest submissions for the SWB Briefing Paper. Thank you.

Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street - RC-1
Phoenix, Arizona 85004-2428
RC-1

HOCR ATF - 002478

DOJ-FF-51406

PHOENIX FIELD DIVISION

Investigations:

Phoenix Group I – Yuma Satellite Office

RC-2
[REDACTED]

Phoenix Group VII

RC-2
[REDACTED]

785115-10-0004, Jacob Chambers et al

This case is a large scale firearm trafficking conspiracy that includes the straw purchases of more than 850 firearms. Over 150 firearms have been recovered in Mexico or near the Mexico Border with short time-to-crime. This is an approved ATF OCDETF investigation. RC-3 [REDACTED] installation of a GPS tracking device RC-3 [REDACTED]

This firearm was then provided by ATF agents to a cooperating FFL where it was sold on February 13, 2010 to a suspect in this investigation named Uriel PATINO. The GPS unit provided the location of the firearm at a residence in the Phoenix area for approximately one week. Periodic stationary surveillance disclosed no activity. On February 19, 2010, the device

RC-3 [REDACTED] was moving RC-3 [REDACTED]
RC-3 [REDACTED] On February 20, 2010, the GPS device RC-3 [REDACTED]

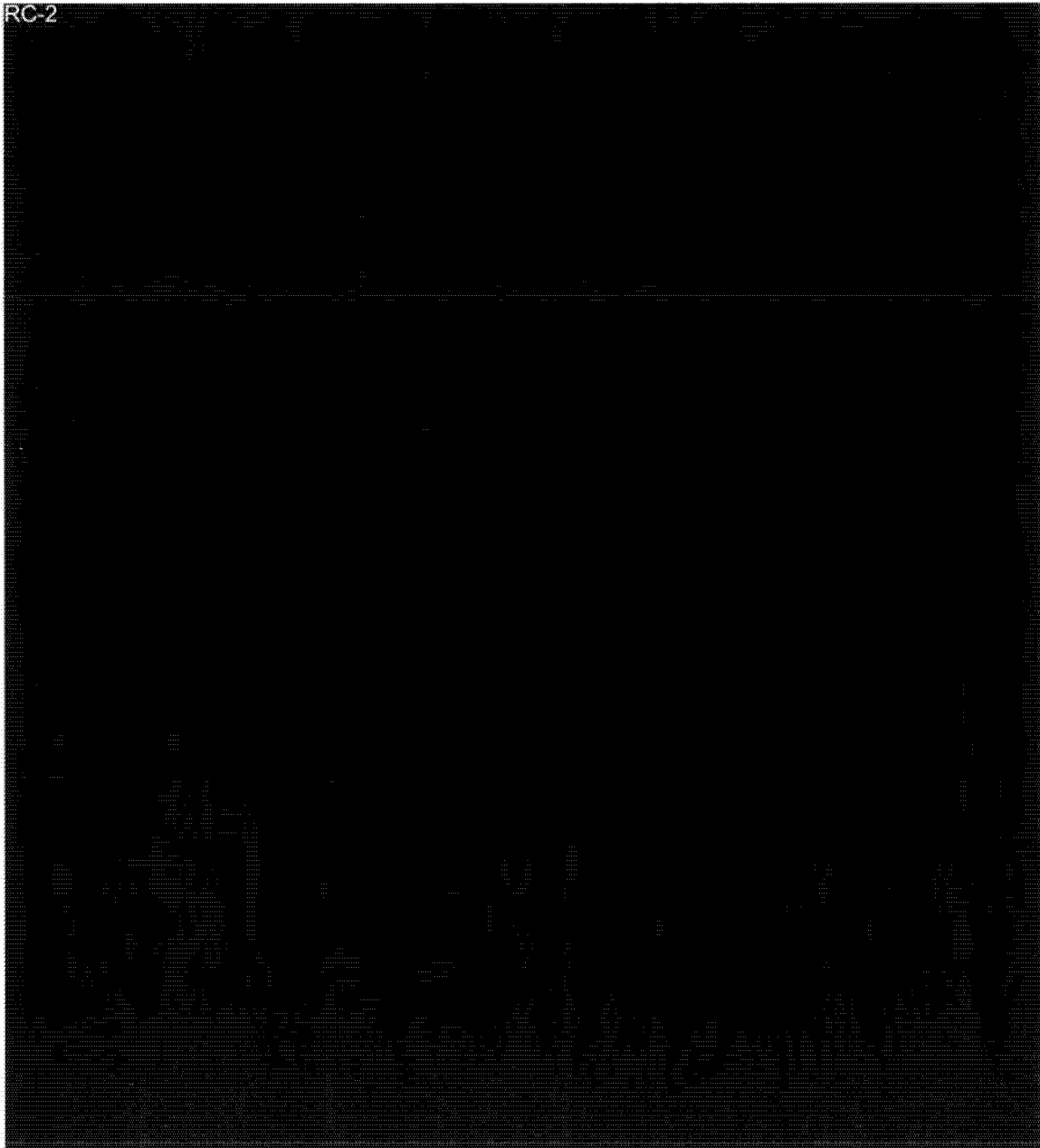
placed its location, in Tucson, Arizona. ATF special agents responded and recognized the address from a firearm trafficking investigation underway by ATF Tucson Group II titled Operation Wide Receiver. An Isuzu Rodeo SUV with temporary tags was observed arriving at the residence and departing a short time later. Once the Isuzu Rodeo began to move the GPS device mirrored the movement. Tucson II special agents followed the Isuzu Rodeo West on Highway 86. Eventually the Isuzu Rodeo turned off the highway near Sells, Arizona and began traveling South across the Tohono O'dham Indian

Reservation (Nation) toward Mexico. Coordination was made with the Department of Homeland Security - Border Patrol as there is not an established Port of Entry, wall, or fence on the Indian Reservation which straddles both sides of the border. The vehicle was stopped by the Border Patrol near the border and was driven by two females. Recovered from inside the vehicle were 41 firearms, mainly AK-47 variant rifles. One of the females is a convicted felon on Federal supervised release. RC-5

RC-5

Tucson Group I

RC-2



From: Gillett, George T. Jr.
Sent: Friday, April 16, 2010 1:35 PM
To: Gribble, Christine A.
Subject: FW: Phoenix Field Division SWB Briefing Paper Submissions
Attachments: Phoenix SWB Submissions 4-15-10.doc

Buenos Dias!

The Phoenix submission.

George

HGR ATF - 002481

DOJ-FF-51409

RC-2

785115-10-0004, Jacob CHAMBERS et al

This is an approved ATF OCDETF investigation (# SWAZP0496) that is a large scale conspiracy of [REDACTED] interconnected straw purchasers. This group has purchased over 1,300 firearms; most of which are the AK-47 variant 7.62 assault rifles and or the F.N. Herstal 5.7 mm pistols, to include approximately ten Barrett .50 caliber rifles. More than \$900,000.00 in cash has been paid for these firearms. Approximately 150 of these firearms have been recovered as crime guns in Mexico or near the Mexico Border. On April 7, 2010, twenty AK-47 style firearms were recovered in El Paso, Texas along with approximately 300 pounds of marijuana. RC-3

RC-3

RC-2

From: Simpson, Kevin
Sent: Thursday, June 10, 2010 10:47 PM
To: Gillett, George T. Jr.
CC: Needles, James R.; Simpson, Kevin
Subject: Phoenix Field Division Submissions - SWB Briefing Paper - June 11, 2010
Attachments: Phoenix SWB Submissions 6-11-10.doc

George,

Please review our division's SWB Briefing Paper submissions and forward per the request, below. Thank you.

Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street -
Phoenix, Arizona 85004-2428

RC-1

From: Gribble, Christine A.
Sent: Monday, June 07, 2010 6:33 AM
To: Chait, Mark R.; McMahon, William G.; Boxler, Michael B.; Torres, Julie M.; Then, Colleen M.; Torres, John A.; Newell, William D.; Champion, Robert R.; Webb, J. Dewey; O'Keefe, Kevin C.; Phoenix, Alfredo A.; Quinonez, Louis A.; Shaefer, Christopher C.; Sigler, Toni L.; Simpson, Kevin; Stucko, Audrey M.; Thomasson, Scot L.; Gillett, George T. Jr.; Hagerty, Paul C.; Alvarez, Gena B.; Salas, Armando; Fasciani, Dennis C.; Kumor, Daniel J.; Jones, Tarrance; Sellers, J. Anne; Reyes, Aurora O.; Jaquez, Rene J.; Penate, Harry J.; Smith, Lamont F.; Canino, Carlos A.; Armentrout, Charlayne A.; Mullins, Daniel R.; Surotchak, Frank J.; Beebe, Carol B.; Cook, Nancy F.; Lowrey, Stuart L.; Hernandez, Armando; Wall, Jose T.
Cc: Rowley, Raymond G.; Powell, Jeffrey R.; Brady, Kelly D.; Golson Sr., Michael A.; Lauffer, Kristen E; Kruthaupt, Alex J.; Gonzales, Mary; Leadmon, Lorren D.; Velinor, Trevor A.; Wade, Drew J.; Hageman, John T.; Santamaria, Nilda I.; Gleysteen, Mike P.; Kemp, Janice L.; Whitworth, Melinda C.; Wicks, Joseph F.; Moncrief, Dennis R.; Munoz-Navarro, Hector; Kwiatkowski, Paul T.; Henderson, Frank J.; Carroll, Timothy J.; Mokos, Joseph P.; Gil, Darren D.; Booth, David S. (IAO); Milanowski, Frederick J.; Aguilar, Rodolfo; Gamboa, Aaron J.; Hopper, Casey E.; Simental Jr, Atalo; Frankel, David J.; Lotspeich, Cynthia M.; Searcy, Lucia B.; Alarcon, Raul A.; Warren, Mary H.; Molek, Theresa C.; Reid, Sharon D.; Kopeck, Alexander J.; Senecal, Kellie L.
Subject: SWB Briefing Paper - June 1, 2010

THIS MESSAGE WAS AUTHORIZED BY THE SOUTHWEST BORDER WORKING GROUP

Attached is the approved edition of the Southwest Border briefing paper, dated June 1, 2010. New updates to the SWB paper are now due to **Christine Gribble** by **COB Friday, June 11, 2010**.

Thanks, Christine

Christine Gribble
Program Analyst
Southwest Border Working Group
Office of Field Operations
Bureau of ATF

RC-1

HOGRAF - 002483

DOJ-FF-51411

RC-2

Phoenix Group VII (OCDETF Strike Force)

785115-10-0020 RC-4

ATF Phoenix Group VII Strike Force has begun an investigation into the firearms trafficking activities of RC-4. To date, this investigation, aided by a reliable confidential source (hereinafter CS), has determined that at least 14 firearms (with many more suspected "straw" purchasers providing a large amount of additional firearms) have been purchased on behalf of and subsequently delivered to RC-4. By his own account (documented in audio recordings between RC-4 and the CS), RC-4 obliterates the serial numbers of these firearms prior to his delivering them "South (to Mexico)". The CS was able to successfully introduce undercover agent John Dodson to RC-4 as a new, potential "straw" purchaser and someone who may be able to meet RC-4's recent request for NFA type firearms (specifically military grade armament and ordinance). Subsequently, S/A Dodson participated in a controlled meeting (meet and greet) with RC-4 during which RC-4 solicited S/A Dodson to "straw" purchase AK pistols from local FFL's and agreed to pay S/A Dodson \$100.00 profit for each one delivered. Additionally, RC-4 expressed his desire to purchase suppressors (in 9mm, .45, .223, 7.62), 40mm grenade launchers, and 40mm High Explosive (HE or other anti-personnel type) in whatever quantities that S/A Dodson was able to obtain. On June 1st, acting in an undercover capacity, S/A Dodson delivered 6 AK "DRACO" pistols to RC-4. RC-4 reimbursed S/A Dodson \$300 for each pistol, plus provided S/A Dodson with \$600 for conducting the "straw" purchases and an additional \$100 bonus. During the u/c OP, RC-4 stated his intent to sell/traffic the pistols for profit and again expressed his interest in purchasing the military hardware/ammunition/firearms. RC-4 also requested that S/A Dodson have a "trap" installed in his (RC-4's) vehicle to assist with his trafficking activities. Immediately after the u/c OP RC-4 was followed by agents to a storage locker facility.

785115-10-0004 Operation Fast and Furious

This OCDETF investigation has revealed 1,608 suspected straw purchases of firearms by RC-5 targets of this investigation. The core group of this investigation is constantly recruiting new straw purchasers and disassociating with others. Individuals who purchased in 2009 are not currently purchasing firearms and a new straw purchaser was just identified by ATF agents through surveillance on June 7, 2010 during the purchase of a .50 caliber rifle.

ATF agents are aware of or have caused 309 of these firearms to be recovered. To date, 179 crime guns have been recovered in the Republic of Mexico, and 130 have been recovered domestically in the United States. Of those domestic recoveries all have been along or near the U.S. and Mexican border; i.e. El Paso, TX, Douglas, AZ, Nogales, AZ, Sells, AZ, Casa Grande, AZ with the farthest recovery north of the border being here in Phoenix, AZ. In order to purchase these 1,608 suspected firearms this group has spent over one million (\$1,000,000.00) in cash transactions at various Phoenix area FFLs. Due to the proximity to the border; bank subpoenas and financial investigations have yielded little or no results.

RC-3



RC-3 To date Patino has personally purchased 606 firearms on behalf of the group. In support of these purchases Patino has spent over four hundred thousand dollars (\$400,000.00) in cash transactions at various Phoenix area FFLs. Patino is currently receiving Food Stamp benefits from the State of Arizona due to his lack of income. ATF agents are working with the USDA-OIG.

Phoenix ATF agents are conducting almost daily surveillance of these above mentioned firearms transactions. This group is highly surveillance conscience and conducts counter surveillance. RC-3

RC-3 This group makes "U-turns", they pull over and start again for no apparent reason, and they alter their speed, and almost always enter residential cul-de-sacs where entry by a surveillance vehicle would certainly be noticed. ATF agents have tried to utilize the Phoenix Police department air wing unit has much as possible but due to their mission and scheduling they are not always available to assist.

ATF agents have identified over a dozen different "stash houses" where this group deposits firearms prior to arranging for further transportation south. The firearms may stay at these stash houses for anywhere from hours to in excess of one week.

RC-2



From: Simpson, Kevin
Sent: Friday, July 16, 2010 1:44 PM
To: Gillett, George T. Jr.
Subject: Phoenix Field Division Submissions - SWB Briefing Paper
Attachments: Phoenix SWB Submissions7-16-10.doc

George,

You will find our division's submissions to the SWB Briefing Paper attached for your review. Please forward to Christine Gribble upon your approval. Thank you.

Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street RC-1
Phoenix, Arizona 85004-2428
RC-1

HGR ATF - 002486

DOJ-FF-51414

RC-2



Phoenix Group VII (OCDETF Strike Force)

785115-10-0004, Operation Fast and Furious

On July 12, 2010, Federal Parolee, Kenneth Thompson was arrested and charged on Arizona state charges of Hit and Run and Felon in Possession of a Firearm after fleeing from Peoria Police Department patrol units. ATF provided Peoria Police with information that Thompson was in possession of firearms as part of an active RC-3 case; Operation Fast & Furious, 785115-10-0004. Thompson fled from officers and crashed his vehicle into a cinder block wall after jumping the train tracks near the intersection of 67th Lane and Grand Avenue, Peoria, AZ. Both Thompson and the unidentified passenger fled the scene on foot and a short time later Peoria Police officers captured Thompson approximately ½ mile from the scene. Thompson suffered a broken leg and was transported to a local hospital for treatment, the passenger was never located. Thompson was released from Federal custody in September of 2009, after serving approximately 60 months after he entered a plea of guilty to 21 USC 846, Conspiracy to Possess Marijuana in February 2004. During an inventory search of the vehicle, Peoria police officers recovered (20) ROMARM/CUGIR, 7.62x39 caliber rifles

from the bed of the truck. The firearms had been purchased earlier that day by a subject identified as a straw purchaser in the coinciding ATF investigation. In addition, (2) pistols were recovered from the cab compartment of the vehicle. ATF agents took custody of the (20) ROMARM 7.62x39 caliber rifles as part of the ongoing ATF investigation. Peoria officer retained custody of the (2) pistols for further state prosecution.

On July 13, 2010 Phoenix Police Department (PPD) RC-5 [REDACTED] RC-5 [REDACTED] Carlon's Auto Service located at 3501 W. Lincoln Ave., Phoenix, AZ RC-5 [REDACTED] numerous firearms in a backroom RC-5 [REDACTED] being "loaded up." The PPD Detective was aware of this ongoing ATF firearms trafficking investigation (Operation Fast and Furious) and coordinated with Phoenix Group VII agents. This business had previously been identified as being a related business for firearms trafficking activities as part of this investigation. ATF Group VII agents and PPD Detectives went to the business to conduct an interview. They obtained consent and subsequently recovered 73 firearms, as follows: 20 AK-47 variant rifles, 1 – Barrett .50 caliber rifle, 1 – AR-15 rifle, approximately 50 – semi-automatic pistols (mainly 9mm caliber), approximately 250 – 75 round drum magazines for 7.62 caliber rounds, as well as other various magazines and assorted ammunition. The traces of the firearms indicate that many are recently purchased by known straw purchasers in this investigation. Some of the 9mm pistols appear to be used (secondary market) firearms and this recovery took place following a large gun show in Phoenix, AZ the previous weekend (July 9-11, 2010). The 250 - 75 round drum magazines retail for over \$200.00 each which totals more than \$50,000.00 worth of magazines. This recovery adds to the total of 169 firearms recovered in the previous 25 days by Group VII agents and GRIT agents assigned to Group VII as part of Southwest Border Firearms Trafficking investigations.



From: Gillett, George T. Jr.
Sent: Monday, February 07, 2011 11:20 AM
To: Gribble, Christine A.
Subject: FW: Phoenix Field Division SWB Briefing Paper Submissions
Attachments: Phoenix SWB Submissions 02-3-2011.doc

I apologize for the tardy paper. I was in Tucson on Friday.

George

From: Simpson, Kevin
Sent: Friday, February 04, 2011 11:27 AM
To: Gillett, George T. Jr.
Subject: Phoenix Field Division SWB Briefing Paper Submissions

George,

I have attached our division's submissions for the SWB Briefing Paper for your review. Please forward to Christine Gribble by COB, today. Thank you.

Special Agent Kevin Simpson
Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street - RC-1
Phoenix, Arizona 85004-2428

RC-1

HGR ATF - 002489

DOJ-FF-51417

PHOENIX FIELD DIVISION

Investigations:

Phoenix VII Gunrunner

785115-10-0004, Operation Fast and Furious: (OCDETF investigation) On January 19, 2011, the Federal Grand Jury in the District of Arizona returned a 53 count indictment charging 20 individuals with a variety of charges that include: Conspiracy (371), Dealing in Firearms without a License (922 a 1 A), False Statement in Connection with the Acquisition of a Firearm (924 a 1 A), Conspiracy to Possess a Firearm in Furtherance of a Drug Trafficking Offense (924 o), Money Laundering (1956), Possession/Conspiracy to Possess a Controlled Substance with Intent to Distribute (841 & 846), Aid and Abet (2). On January 25th, 2011, the ATF Phoenix Field Division, Phoenix Group VII, along with numerous other federal and local law enforcement agencies, concluded this firearm trafficking investigation with the arrest of 18 individuals and the execution of four search warrants. During the execution of the above mentioned arrest and search warrants, as well as an additional consent search, 12 firearms, body armor, ammunition, two pounds of methamphetamine, numerous pounds of marijuana, scales, computers, documents, and packaging material were recovered. Several of the suspects provided interviews on scene to ATF agents and to Mexican Law Enforcement Officials, present on scene, which resulted in additional leads and information that is currently being follow-up.

On February 2, 2011, the United States Marshals Service developed information that the main suspect and fugitive in this investigation, Manual Fabian Celis-Acosta was hiding in a relative's house in El Paso, Texas. The USMS followed up accordingly and arrested Acosta, in El Paso. Two ATF agents from Phoenix flew to El Paso and conducted an interview with Acosta. RC-5

RC-5

RC-5

Juan Martinez-Gonzales still remains at large as a Federal fugitive. His location is currently being sought by the United States Marshals Service. Additional indictments are anticipated in this investigation.

RC-2



From: ATF
Sent: Thursday, December 17, 2009 1:37 PM
To: Gillett, George T. Jr.
Subject: RE:

Not yet...?

From: Gillett, George T. Jr.
Sent: Thursday, December 17, 2009 11:28 AM
To: Newell, William D.
Cc: ATF
Subject:

Bill-

OSII has not yet finished a link diagram on this investigation. Therefore, there is no "chart" in existence diagramming this investigation. Lorren Leadmon and crew are currently working on such a link-diagram chart, but it is not yet complete. Mr. Leadmon did have a power point that gave an overview of the case and that has been forwarded to GS ATF. However, that power point is about 1 week old, so the info is already a bit dated. GS ATF and Mr. Leadmon are speaking on a regular basis, so the lines of communication are now the equivalent of the proverbial fire hose. During one of their conversations, Lorren told ATF that Ray Rowley received a briefing on the investigation this week and mentioned the possibility of needing to shut the investigation down due to the large number of guns that have already been trafficked. Therefore, I spoke with Ray Rowley today and explained that even though the identified straw-purchasers bought approximately 175 guns last week alone, we have slowed down the FFL on future purchases and are obtaining intelligence directly related to this investigation from RC-3. Ray did express some concern regarding the total number of guns that have been purchased by this straw-purchase scheme. I cautioned Ray on not doing any type of informal calculations on purchase numbers as that likely will result in double counting of firearms (counting purchased guns as well as recovered guns). I have also advised that we will slow the purchasers down as much as possible, but we have not identified the network yet. The result will be that the responsible conspirators will have new straw-purchasers operational before we complete the booking paperwork. I have asked Ray to consider me his direct point of contact on any future questions and/or concerns and I will do the same with him. I have also spoken with Kevin O'Keefe today and maintain those lines of communication.

As for plans to proceed, I have asked Mr. ATF to begin preparing a white paper that outlines progress to date as well as a plans for proceeding with the investigation. I know that he wants to take the information from the RC-3. I have also asked Mr. ATF to prepare a list of resources that HQ can provide (personnel and equipment) to support this investigation. I will keep you posted as things arise.

