

Office of Field Operations
Phoenix Field Division
October 3, 2007

SUBJECT: International firearms trafficking investigation in support of ATF's Southwest Border "Gunrunner" Initiative, UI# 785045-07-0177, [ATF]

PURPOSE:

- To brief the Deputy Assistant Director (West) of the initiation of and recent developments in an international firearms trafficking investigation in the Phoenix Field Division.
- To request EPS and Mexico City Country Office (MCO) assistance in this investigation via close coordination with Mexican law enforcement counterparts.
- To inform as to proposed actions in the near future in this investigation.

BACKGROUND:

- During the week of July 2, 2007, ATF Special Agents and task force officers of the Phoenix II (Firearms Trafficking) Field Office initiated an investigation into suspected firearms trafficking by [ATF]. Per ATF Online LEAD, [ATF] purchased fourteen (14) firearms since January 31, 2007. Agents responded to the source firearms dealer, X Caliber Guns. It was determined [ATF] has purchased a total of forty one (41) firearms from a Phoenix FFL. ATF intelligence analysts indicated that [ATF] (and vehicles registered to him) recently crossed the international border (from Mexico into the United States) on twenty three (23) different occasions. A criminal history search revealed that [ATF] had been arrested by the San Bernardino Sheriff's Department (California) for a misdemeanor offense. ICE Agents later informed ATF that USCBP authorities physically identified [ATF] and [ATF] during a July 2007 border crossing.
- On August 8, 2007, ATF Phoenix Group II Special Agents determined that [ATF] had purchased an additional thirteen (13) firearms from a Phoenix FFL. Further inquiry revealed that [ATF] also made thirteen (13) recent border crossings into the U.S. On August 9, 2007, a "trash search" at the residence of [ATF] uncovered the packaging, labels and manuals for various firearms. Upon reviewing the items recovered from [ATF] garbage bin, agents also identified a Visa card receipt to have been issued from the Tufesa bus station. Tufesa Bus Lines only travel to destinations in Mexico. Agents compiled a log of all documented international border crossings for [ATF].
- Since July 2007, the Phoenix Field Division has established liaison with Mexico AFI through the ATF Country Attaché in Mexico City, Mexico. In furtherance of ATF's Southwest Border "Gunrunner" Initiative Phoenix Group II Special Agents have

attempting to pursue a joint ATF-AFI firearms trafficking investigation. The goal of the effort is to coordinate and perfect an international firearms trafficking case culminating with prosecution by the Mexican Attorney Generals Office. The District of Arizona, U.S. Attorney's Office has been informed of the joint investigation and are supportive of this cooperative effort. Agents determined that [REDACTED] **ATF** [REDACTED] have collectively purchased over 200 firearms (including AK-47 and AR-15 style rifles and high quality pistols [e.g. Beretta, Glock]). Moreover, four (4) of the aforementioned firearms were recovered in Sonora, Mexico (Arizona border area) in association with a kidnapping investigation. [REDACTED] **ATF** [REDACTED]

- On September 26 and 27, 2007, Phoenix Field Division Special Agents conducted [REDACTED] **ATF** [REDACTED] Phoenix Group II Special Agents had good information that these two subjects were in possession of approximately 19 firearms (including assault style rifles and Beretta and Glock 9mm pistols) and were planning another firearm smuggling trip into Mexico. These Special Agents coordinated their surveillance operation with Tucson I Field Office and the ATF Mexico Country Attaché. The plan, as agreed to by all parties and authorized by the Phoenix Special Agent in Charge, was to follow these two subjects to the border crossing in Nogales, Arizona all the while being in constant communication with an ATF MCO rep who in turn would be in constant contact with a Mexican law enforcement counterpart at the port of entry and authorized to make a stop of the suspect vehicle as it entered into Mexico.
- On September 27, 2007, at approximately 10:00pm, and while the Phoenix Group II Special Agents, an MCO Special Agent and Mexican counterparts were simultaneously on the phone the suspect vehicle crossed into Mexico. ATF Special Agents observed this vehicle commit to the border and reach the Mexican side until it could no longer be seen. The ATF MCO did not get a response from the Mexican authorities until 20 minutes later when they informed the MCO that they did not see the vehicle cross.
- The ATF MCO subsequently met with several (participating) heads of the Mexican agencies regarding the outcome of this joint international operation. The ATF MCO was dealing with a person from Mexican Customs [REDACTED] **ATF** [REDACTED] who was trying very hard to assist the ATF MCO due to his good standing, position and relationship with this office; however, the person that he was in contact with at the other end was not as sincere. The MCO ensured that all the various agencies were made aware of this incident to include the U.S. Ambassador, Deputy Chief of Mission, and U.S. Mission law enforcement counterparts. The MCO also met with [REDACTED] **ATF** [REDACTED] of the PFP, who has provided the ATF MCO with the names of our double-vetted Mexican counterparts along the U.S./Mexico Border for future joint operations.
- On September 30, 2007, Phoenix Group II Special Agents received information that the suspect vehicle returned to the U.S. on September 28, 2007 and is back in the Phoenix area. Phoenix Group II Special Agents have also received information that since returning to Phoenix [REDACTED] **ATF** [REDACTED] have purchased another dozen "weapons of choice" and might be planning another trip to Mexico this coming weekend.

