

**Southwest Border Initiative
(Project Gunrunner)**

Biweekly Update

March 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

Investigations & General

781035-09-0059 EL INDIO/PAULINO FIREARMS TRAFFICKING ORGANIZATION: On 3/1/2010, [ATF] in this case was sent into the residence of [ATF] who are trafficking firearms into Mexico. [ATF] established contact with [ATF] and was able to determine that they are no longer trafficking firearms into Mexico. Also, [ATF] in this case was removed on 3/4/2010.

781035-09-0051 [ATF] On 02/24/2010, [ATF] purchased two firearms, a Colt, Model: Sporter, Caliber: 7.62x39 rifle and a Springfield Armory, Model: M1A, Caliber: .308, rifle from [ATF] [ATF] was also present during the purchase of the rifles. Both [ATF] are convicted felons.

781035-09-0050 [ATF] is currently testifying as a government witness for a DEA case in trial.

HOUSTON FIELD DIVISION**Investigations:****Corpus Christi Field Office**

782020-08-0088 [ATF] Agents have been conducting additional background to attempt to determine [ATF] location. Additional financial subpoenas are pending.

782020-09-0017 [ATF] S/A [ATF] has determined that the [ATF] DTO/FTO has connections to DEA OCDETF investigation, Operation HOCUS POCUS. HOCUS POCUS is targeting cells of the Gulf Cartel. S/A [ATF] and ICE S/A [ATF] have met with and briefed AUSA Hampton on the latest information. AUSA Hampton plans to resubmit the [ATF] investigation for OCDETF status.

782020-10-0031 [ATF] The defendant in this investigation, [ATF], was arrested for lying on an ATF F 4473 regarding his place of birth. [ATF] is currently out on bond and is unaware of the ongoing investigation regarding firearms trafficking.

The list of potential buyers is up to seven individuals who purchase primarily Bushmaster M4s. Additionally, when the phone numbers obtained from the defendant's phone were run through DEA SOD, six of the numbers were hits on active DEA cases. Intelligence indicates that the Mexico phone number in contact with the defendant is reportedly about two steps away from the head of the [ATF] organization, [ATF]. [ATF] Some of the phone records have been obtained through grand jury subpoenas and others are still pending.

Houston Group VIII

782085-08-0010 [ATF] On February 18, 2010, [ATF] was found guilty of Capital Murder and sentenced to life in prison in State Court. On December of 2009, [ATF] was also sentenced to life in prison for shooting [ATF] the wrong target of murder for hire. [ATF] the third person, pled guilty of murder and is awaiting sentencing. The mastermind in this case, [ATF], is awaiting trial in State court. [ATF] plead guilty on an unrelated narcotics charge (arrested by DEA) while on bond in the murder investigation.

782085-10-0017 [ATF] On February 24, 2010, members of ATF Group VIII and a TFO from the Houston Police Department obtained and executed a search warrant at [ATF] residence. [ATF] a prohibited person, has been incompetent to stand trial for 922 (g)(4). No firearms were found at his residence, but five pawn slips were recovered in his name. Firearms were seized from Pawn Shops since they are in [ATF] name.

McAllen I

782055-09-0055 [ATF] On or about, 02/26/2009, ATF McAllen agents initiated an investigation into the straw purchasing activities of an individual named 2

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ATF During the course of the investigation, **ATF** admitted to purchasing 11 firearms for an individual believed to be a Mexican national who resides in Monterrey, Nuevo Leon, Mexico. One of the firearms purchased by **ATF** was recovered in a seizure in Mexico. Some of the firearms acquired by **ATF** were highly trafficked firearms extremely desired by Mexican Drug Cartels. On 05/22/2009, **ATF** was arrested after being indicted for 18 USC 924(a)(1)(A). **ATF** pled guilty and on 02/23/2010, was sentenced to 18 months.

782055-09-0036 **ATF** et.al.: **ATF** is the subject of two other ATF investigations in which straw purchasers admitted to purchasing firearms for **ATF**. In conducting this investigation, ATF has been successful in disrupting a small cell of straw purchasers operating out of Hidalgo, Texas. ATF has identified **ATF** who is a recruiter of straw purchasers for **ATF**. During this investigation, ATF has identified a total of seven straw purchasers. **ATF** **ATF** was taken into custody by ATF on 2/1/10 for Alien in possession of ammunition, 18 USC 922(g)(5)(B), and was indicted on 2/9/10. **ATF** is currently being held without bond.

McAllen III

782115-10-0009 **ATF** et.al.: **ATF** is the subject of an ongoing ATF investigation in which straw purchasers admitted to purchasing firearms for a recruiter identified as **ATF**. In conducting this investigation, ATF has been successful in disrupting a small cell of straw purchasers operating out of Weslaco, Texas. ATF has identified approximately six subjects involved in the straw purchasing cell. Upon reviewing the firearms, all of the firearms purchased by these subjects are highly trafficked weapons extremely desired by drug trafficking organizations in Mexico.