George T. Gillett
Assistant Special Agent in Charge
ATF - Phoenix Field Division
RC-1

HOGRAF - 002491

DOJ-FF-51419

From: **ATF**

Sent: Thursday, January 07, 2010 4:44 PM

To: Gillett, George T. Jr.

Subject: CBP port contacts

George,

RC-3 [REDACTED] it appears he is going to take 7 of the polymer stock AK-47s, RC-3 [REDACTED] Unknown obviously how long these firearms will stay around Phoenix, maybe a day, maybe a week. I know you and the SAC both have contact with CBP SAC level officials for CBP whether it be in the State of Arizona or El Paso, TX. Can we give a heads up communication and a solid point of contact for the weekend.

Thanks,

ATF

Group Supervisor

Phoenix Group VII

RC-1 [REDACTED]

From: Newell, William D.
Sent: Wednesday, February 17, 2010 9:04 AM
To: Needles, James R.; Gillett, George T. Jr.
Subject: Fw: RESPONSE Requested by C.O.B. Thursday February 18th - SWB Briefing Paper
Attachments: SWB Briefing Paper - February 8, 2010.doc

Please ensure each office is submitting something to this. I know for a fact that each office has something SWB related on-going in their offices. Phoenix VII and Tucson I seem to be the only groups consistent with this.

Bill Newell

Special Agent in Charge

ATF Phoenix Field Division (AZ and NM)

RC-1

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

From: Simpson, Kevin
To: Phoe-CE Supervisors; Phoe-IO Supervisors; Atencio, Mario L.
Cc: Cook, Nancy F.
Sent: Tue Feb 16 19:30:19 2010
Subject: RESPONSE Requested by C.O.B. Thursday February 18th - SWB Briefing Paper

Supervisors,

Please respond by C.O.B. this Thursday February 18th with any case summaries/updates (include title and case number) you might have for our division's submission to the SWB Briefing Paper. The latest paper is attached for your review.

Thank you.

Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street - RC-1
Phoenix, Arizona 85004-2428

RC-1

HOGF ATF - 002493

DOJ-FF-51421

LAW ENFORCEMENT SENSITIVE

**Southwest Border Initiative
(Project Gunrunner)**

Biweekly Update

February 8, 2010

The following is a biweekly update on significant events related to the Southwest Border Initiative. The information is collected from the different ATF offices involved in this initiative and intended for ATF use only.

FIELD OPERATIONS

DALLAS FIELD DIVISION

Investigations:

El Paso Field Office

RC-2



1
LAW ENFORCEMENT SENSITIVE
INTERNAL USE ONLY
NOT FOR DISSEMINATION OUTSIDE ATF

HOCR ATF - 002494

DOJ-FF-51422



PHOENIX FIELD DIVISION

Investigations:

Phoenix Group VII

RC-2



785115-10-0004 Jacob Chambers et al: This case is a large scale conspiracy with more than 20 connected straw purchasers. Thus far in the investigation (September through present), the group has purchased over 850 firearms; most of which are the AK-47 variant 7.62 assault rifles and the F.N. Herstal 5.7 mm pistols. Approximately 150 of those firearms have been recovered in Mexico or near the Mexico border. This past week, members of this organization have purchased two .50 caliber rifles (Bushmaster and Barrett). They have questioned the FFL concerning how to obtain NFA machineguns. Last week, this case was presented by ATF and granted OCDETF status by the Phoenix committee who will forward the proposal to the Houston Regional Committee. ATF is continuing to receive data ^{RC-3}  which overwhelmingly shows the connection amongst the straw purchasers and the FFLs. ^{RC-3} 

RC-3



Tucson Group I

RC-2



From: Gillett, George T. Jr.
Sent: Friday, February 26, 2010 3:37 PM
To: Newell, William D.
CC: Needles, James R.
Subject: FW: Phoenix Field Division Submissions Related to Mexico Cartels
Attachments: Phoenix Field Division-MexCartelNex.docx

I have reviewed the attached document and made subtle changes to hone accuracy. For your review and forwarding.

George T. Gillett
Assistant Special Agent in Charge
ATF - Phoenix Field Division
RC-1

From: Simpson, Kevin
Sent: Thursday, February 25, 2010 4:18 PM
To: Needles, James R.
Cc: Gillett, George T. Jr.
Subject: Phoenix Field Division Submissions Related to Mexico Cartels

Jim,

Attached for your review you will find summaries of the cases provided by our group supervisors. Stuart Lowrey's request asked for the following response. **Please respond by 12:00 p.m. (Eastern), on Friday, February 26, 2010, by e-mail to FMS Program Analyst Tanya Young and Special Agent Doak Dyer. Negative replies are required.**

Today, a follow-up email came out with three attachments suggesting cases BHQ thought were in NFORCE and had a Mexico cartel nexus. One long list included many cases from our field division that were not cartel related or even SWB related. I suspect that list focused on gangs. The other two lists were basically the same and identified Phoenix Field Division cases, as follows.

RC-2



Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street
Phoenix, Arizona 85004-2428
RC-1

Phoenix Field Division – Project Gunrunner Investigations with a Nexus to Mexico Cartels
February 25, 2010

Phoenix Group I

RC-2



Yuma Satellite Office

RC-2



Phoenix Group VII

RC-2



RC-2

785115-10-0004 Jacob Chambers et al

This case is a large scale conspiracy of RC-5 interconnected straw purchasers. Since September 2009, this group has purchased over 900 firearms; most of which are the AK-47 variant 7.62 assault rifles and the F.N. Herstal 5.7 mm pistols. Of those firearms purchased by the group approximately 150 have been recovered in Mexico or near the Mexico Border with a short time-to-crime; some as little as one day. New straw purchasers are continually being identified as part of this investigation.

This is an approved ATF OCDETF investigation (SWAZP0496). ATF is continuing to receive data RC-3 which overwhelmingly shows the connection amongst these straw purchasers and the FFLs. RC-3

RC-3

This investigation has ties

to the Sinaloa Cartel.

Tucson Group I

RC-2

Tucson Group II

RC-2

From: Newell, William D.
Sent: Thursday, December 16, 2010 3:27 PM
To: Gillett, George T. Jr.; Zicha, Marjorie L.
Subject: December Fast and Furious BP for SAC (2)
Attachments: December Fast and Furious BP for SAC (2).docx

Please review and send back to me with "LE Sensitive – For Official Use Only" watermark in the appropriate places. Thanks

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Case Background

The Phoenix Group VII Field Office is leading an investigation entitled "Operation Fast & Furious" in conjunction with Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation was approved as an OCDETF case by the Southwest Region as SW-AZP-0496.

Since October 2009, ATF and the other partners listed above have been investigating a firearm trafficking organization that is being funded by the Sinaloa drug trafficking organization (DTO), a narcotics trafficking organization well known for violent criminal activity in Mexico. This organization is also involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into southern Arizona to be distributed throughout the United States. The OCDETF investigation of this organization is addressing violations of Federal Laws to include Firearms, Narcotics, Money Laundering, and Conspiracy Laws.

Agents believe that the Phoenix-based firearm trafficking group is actively purchasing firearms through "straw" purchasers using narcotics proceeds. From October 2009 to October 2010 agents have documented that this organization spent approximately 1.25 million dollars in cash at various Phoenix area Federal Firearms Licensees to acquire in excess of 1,900 firearms. The firearms are then being trafficked into Mexico using false compartments in various vehicles through various international Ports of Entry in Arizona and Texas.

RC-3

RC-3 and many other investigative techniques to further the investigation. Through these investigative techniques agents have been able to identify a large number of additional co-conspirators and disrupt the illegal activities of this firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred firearms and over fifty pounds of marijuana have been recovered by agents in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.