This information has been passed to the MCO and the Phoenix SAC, who has approved that this issue be handled as previously done.

- On October 3, 2007, the ATF MCO advised the Phoenix Field Division that they had received information from CENAPI (The Mexican Gun Unit), who advised the ATF MCO that they had just received trace results from a kidnapping that occurred in Tijuana, B.C., Mexico on September 19, 2007, where four of the weapons recovered from the scene were traced (via E-Trace) back to suspect [ATF]. Further, that [ATF] could be a supplier of weapons to the [ATF] drug trafficking organization.

ISSUES/PROBLEMS:

- Ensuring that the MCO Mexican law enforcement counterparts are fully ready and capable to conduct a closely coordinated operation as was expected the previous attempt
- Ensuring operational security with the Mexican law enforcement counterparts since recent information indicates these Phoenix Group II firearms trafficking suspects are directly supplying the [ATF] drug trafficking organization, currently one of the largest and most violent in Mexico.

ACTION or FOLLOW-UP:

- The Phoenix Field Division is working closely with the ATF Mexico Country Office (MCO) to ensure that the appropriate Mexican law enforcement counterparts are prepared to respond should [ATF] start heading south later this week as is suspected
- The Phoenix Field Division is currently providing the MCO copies of the appropriate ATF F 4473's in order for them to be certified at the U.S. Embassy for use by the Government of Mexico (GOM) to perfect their case. This is all in preparation for their arrest(s) and possible search warrants. If an arrest should occur in Mexico, the GOM only has 72 hours to make a case against the defendant(s).

EXPECTED OUTCOMES:

- If [ATF] are arrested on the Mexican side of the border with a large load of "weapons of choice", as is the plan, then this incident should generate a large amount of positive press about the new close working relationship between ATF and the GOM in addressing an issue of serious concern to them
- If successful this case should be used as an example by ATF as our commitment to DOJ and ATF's Southwest Border "Gunrunner" Initiative, OCDETF Southwest Region's "Gatekeeper" Initiative, and our ability to be the lead Federal law enforcement agency in international firearms trafficking investigations

BUDGET IMPACT:

- Operationally - Minimal at the local level.
- Politically - Potential for use in supplemental budget requests as part of “Plan Mexico” formulation, a multi-billion U.S. anti-narcotics aid package to Mexico. Potential use as well in additional OCDETF funding due to this case being directly related to the Southwest Region’s “Gatekeeper” Initiative.

DOJ POSITION/INTEREST:

- If successful this case should be of intense interest at DOJ for use in high-level bi-lateral (SLEP) meetings regarding the issue of the U.S.’s response to the Government of Mexico’s serious concerns at the highest levels as to our commitment/ability to disrupt the illegal flow of firearms to Mexico and specifically violent Mexican drug trafficking organizations.
- Has the potential to further our role in the OCDETF Southwest Region’s “Gatekeeper” initiative. “Gatekeeper” is a multi-agency, multi-district attack on the “Gatekeepers” – the individuals and organizations that control the flow of drugs through the Southwest Border corridors linking Mexico and the United States. The Gatekeepers generally operate at the behest of a Mexican drug cartel and are located at and manage geographically specific entry points along the United States-Mexico border.

CONGRESSIONAL INTEREST: Yes, especially along U.S./Mexico border region.