782115-10-0012 **ATF** is the subject of an on-going ATF investigation. **ATF** is a suspected straw purchaser who has purchased approximately three firearms. All of the firearms purchased by **ATF** are highly trafficked weapons extremely desired by drug trafficking organizations in Mexico.

782115-10-0016 Operation Azalea: On February 2010, ATF McAllen Group III agents received information from **ATF** that stated an individual only known as **ATF** was trying to obtain 10 AK-47s, 10 AR-15s, and 20 grenades daily to aid the Los Zetas in Mexico. The source stated the firearms were going to the head "Zeta" of the Michoacán area. Agent **ATF** conducted numerous checks through several databases and identified an individual named **ATF** who had recently purchased 2 pistols (1 being a 7.62x39mm pistol and the other being a .223 caliber pistol) from a local FFL in McAllen, TX. **ATF** positively identified **ATF** also stated there was another individual that was involved named **ATF**. It should be noted that **ATF** has multiple state warrants for various felony arrests. ATF agents have conducted surveillance on **ATF** in which he purchased a 7.62x39mm rifle from a local FFL. **ATF**

ATF (See 3/12/10 SIR for update.)

782115-10-0015 **ATF** On 01/26/2010, ATF McAllen Group III initiated an investigation into the straw purchasing activities of **ATF**. During the investigation, it was discovered that **ATF** were 3

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responsible for acquiring firearms. Additionally, ATF uncovered that [ATF] was affiliated with the Gulf Cartel. On 02/25/2010, ATF arrested [ATF] for 18 USC 924(a)(1)(A). ATF is currently pursuing charges on [ATF] and anticipates additional arrests in the future.

782115-10-0004 [ATF] On 10/02/2009, ATF McAllen Group III initiated an investigation into a straw purchasing ring acquiring large caliber rifles. During the course of the investigation ATF agents indentified [ATF] as a convicted felon who was actively purchasing firearms from individuals through the internet. Additionally, [ATF] was recruiting straw purchasers who would acquire highly trafficked firearms extremely desired by Mexican Drug Trafficking Organizations. On 01/31/2010, [ATF] was arrested after ATF obtained an arrest warrant charging [ATF] with 18 USC.

LOS ANGELES FIELD DIVISION

No new updates provide for this period.

PHOENIX FIELD DIVISION

Investigations:

Albuquerque Field Office

785010-09-0108 [ATF] FFL Theft: On February 6, 2009, approximately 300 firearms (including 12 registered NFA Firearms), over 10,000 rounds of various caliber ammunition, 5 motor vehicles and additional property from a storage unit used by FFL [ATF] was stolen in Moriarty, Tarrant County, New Mexico. An anonymous caller implicated a family member of [ATF] in the theft. In May 2009, five long guns stolen from the theft were recovered in Mexico by the Mexican Army, in Nicholiss Bravo, Mexico. In June 2009, three firearms were seized from two suspects at a Border Patrol Check Point in the Las Cruces, New Mexico area. One of the firearms was stolen from [ATF] It is yet to be determined if the other two firearms are also part of the [ATF] theft.

A Federal Grand Jury, sitting in Albuquerque, New Mexico, heard the testimony of 13 witnesses which included testimony related to cell tower information, cell phone subscriber information and toll information. [ATF] is suspected in the theft of over 200 firearms, including 12 NFA firearms and up to 20,000 rounds of various caliber ammunition from [ATF] (a Federal Firearms Licensee and a Class III dealer). The total estimated value of the stolen property was \$500,000. On January 13, 2010, the Federal Grand Jury returned a six count indictment charging [ATF] with the theft and movement of the stolen firearms and ammunition and other property. She remains in Federal custody. This investigation is continuing and perfection of a case against [ATF] co-conspirators is expected.

Las Cruces Group I

785095-10-0010 [ATF] On February 25, 2010, special agents from the Las Cruces I and II Field Offices along with Las Cruces DEA conducted surveillance on [ATF] During the surveillance, [ATF] was observed picking up three AK-47 4

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style rifles from a Las Cruces FFL. [ATF] then transported the rifles to a residence, in El Paso, Texas. [ATF] was observed wearing rubber gloves while transporting the firearm boxes into the back yard of the residence. [ATF] and special agents are still awaiting subpoenaed records to be returned. Since May of 2009, [ATF] has purchased a total of 19 AK-47 style rifles. All of the rifles have been submitted as suspect guns but no recoveries have been reported, to date.