Over the past several weeks agents, in conjunction with the investigative partners and the United States Attorney's Office (USAO) have been preparing for the indictment of RC-3 individuals in this investigation. Agents initially anticipated a first wave of indictments on December 7, 2010. However, in light of additional evidence obtained in support of this investigation and investigative efforts on the part of IRS the first wave of approximately 20 indictments have been

pushed back another 30 days. The reasons for this include the very proactive stance the IRS has taken during the past several weeks. RC-3

RC-3 In addition the USAO has agreed to approve the inclusion of five Federal search warrants. The additional preparation for the search warrants and RC-3 coupled with available Grand Jury time, has pushed the indictment date to the week of January 10, 2011.

On December 3rd SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and the lead AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are the many proactive measures taken by the agents assigned to Phoenix Group VII. It should also be noted that throughout the course of the investigation numerous seizures were made by other State, local and Federal law enforcement agencies at the direction of Phoenix Group VII in order to ensure the seized firearms did not reach their intended destination but also to ensure the leadership of this firearms trafficking organization was not "tipped off" to the proactive measures taken while the larger conspiracy case was being prepared for the USAO.

List of Defendants Referred to USAO for Prosecution:





Proposed Charges:

1. Title 18, United States Code, Section 554, Smuggling Goods from the United States;
2. Title 18, United States Code, Section 922(a)(1), Dealing in Firearms without a License;
3. Title 18, United States Code, Section 922(a)(5), Transferring Firearms to a Non-Resident of the State;
4. Title 18, United States Code, Section 922(a)(6) Making a False Statement in Connection with the Acquisition of a Firearm;
5. Title 18, United States Code, Section 924(a)(1)(A) Making a False Statement in Connection with the Acquisition of a Firearm;
6. Title 18, United States Code, Section 924(n), Interstate/International Firearms Trafficking;
7. Title 18, United States Code, Sections 924(c) and 924(o), Use of a Firearm in Furtherance of a Drug Trafficking Offense/Conspiracy to Use a Firearm in Furtherance of a Drug Trafficking Offense;
8. Title 18, United States Code, Section 1343, Wire Fraud;
9. Title 18, United States Code, Section 1956, Money Laundering;
10. Title 18, United States Code, Section 371, Conspiracy to Commit any Offense Against

the United States;

11. Title 21, United States Code, Sections 841 and 846, Possession/Conspiracy to Possess a Controlled Substance with Intent to Distribute;
12. Title 21, United States Code, Sections 960 and 963, Import/Conspiracy to Import a Controlled Substance;
13. Title 22, United States Code, Section 2778, Attempt/Export Munitions without a License;
14. Title 31, United States Code, Section 5324, Structuring Transactions to Evade Reporting Requirements; and
15. Title 31, United States Code, Section 5332, Bulk Cash Smuggling;

From: Gillett, George T. Jr.
Sent: Friday, December 11, 2009 10:19 AM
To: Gribble, Christine A.
Subject: FW: Updated Phoenix Field Division SWB Briefing Paper Submissions
Attachments: Phoenix SWB Submissions 12-10-2009.doc

Hello Christine —

Phoenix Submission.

Thank you,

George

From: Simpson, Kevin
Sent: Thursday, December 10, 2009 2:05 PM
To: Gillett, George T. Jr.
Cc: Quinonez, Louis A.
Subject: Updated Phoenix Field Division SWB Briefing Paper Submissions

George,

Attached you will find the updated briefing paper that includes submissions from Phoenix VII and Tucson I.

Kevin Simpson, Intelligence Officer
Phoenix FIG
U.S. Department of Justice - ATF
201 E. Washington Street - RC-1
Phoenix, Arizona 85004-2428

RC-1

HGR ATF - 002504

DOJ-FF-51432

PHOENIX FIELD DIVISION

Liaison, Training, Media, and Other SWB Interaction:

RC-2



HOCR ATF - 002505

RC-2



Investigations:

Phoenix Group VII

RC-2



785115-10-0004, Jacob Chambers, et al

This case is a large scale conspiracy of over a dozen interconnected straw purchasers. Thus far in the investigation (September through present) that group has purchased over 350 firearms most of which are the AK-47 variant 7.62 assault rifles or the F.N. Herstal 5.7 mm pistols. Of those 350 firearms purchased by the group approximately 50 have been recovered in Mexico or near the Mexico Border (the serial numbers are continually being updated and changed thus affecting the trace results) with a short time-to-crime, some as little as one day. Agents are entering the firearms into the suspect gun database, conducting daily surveillance of suspects, RC-3

RC-3

RC-3 preparing OCDETF Initiation paperwork, starting a financial investigation into the quarter of a million dollars in cash (\$250,000.00) used thus far to purchase firearms and RC-3

RC-3 to further connect the conspiracy.

Tucson Group I

RC-2



From: Gillett, George T. Jr.
Sent: Monday, December 28, 2009 10:35 AM
To: Gribble, Christine A.
Subject: FW: Phoenix Field Division SWB Briefing Paper Submissions
Attachments: Phoenix SWB Submissions 12-23-2009.docx

Christine

I hope you had a great Christmas. Here's the Phoenix Division submission.

Thanks,

George

From: Simpson, Kevin
Sent: Thursday, December 24, 2009 8:26 AM
To: Gillett, George T. Jr.
Subject: Phoenix Field Division SWB Briefing Paper Submissions

George,

Please review and forward our division's SWB Briefing Paper submissions to Christine Gribble at
RC-1 [REDACTED] by C.O.B. Monday December 28th

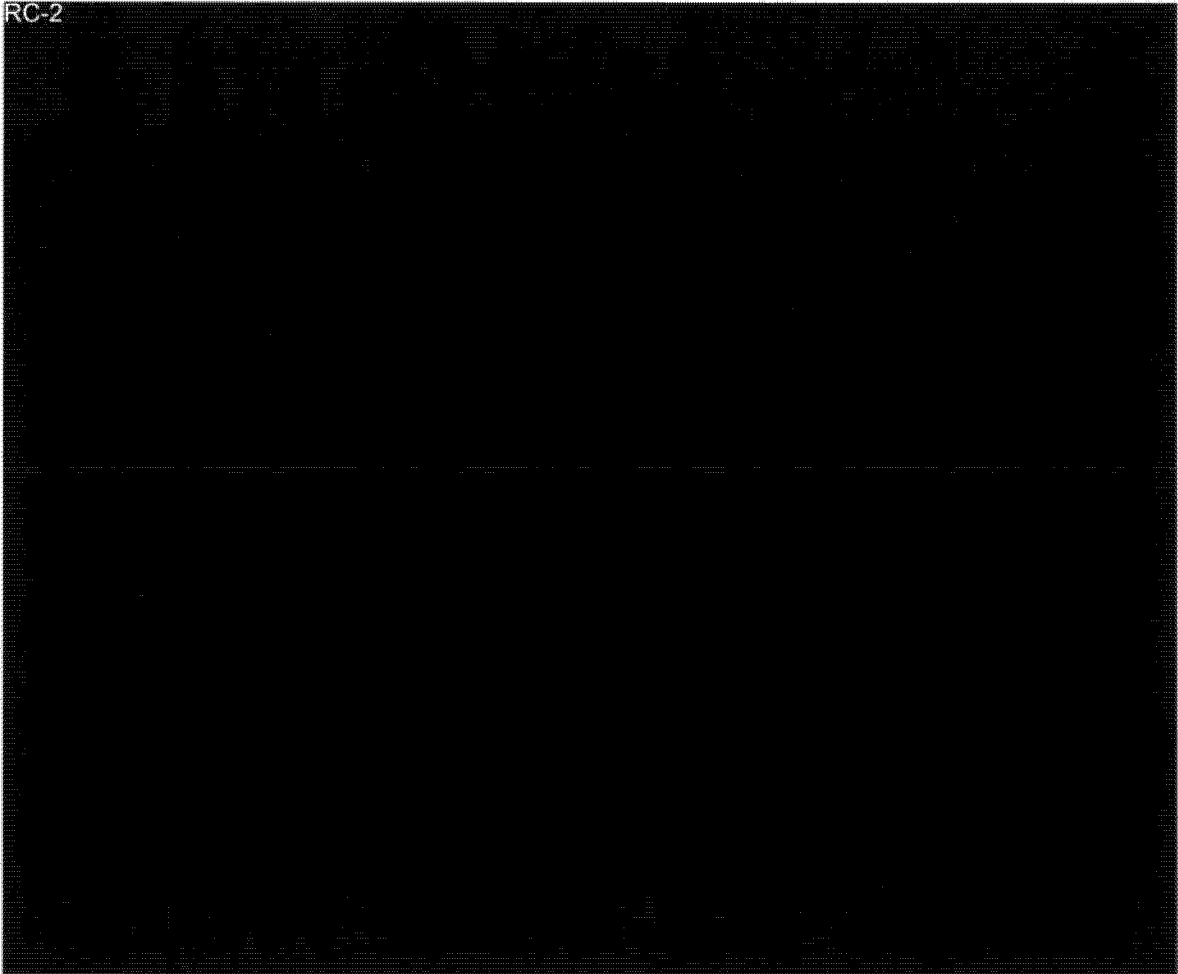
Thank you.

