

ATF Houston Field Division
Houston Group IX
April 13, 2011

SUBJECT:

Firearms trafficking investigation into [ATF] et al, 782095-11-0009, who is trafficking large quantities of firearms and firearm accessories to Colombia, South America.

HISTORY OF INVESTIGATION:

Houston IX ATF Agents conducting investigative efforts into gun trafficking activity have identified several persons involved in a conspiracy to traffic modified firearms into Colombia, South America.

On October 27, 2010, ATF received information from an ATF Asset Forfeiture Investigator of [ATF] suspicious and suspected firearms trafficking activities. A Suspicious Activity Report (SAR) from USAA bank and JP Morgan / contained information on money being wired to [ATF] from Columbia, South America. [ATF] subsequently purchased firearms within a couple of days of receiving this wire transfer.

A review of [ATF] bank account records, involving multiple institutions, from November 2009 thru November 2010 revealed \$118,000.00 wired into his bank account directly from Columbia, South America. In that same time frame, [ATF] is known to have purchased 100 firearms costing over \$50,000.00 and over \$50,000.00 of firearm accessories.

It has been discovered that [ATF] moved to the Houston, TX area in July 2010 with his [ATF] a Colombian National. Since moving to the Houston area [ATF] has continued to receive money wires from Columbia and purchase firearms and firearm accessories.

On December 7, 2010, [ATF] was observed going to a U-Haul storage facility located at 10515 Southwest Freeway, Houston TX, 77074 and exiting the building with five boxes.

On December 8, 2010, [ATF] was surveilled leaving his residence. [ATF] [ATF] Houston, TX 77036, with his [ATF] were observed entering Fed-Ex at 12121 Westheimer Blvd., Houston, TX with five boxes that appeared to be the same boxes that [ATF] removed from the storage unit. ICE/ATF contacted Fed-Ex and obtained the shipping information on the five boxes, three Fed-Ex boxes were labeled as follows:

- Sender: [ATF] Phone number [ATF] address [ATF]
[ATF] Oklahoma City, OK 73134
- Recipient: [ATF]
[ATF] Medellin, Antioquia, Colombia
- Total packages: 3
- Contents: 8 machine castings valued at \$250.00
Two Fed-Ex boxes were labeled as follows:
- Sender: [ATF] Phone number [ATF] Company Machine
plus, address [ATF] Bellaire, TX 77401
- Recipient: [ATF] address [ATF]
[ATF] Medellin, Antioquia, Colombia
- Total packages: 2
- Contents: 10 pressure washer handles valued at \$500.00

Pursuant to ICE's U.S. Border Search Authority, the five packages which were being shipped to Colombia were located and searched. The items inside the packages did not match the items declared for shipment. ATF and ICE Special Agents conducted a search of the five seized packages and recovered 16 firearms (8 FN HERSTAL, Model FIVE-SEVEN, 5.7 caliber, semi-automatic pistols and 8 Double Star, Model STAR-15, 5.56 caliber, rifle lower receivers, 24 firearm magazines, 8 firearm cleaning kits, 8 pistol grips, 3 forward pistol grips, 3 front rail sights and 3 firearm tools. The serial numbers on all 16 firearms had been obliterated.

This investigation has also discovered that [ATF] has a [ATF] who resides in Oklahoma. Shortly before the December 8th seizure it was learned that [ATF] recently purchased 10, FN HERSTAL, model FIVE-SEVEN, 5.7 caliber, semi-automatic pistols. [ATF] had previously lived at the same residence as [ATF] in Oklahoma. It is believed that the 8 FN HERSTAL, model FIVE-SEVEN, 5.7 caliber, semi-automatic pistols that were seized were from [ATF] purchase. This is based upon the above elements and the FN's being of the same greenish tinge that [ATF] purchased and that were recovered.

On December 15, 2010, [ATF] was observed purchasing eight Rock River, Model AR0114RRA, stripped lower receivers and eight trigger kits totaling \$1,454.88 from Class 3 Weapons, a Houston based FFL.

On December 16, 2010, while being surveilled, [ATF] was observed placing a UPS box into a UPS drop box at 8330 Sweetwater Lane, Houston, TX 77037. ATF/ICE contacted the UPS distribution center, located at 8330 Sweetwater Lane, Houston, TX 77037 and located and seized the package. The package contained the following information on the International Air Waybill:

- **UPS, International Air Waybill –Number Y73931SR78S**
- **Sender:** ATF Phone number ATF Company Machine parts, address ATF Bellaire, TX 77401
- **Recipient:** ATF Company Donde Jorge, address ATF ATF Medellin, Antioquia, Colombia
- **E-mail:** ATF
- **Phone:** ATF
- **Contents:** 3 Aluminum casting- replacement parts for glass edging machine DL49J-90round
- **Total Value:** \$75.00

On December 16, 2010, the aforementioned packages were seized. A search of the seized package yielded: 3 Rock River, Model AR0114RRA lower receivers, 3 pistol grips and 3 packages of firearm hardware. The serial number on all 3 firearms had been obliterated.

This investigation has identified that ATF has shipped 68 packages to Colombia between April 2010 and November 2010 through one account with Fed-Ex. ATF also uses several accounts with Fed-Ex and UPS. It has not conclusively been determined exactly how many packages ATF has sent to Colombia. This investigation has determined that ATF has signed for multiple packages in Colombia.

On January 3, 2011, ATF was observed moving his possessions out of his storage unit at U-haul. ATF used an engine jack to move two commercial size drill presses from the U-haul storage facility. ATF was then observed unloading his items, including the two drill presses, to a workshop at 9208 ½ Rasmus Drive, Houston TX, 77063.