Phoenix Group I

785041-09-0009 [ATF] This case is scheduled to be tried in Federal court, on May 25, 2010. The case agent is working with the ATF Mexico City attaché regarding [ATF] DOB: [ATF] is a deported criminal alien (narcotics trafficking). [ATF] was identified as the Mexico connection to [ATF] and, possibly, the main money provider and head of a narcotics and firearm trafficking cell based in the Phoenix area. [ATF] was recently apprehended in Mexico with a group of armed men.

Phoenix Group VII

785115-09-0003 [ATF] ATF Phoenix Group VII continues to work with DEA and the U.S. Attorney's Office to perfect this case and prosecute four defendants arrested with ten pounds of methamphetamine and approximately \$200,000.00 in U.S. currency when they attempted to purchase firearms from ATF undercover agents, on February 17, 2010.

785115-10-0004, [ATF] 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. ATF obtained a Court Order authorizing [ATF] [ATF] 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 [ATF]. 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 provided two updated "pings" that it was moving and then went into a "not responding" mode. On February 20, 2010, the GPS device once again began to transmit a signal that 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, driven by two females, was stopped by the Border Patrol near the border. 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. Both females provided statements that they were taking the firearms into the Country of Mexico to provide them to [ATF] for which they were to be paid \$2,000.

Tucson Group I

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785065-10-0038 Feb 20/21 Gun Show: On February 20 and 21, 2010, Tucson Group I and the Tucson Police Department conducted surveillance operations at a gun show at the Tucson Convention Center. These efforts resulted in the abandonment of five semiautomatic pistols and 890 rounds of ammunition. Four suspects identified as [ATF] were contacted after the suspicious purchases of a Rock River Arms LAR-15 rifle and 290 rounds of ammunition. A TECS query revealed [ATF] were possibly involved in a cross border incident in which a murder victim may have been found inside Jose [ATF] vehicle in Mexico and [ATF] may have been shot in the hand and taken into custody in the United States. [ATF] were subsequently taken into custody by U.S. Border Patrol for immigration violations and the firearm and ammunition were abandoned to ATF.

785065-08-0028 [ATF] On February 20, 2010, special agents observed [ATF] purchase several firearms at the Tucson Convention Center gun show. An on-going investigation is being conducted into the trafficking of .38 Supers into the Republic of Mexico by the two brothers. In late 2008, [ATF] purchased ten .38 Supers valued over \$28,000 and claimed to have sold the firearms two weeks later for an estimated \$52,000. Both individuals are currently being represented by counsel. Surveillance was terminated so resources could be directed toward another operation. Future contact will be made with [ATF] in attempts to determine what firearms they have purchased.

785065-10-0039 [ATF] On February 20, 2010, at the Tucson Convention Center gun show, surveillance noticed a Hispanic male carrying a rifle. The unknown male was only speaking Spanish and needing a translator to communicate with vendors. Tucson Police stopped the male in the parking lot and identified him as [ATF] was in possession of a Marlin .22 rifle. ATF special agents interviewed [ATF] and made a preliminary determination that he was illegally in the United States. [ATF] indicated he had previously been removed approximately ten times and most recently was deported. [ATF] was placed under arrest for being a prohibited possessor and is currently awaiting prosecution.

Tucson Group II

785085-08-0057 [ATF] et al: Ten defendants were identified as purchasing and transporting approximately 115 firearms to Agua Prieta, Sonora to include .223, .308 and .50 caliber rifles and .38 super caliber pistols. The firearms were given to an identified Sinaloan Cartel member. The Sinaloan Cartel member was arrested with an identified RPOT and several additional Sinaloan Cartel members, in Nogales, Sonora. One of the firearms straw purchased in the investigation was recovered by Mexican law enforcement during the arrest. The Sinaloan Cartel member was fingerprinted and the fingerprints were forwarded to IAFIS by ATF. FBI advised that the fingerprints matched latent prints submitted by Mexican law enforcement in 2004 after being recovered at the murder scene of a federal prosecutor in Hermosillo, Sonora. All ten defendants have pled guilty and are awaiting sentencing in March 2010.

785085-06-0051 OPERATION WIDE RECEIVER: Between February and June of 2006 and over the course of eight purchases, [ATF] purchased 150 AR-15 lower receivers from multiple Federal Firearms Licensees, one of which was [ATF] (CI). [ATF] and [ATF]

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[ATF] are suspected of trafficking firearms for a member of the Arellano-Felix/Tijuana Cartel. An additional conspirator named [ATF] was identified and advised the FFL/[ATF] that the firearms were eventually ending up with an individual named [ATF] (presumably a member of the [ATF] crime family near Caborca, Mexico). The [ATF] organization operates under the umbrella of the Sinaloa Cartel and [ATF] has been tied to the straw purchases of more than 200 firearms.