Kevin Simpson, Acting Division Operations Officer
U.S. Department of Justice - ATF
201 E. Washington Street - RC-1 [REDACTED]
Phoenix, Arizona 85004-2428
RC-1 [REDACTED]

PHOENIX FIELD DIVISION

Investigations:

Phoenix Group I



Phoenix Group VII

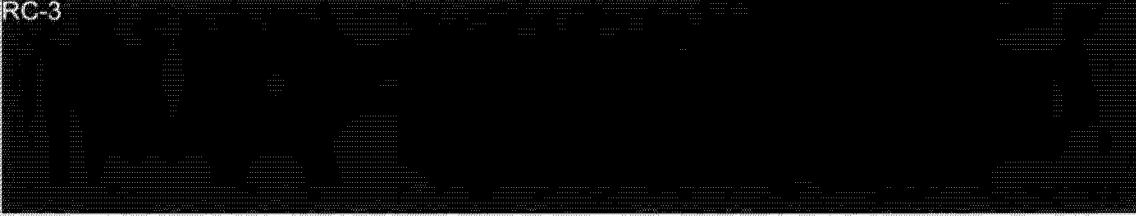


785115-10-0004: Jacob Chambers et al

HGR ATF - 002508

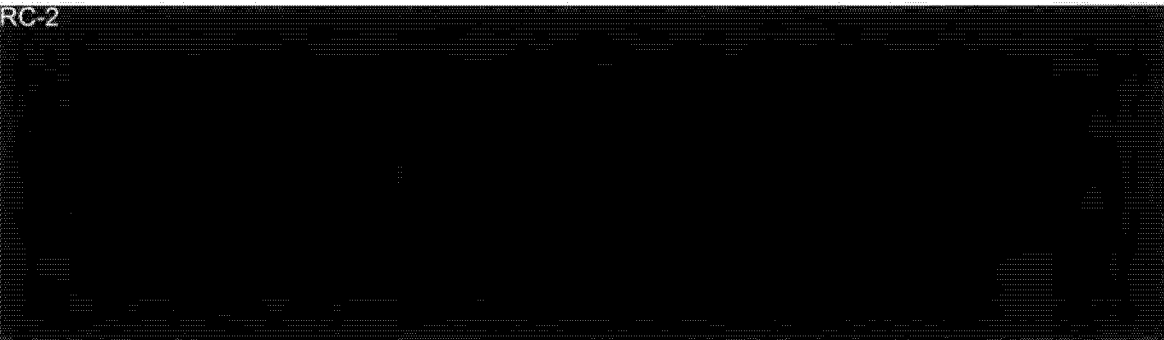
This case is a large scale conspiracy with RC-5 interconnected straw purchasers. Thus far in the investigation (September through present) the group has purchased over 500 firearms. Most of these firearms are the AK-47 type 7.62 assault rifles and the F.N. Herstal 5.7 mm pistols. Of those 500 firearms purchased by the group approximately 50 have been recovered in Mexico or near the Mexico Border (the serial numbers are continually being updated and changed thus affecting the trace results) with short time-to-crimes; some as little as one day. In one recovery on or about December 10, 2009, Mexican authorities recovered 500 kilos of cocaine, 85 pounds of methamphetamine, two million dollars US currency and over 40 firearms. Of those 40 firearms approximately 14 firearms were originally purchased by this crew. Additionally, the group supervisor and special agents from Group VII met with DEA officials. RC-3

RC-3



Las Cruces Group I

RC-2



From: Booth, David S. (IAO)
Sent: Monday, July 12, 2010 3:13 PM
To: Gillett, George T. Jr.
Subject: FW: not that you can or want to talk about it

George, please see below about SIEDO. Can we share anything (what?) with them? Thank you,

ATF SA David S. Booth
International Affairs Office
Program Manager-Mexico
99 NY Ave. NE, RC-1
Washington, DC 20226

RC-1

From: Fasciani, Dennis C.
Sent: Monday, July 12, 2010 2:58 PM
To: Booth, David S. (IAO)
Subject: RE: not that you can or want to talk about it

Can you check with Phoenix and see how much I can share with SIEDO on PATINO?? They have noticed all of his purchases and want to know what we are doing about him.

Dennis Fasciani
Analyst Chief
ATF Mexico Country Office
RC-1

From: Booth, David S. (IAO)
Sent: Monday, July 12, 2010 1:52 PM
To: Fasciani, Dennis C.
Subject: not that you can or want to talk about it

CASE TITLE: CHAMBERS, Jacob, et al CASE NUMBER: 785115-10-0004

On July 8, 2010 RC-3 ATF agents learned that Uriel PATINO was to purchase numerous firearms on behalf of Francisco Javier PONCE. Agents conducted surveillance as PATINO purchased ten (10) WASR 7.62 caliber rifles from a local Phoenix FFL. PATINO was followed away and observed to meet with another vehicle and transfer the firearms. Surveillance units followed this vehicle away and coordinated with the Phoenix Police Department to conduct a traffic stop on this second vehicle. The driver was an admitted illegal alien with no valid driver's license. The passenger was identified as Francisco Javier PONCE. The vehicle was towed and an inventory search conducted. The ten (10) WASR 7.62 caliber rifles purchased by PATINO were recovered by ATF agents as part of this investigation. Additionally a handgun was located in the vehicle and the illegal alien driver was arrested and booked as a prohibited possessor for this firearm.

ATF SA David S. Booth
International Affairs Office

HOGRAF - 002510

DOJ-FF-51438

Program Manager-Mexico

99 NY Ave. NE, RC-1

Washington, DC 20226

RC-1

From: Mercial, Yolanda M.

Sent: Friday, July 16, 2010 2:26 PM

To: Newell, William D.; Cook, Nancy F.; Gillett, George T. Jr.; Needles, James R.; Mangan, Thomas G.; Simpson, Kevin; Zicha, Marjorie L.