On February 10, 2011, ATF returned to the United States from Colombia through Miami. During this re-entry, ATF was searched by U.S. Customs and it was discovered that REGAN had \$12,000.00 of undeclared U.S. currency on his person along with three invoices associated with firearm purchases. ATF has traveled to Colombia several times during this investigation.

On March 1, 2011 ATF and ICE discovered through subpoena's that from December 18, 2010 through February 1, 2011, ATF used a UPS account to deliver eleven (11) packages to Colombia. Additionally, from February 1-2, 2011, ATF shipped fifteen (15) additional packages to Colombia using Fed-Ex. Prior to March 1, 2011 ATF and ICE were unaware of these packages being shipped.

On March 2, 2011, ATF was surveilled dropping off 4 FedEx packages at a drop box. ATF/ICE coordinated with FedEx and examined the packages which were bound for Colombia. These four packages were consistent with 5 additional

packages at the FedEx central office in Houston with the same names and account information. All 9 packages contained 2 different commercial accounts headed to 2

different locations in Colombia. A subsequent search of the boxes lead to the discovery of 15 Surplus Ammo & Arms, Model Low 15, .223 caliber rifle, SN Obliterated and 2 disassembled AR-15 type rifles without the receivers. A query of these new FedEx accounts revealed that 9 packages were delivered to these 2 addresses in Colombia on Wednesday March 2.

On March 3, 2011 ATF/ICE Houston made a controlled delivery of 12 firearms to the Colombian National Police in Bogota, Colombia. This delivery was assisted by the ATF Colombian Attaché Office. This was a collaborative effort to assist the Colombian Government in identifying those persons responsible for providing illegal firearms to Narco-Terrorists in the area of Medellin, Colombia.

SEARCH WARRANT RESULTS:

On March 8, 2011 ATF Houston Group 9 and ICE conducted arrest warrants for **ATF** **ATF** who were trafficking firearms directly to Colombia.

Additionally, four (4) SW's were executed which resulted in the seizure of the following: (7) FA's including a 14 inch .223 caliber rifle, 3,000+ rounds of ammunition, (49) .223 caliber receivers (10 with obliterated SN's), (24) unmilled .223 caliber receivers, (8) machine templates used to mill FA receivers, (14) Complete .223 caliber Upper Kits, (8) pistol grips, (15) FA Boxes with info that will allow for traces to be submitted, 1 sheet of LSD, (17) Debit Cards, (16) pages of FedEx/UPS shipping #'s, 3 computers, 2 SD Cards, 2 Flash Drives, 1 External Hard Drive, a Drilling & Milling Machine, a Drill Press, and numerous drills, dremel tools and other hardware.

These four Search Warrants were conducted to coincide with controlled deliveries of firearms in Colombia with the Colombian National Police (CNP). 15 Firearms seized by ATF Houston/ICE were delivered on Thursday March 3, 2011 to the CNP by ATF/ICE Houston. **ATF** and delivered to addresses identified in this investigation. Nine packages were delivered today to 2 different locations. This has lead to the seizure of 20,000,000 pesos (\$10,000 US) and 3 firearms. These totals are being reported by the Colombian Government but have yet to be substantiated by US LEO's in Colombia. The Colombian investigation is still ongoing based upon Colombian wiretap information, today's leads and statements made by **ATF** who after his arrest earlier today.

ATF stated the following information: He has shipped approximately 125 firearms to Colombia within the last six months. All of these firearms have been .223 in caliber. **ATF** provides firearms to **ATF** (El Pablo, Medellin, Colombia) who is a high ranking member of The Urabenos, a paramilitary organization in Colombia. **ATF** then

transports the firearms inside of sofas to Necocli, Colombia on the southeastern part of the country. [ATF] provides them to [ATF] the leader of this group. [ATF] informed [ATF] that this organization contains approximately 11,000 soldiers. [ATF] requested 3,000 AR-15 rifles from [ATF]. [ATF] stated his organization was switching from 7.62 to .223 due to the price of ammo. [ATF] also requested 20 FN pistols which were acquired by [ATF] in Oklahoma. ATF/ICE Houston subsequently seized 8 of these FN's on December 8, 2010. [ATF] communicate via Blackberry Messenger frequently. [ATF] wire transfers money to

[ATF] accounts or has [ATF] wire transfer him money. [ATF] stated he was paid weekly for the last six months. However, recently [ATF] is wired money from either Colombia or by a FNU LNU that [ATF] utilizes in the New York City area.

[ATF] also provided statements which implicated her involvement in this firearms trafficking conspiracy as well as her [ATF]. [ATF] also stated that her [ATF] is a member of the Colombian National Police.

[ATF] further stated he purchased multiple FN pistols from a Houston based FFL, The Guns of August (ATF Inv. 782095-11-0030). This particular FFL was immediately inspected by ATF and the FFL [ATF] immediately gave up his FFL license for a wide variety of infractions. A subsequent review of [ATF] 4473's revealed [ATF] purchased an additional 20 FN pistols that ATF was unaware of due to the fact [ATF] never completed multiple sales reports. [ATF] had countless 4473's which indicate straw purchasing schemes. These are currently being investigated by Houston 9.

On April 12, 2011, [ATF] turned himself into the U.S. Marshal Service in Houston, Texas and is to be arraigned on April 13, 2011.

PARTICIPANTS:

This is a joint investigation with ICE.

CASE AGENT

Special Agent [ATF]
Houston Group IX

BRIEF PREPARED BY:

[ATF]
Group Supervisor Houston IX