Subject: July 10 to July 15 2010 GRIT Performance Report

Attachments: July 10 to July 15 2010 GRIT Performance Report.docx

Good morning everyone,

This is the GRIT Report for July 10 – 16. If there are any amendments, additions or deletions to be made to the report, please advise me so I can make the changes prior to sending the report to BHQ.

Thanks.

**Phoenix Gun Runner Impact Teams (GRIT)
Performance Report**

GRIT Performance for Reporting Period July 12 -- July 16, 2010		
	Reporting Period	Since Inception
Number of Investigative Leads at the Start of GRIT (May 1, 2010)	N/A	25
Number of New Investigative Leads	61	130
Total Leads		155
Number of Leads Investigated	10	95
Number of New Actual Criminal Cases Opened	3	44
Number of Existing Investigations Supported by GRIT	0	76
Number of Defendants Recommended for Prosecution	5	20
Number of Referrals to U.S. LE Agencies	0	0
Number of Liaison Activities with the Gov. of Mexico	0	5
Number of Firearms/Other Evidence Seized/Recovered by ATF or Other LE Agencies Acting on ATF Information	783 firearms 25 Ammo Rounds \$0.00 Currency 37.4 Cocaine 48.1 grams Meth. 0 grams Marijuana	939 44,740 Rounds of ammunition \$800 currency 535 g. Cocaine 314.4 grams Methamphetamine 76.6 g. Marijuana Other
Number of FFL Inspections Initiated	42	508
Number of FFL Inspections Completed	40	347
FFL Adverse Actions Recommended:		
Number of Warning Letters/Warning Conferences	0	42
Number of Revocations (Recommended by Division and Concurred by HQ)	0	0
Number of Licenses Surrendered in Lieu of Revocation	0	0
Number of Criminal Enforcement Referrals Made by IOIs to ATF LE	7	85

Phoenix Group VII (OCDETF Strike Force)**785115-10-0004****OPERATIONS FAST AND FURIOUS**

On July 12, 2010, Federal Parolee, Kenneth Thompson was arrested and charged on Arizona state charges of Hit and Run and Felon in Possession of a Firearm after fleeing from Peoria Police Department patrol units. ATF provided Peoria Police with information that Thompson was in possession of firearms as part of an active RC-3 case; Operation Fast & Furious, 785115-10-0004. Thompson fled from officers and crashed his vehicle into a cinder block wall after jumping the train tracks near the intersection of 67th Lane and Grand Avenue, Peoria, AZ. Both Thompson and the unidentified passenger fled the scene on foot and a short time later Peoria Police officers captured Thompson approximately ½ mile from the scene. Thompson suffered a broken leg and was transported to a local hospital for treatment, the passenger was never located. Thompson was released from Federal custody in September of 2009, after serving approximately 60 months after he entered a plea of guilty to 21 USC 846, Conspiracy to Possess Marijuana in February 2004. During an inventory search of the vehicle, Peoria police officers recovered (20) ROMARM/CUGIR, 7.62x39 caliber rifles from the bed of the truck. The firearms had been purchased earlier that day by a subject identified as a straw purchaser in the coinciding ATF investigation. In addition, (2) pistols were recovered from the cab compartment of the vehicle. ATF agents took custody of the (20) ROMARM 7.62x39 caliber rifles as part of the ongoing ATF investigation. Peoria officer retained custody of the (2) pistols for further state prosecution.

On July 13, 2010, Phoenix Police Department (PPD) RC-5
 RC-5 Carlon's Auto Service located at 3501 W. Lincoln Ave., Phoenix, AZ RC-5
 RC-5 numerous firearms in a backroom RC-5 being "loaded up." The PPD Detective was aware of this ongoing ATF firearms trafficking investigation (Operation Fast and Furious) and coordinated with Phoenix Group VII agents. This business had previously been identified as being a related business for firearms trafficking activities as part of this investigation. ATF Group VII agents and PPD Detectives went to the business to conduct an interview. They obtained consent and subsequently recovered 73 firearms, as follows: 20 AK-47 variant rifles, 1 – Barrett .50 caliber rifle, 1 – AR-15 rifle, approximately 50 – semi-automatic pistols (mainly 9mm caliber), approximately 250 – 75 round drum magazines for 7.62 caliber rounds, as well as other various magazines and assorted ammunition. The traces of the firearms indicate that many are recently purchased by known straw purchasers in this investigation. Some of the 9mm pistols appear to be used (secondary market) firearms and this recovery took place following a large gun show in Phoenix, AZ the previous weekend (July 9-11, 2010). The 250 - 75 round drum magazines retail for over \$200.00 each which totals more than \$50,000.00 worth of magazines. This recovery adds to the total of 169 firearms recovered in the previous 25 days by Group VII agents and GRIT agents assigned to Group VII as part of Southwest Border Firearms Trafficking investigations.

RC-2

From: Gribble, Christine A.
Sent: Wednesday, July 21, 2010 9:25 AM
To: Newell, William D.; Needles, James R.; Cook, Nancy F.; Simpson, Kevin; Merial, Yolanda M.; Gillett, George T. Jr.
Subject: July 19 GRIT Performance Report
Attachments: July 19 GRIT Performance Report.docx

Good morning. Attached is the subject Phoenix GRIT Performance report.
The next report will be due on July 23. Thanks, Christine

*Christine Gribble
Program Analyst
Firearms Operations Division
Office of Field Operations
Bureau of ATF*

RC-1

**Phoenix Gun Runner Impact Teams (GRIT)
Performance Report
July 19, 2010**

GRIT Performance for Reporting Period July 12 – July 16, 2010		
	Reporting Period	Since Inception
Number of Investigative Leads at the Start of GRIT (May 1, 2010)	N/A	25
Number of New Investigative Leads	61	130
Total Leads		155
Number of Leads Investigated	10	95
Number of New Actual Criminal Cases Opened	3	44
Number of Existing Investigations Supported by GRIT	0	76
Number of Defendants Recommended for Prosecution	5	20
Number of Referrals to U.S. LE Agencies	0	0
Number of Liaison Activities with the Gov. of Mexico	0	5
Number of Firearms/Other Evidence Seized/Recovered by ATF or Significant Seizures by Other LE Agencies Acting on ATF Information	935 firearms	1,091 firearms
	817 rounds of ammunition	45,532 rounds of ammunition
		\$800 in currency
	37.4 g. cocaine	535 g. cocaine
	81.7 g. methamphetamine	348 g. methamphetamine
	28.3 g. marijuana	104.9 g. marijuana
		other
Number of FFL Inspections Assigned	42	508
Number of FFL Inspections Completed	40	347
FFL Adverse Actions Recommended:		
Number of Warning Letters/Warning Conferences	0	42
Number of Revocations (Recommended By Division and Concurred by HQ)	0	0
Number of Licenses Surrendered in Lieu of Revocation	0	0
Number of Criminal Enforcement Referrals Made by IOIs to ATF LE	7	85

RC-2

Phoenix VII**785115-10-0004 Operation Fast and Furious**

On July 12, 2010, Federal Parolee Kenneth Thompson was arrested and charged on Arizona state charges of Hit and Run and Felon in Possession of a Firearm after fleeing from Peoria Police Department patrol units. ATF provided Peoria Police with information that Thompson was in possession of firearms as part of an active RC-3 case (Operation Fast & Furious). Thompson fled from officers and crashed his vehicle into a cinder block wall after jumping the train tracks near the intersection of 67th Lane and Grand Avenue, Peoria, AZ. Both Thompson and the unidentified passenger fled the scene on foot and a short time later, Peoria Police officers captured Thompson approximately ½ mile from the scene. Thompson suffered a broken leg and was transported to a local hospital for treatment. The passenger was never located. Thompson was released from Federal custody in September of 2009, after serving approximately 60 months for 21 USC 846, Conspiracy to Possess Marijuana in February 2004. During an inventory search of the vehicle, Peoria police officers recovered 20 ROMARM/CUGIR 7.62x39 caliber rifles from the bed of the truck. The firearms had been purchased earlier that day by a subject identified as a straw purchaser in the coinciding ATF investigation. In addition, two pistols were recovered from the cab compartment of the vehicle. ATF agents took custody of the 20 ROMARM 7.62x39 caliber rifles as part of the ongoing ATF investigation. A Peoria officer retained custody of the two pistols for further state prosecution.

On July 13, 2010, the Phoenix Police Department (PPD) RC-5
 RC-5 Carlon's Auto Service, located at 3501 W. Lincoln Ave., Phoenix, AZ RC-5
 RC-5 numerous firearms in a backroom RC-5 being "loaded up." The PPD Detective was aware of ongoing ATF investigation Operation Fast and Furious and coordinated with Phoenix Group VII agents. This business had previously been identified as being a related business for firearms trafficking activities as part of this investigation. ATF Group VII agents and PPD Detectives went to the business to conduct an interview. They obtained consent and subsequently recovered 73 firearms, as follows: 20 AK-47 variant rifles, 1 Barrett .50 caliber rifle, 1 AR-15 rifle, approximately 50 semi-automatic pistols (mainly 9mm caliber), approximately 250 75 round drum magazines for 7.62 caliber rounds, as well as other various magazines and assorted ammunition. The traces of the firearms indicate that many were recently purchased by known straw purchasers in this investigation. Some of the 9mm pistols appear to be used (secondary market) firearms and this recovery took place following a large gun show in Phoenix, AZ the previous weekend (July 9-11, 2010). The 250 75 round drum magazines retail for over \$200.00 each, which totals more than \$50,000.00 worth of magazines. This recovery adds to the total of 169 firearms recovered in the previous 25 days by Group VII agents and GRIT agents assigned to Group VII as part of Southwest Border Firearms Trafficking investigations.

From: **ATF**

Sent: Friday, March 12, 2010 9:58 PM

To: Hurley, Emory (USAAZ); Gillett, George T, Jr.

Subject: We are on point with why guns walk and why we need a T-III

Attachments: Dot.dot

Gentlemen,

Not that either of you need me to convince you but the ATF ROI (attached) dated 2 days ago on a separate case is to the point.

- Female purchases 5 AK-47 variant rifles.
- Three are traced to Mexico, short time to crime.
- ATF interviews her; she sold one to "Sammy" at a party, don't know how to get a hold of Sammy. She sold two to Manual think he is in jail now. The other two she left at her apartment when she was kicked out because she only had 1 hour to move all her things out and she left them behind, no idea where they are now...

We need a wire to tie it all together!

Thanks for your continued support,

ATF

From: Chait, Mark R.
Sent: Wednesday, July 14, 2010 4:49:21 PM
To: Siskel, Edward N. (ODAG) (SMO)
CC: Hoover, William J.
Subject: Fw: SIR

This is second significant seizure yesterday by our CRIT.
Mark R. Chait
Assistant Director
Field Operations

NOTICE: This electronic transmission is confidential and intended only for the person(s) to whom it is addressed. If you have received this transmission in error, please notify the sender by return e-mail and destroy this message in its entirety (including all attachments).

----- Original Message -----
From: Significant Activity Report
To: SAR/SIR Message Delivery
Sent: Tue Jul 13 18:55:16 2010
Subject: FW: SIR

From: **ATF**
Sent: Tuesday, July 13, 2010 6:54:52 PM
To: Needles, James R.; Newell, William D.; **ATF**;
Significant Activity Report
Subject: SIR
Auto forwarded by a Rule

DEPARTMENT OF JUSTICE - BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND
EXPLOSIVES
SIGNIFICANT INFORMATION REPORT

DATE: July 13, 2010
FROM: Phoenix Field Division
FIELD OFFICE: Phoenix VII Field Office

CASE INFORMATION

CASE NUMBER: 785115-10-0004
CASE TITLE: CHAMBERS, Jacob, et al
SPECIAL AGENT: **ATF**
TELEPHONE NUMBER: **RC-1**

SYNOPSIS OF INCIDENT/ACTIVITY:

Recovery of 20 - 7.62 rifles as part of **RC-3** investigation.

HOCR ATF - 002519

NARRATIVE OF INCIDENT/ACTIVITY:

On July 12, 2010, Federal Parolee, Kenneth Thompson was arrested and charged on Arizona state charges of Hit and Run and Felon in Possession of a Firearm after fleeing from Peoria Police Department patrol units. ATF provided Peoria Police with information that Thompson was in possession of firearms as part of an active RC-3 case; Operation Fast & Furious, 785115-10-0004. Thompson fled from officers and crashed his vehicle into a cinder block wall after jumping the train tracks near the intersection of 67th Lane and Grand Avenue, Peoria, AZ. Both Thompson and the unidentified passenger fled the scene on foot and a short time later Peoria Police officers captured Thompson approximately 1/2 mile from the scene. Thompson suffered a broken leg and was transported to a local hospital for treatment, the passenger was never located. Thompson was released from Federal custody in September of 2009, after serving approximately 60 months after he entered a plea of guilty of 21 USC 846, Conspiracy to Possess Marijuana in February 2004.

During an inventory search of the vehicle, Peoria police officers recovered (20) ROMARM/CUGIR, 7.62x39 caliber rifles from the bed of the truck. The firearms had been purchased earlier that day by a subject identified as a straw purchaser in the coinciding ATF investigation. In addition, (2) pistols were recovered from the cab compartment of the vehicle. ATF agents took custody of the (20) ROMARM 7.62x39 caliber rifles as part of the ongoing ATF investigation. Peoria officer retained custody of the (2) pistols for further state prosecution.

This recovery adds to the total of 96 firearms recovered in the previous 24 days by Group VII agents and GRIT agents assigned to Group VII as part of Southwest Border Firearms Trafficking investigations.

From: Hoover, William J.
Sent: Thursday, July 01, 2010 5:23 PM
To: Siskel, Edward N. (ODAG) (JMD); Michalic, Mark (ODAG) (JMD)
Subject: AZ seizures re guns to MX

Ed and Mark,

Just wanted to share two seizures made this week in separate cases from AZ.

1) SYNOPSIS OF INCIDENT/ACTIVITY:

Recovery of twenty-seven (27) firearms that were straw purchased.

NARRATIVE OF INCIDENT/ACTIVITY:

RC-2



NARRATIVE OF INCIDENT/ACTIVITY:

On June 30, 2010 as part of an ongoing OCDEF RC-3 investigation into Southwest Border Firearms Trafficking activity ATF Phoenix Group VII agents assisted by the Phoenix Police Department conducted a traffic stop on Alfredo CELIS (a 19 year old Hispanic male.) CELIS had recently purchased twenty (20) Century International Arms, WASR-10, 7.62 caliber rifles (an AK-47 variant) from a local Phoenix FFL. CELIS was traveling in a motor vehicle for which the license plate was not valid in the State of Arizona. The vehicle was towed for impound and the above firearms were taken into ATF custody as part of this ongoing investigation. Also recovered from inside the vehicle and purchased by CELIS were twenty (20) 7.62 caliber

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high capacity magazines. CELIS paid a total of \$11,000.00 cash for the above items. ATF utilized a Phoenix Police Department narcotics detection canine (K-9) which alerted on the \$11,000.00 cash as being positive for the presence of narcotics residue.

Billy

William J. Hoover
Executive Assistant Director
RC-1

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DOJ-FF-51450