[ATF] wiretaps identified another suspect named [ATF]. During the course of this investigation, ATF has seized approximately 50 firearms. This case has been under review by the U.S. Attorney's Office since 2008. That office now intends to indict up to twelve suspects in April 2010. On or about February 17, 2010, ATF was notified that [ATF] was assassinated in Mexico.

OFFICE OF STRATEGIC INTELLIGENCE AND INFORMATION

Significant Events Occurring This Period:

On February 19, Mexico City TheNews.com.mx reported that the United States and Mexico signed a declaration of principles to improve control over drugs and arms trafficking on the U.S.-Mexico border. The agreement, signed by U.S. Homeland Security Secretary Janet Napolitano and Mexican Secretary of Public Safety Genero Garcia Luna, seeks to "extend" the Merida Initiative, a joint strategy launched in 2007 to combat drug trafficking. One of the main objectives of this partnership is to share classified information in order to obtain precise and specific results in a coordinated way. The agreement also seeks to produce "reliable" reports on criminal activities in order to increase the exchange of information on arrests, confiscations, investigations, crime trends and risks in a simultaneous and interactive way. Other goals are to coordinate efforts to localize illegal points of entry at the border, effectively control drug dealing turfs and improve surveillance.

On February 26, Milenio Diario de Tampico reported that the recent surge of violence in the area caused the U.S. to close the consulate in Reynosa until further notice. Reynosa Mayor Oscar Luebbert said the decision by U.S. authorities is erroneous and regrettable, since it only alarms the public and will have an adverse effect on tourism.

On February 27, Milenio Diario de Tampico reported that Governor Eugenio Hernandez Flores announced that 300 federal agents have arrived in Tamaulipas State to help fight organized crime, specifically the recent rash of shootings. The governor acknowledged the recent increase in violence in the state while noting that much of the panic among residents has been caused by rumors spread by email, cell phones and social networking sites.

On February 28, Monterrey El Norte reported that subjects threw grenades almost simultaneously the previous night in the cities of San Nicolas de los Garza, Cadereyta Jimenez, Apodoca, Guadalupe and General Escobedo. Only in San Nicolas and Cadereyta did the devices detonate, causing structural damages, but no reported injuries. One official interviewed via telephone indicated that the attacks could be a reaction to the fortified operation to be carried out in Nuevo Leon and Tamaulipas, which was announced mere hours before the grenades were thrown.

On February 22, The SSP website posted a bulletin to 7

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provide more information on [ATF] and his February 21 arrest in the Santa Ana municipality. The suspect was allegedly in charge of operations that brought two metric tons of cocaine to Mexico from Nicaragua, Jamaica and Colombia on a monthly basis. Once the drug shipments arrived in either Oaxaca or Chiapas states, Vazquez Villagrana's cell of the Sinaloa Cartel, [ATF] would transport the cocaine via airplane to Sonora. At the time of his arrest, the former U.S. Army soldier was in possession of an AK-47 assault rifle, a 7.62 caliber small arm, two ammunition clips and six cellular telephones.

On February 23, Mexico City El Universal reported that a total of 1,500 police officers, including riot police, sectoral police and Task Force agents were called in to help with an attempted lynching of three federal police officers in the San Pedro Atocpan community of Milpa Alta, Mexico City. No civilians were arrested or injured, but 62 officers were injured, 24 of whom had to be taken to the hospital for treatment

On February 24, Mexico City Proceso reported that according to a Honduran daily, Sinaloa Cartel kingpin [ATF] is mobilizing in the western and northern parts of the country, primarily in the departments of Colon and Copan. Honduran Security Minister Oscar Alvarez, however, told the daily La Tribuna only that there is sufficient information from different sources that have led the authorities to conclude that he has come to the country to "rest." Furthermore, Alvarez said that if Honduras captures the drug boss, Mexico will need to come claim him because it does not have the capacity for holding him in the country.

On February 25, Mexico City The News.com.mx reported that Mexican authorities said, contrary to the information released by The Washington Post, there are no U.S. undercover agents currently operating in Mexican territory or within the Mexican armed forces as part of a plan to fight drug trafficking. [ATF] rejected the Post's affirmation that several U.S. agents are currently infiltrated into Mexican police units and working on the arrest of several heads of drug cartels. U.S. Ambassador to Mexico Carlos Pascual confirmed Surukhan's statements and added, "What we do have in Mexico is a team of technical consultants who share intelligence information and experience."

On February 26, Monterrey El Norte reported that the recent spate of violence in Tamaulipas State has been caused by a violent split between the Gulf Cartel and its one-time group of hitmen, Los Zetas, according to Mayor Oscar Luebbert of Reynosa. At least 30 murders have occurred throughout the state during the past five days.

On February 26, Guadalajara Mural reported that Celaya Public Security Director Martin Rodriguez Olvera was attacked in his home by unidentified assailants. An armed group opened fire and threw fragmentation grenades at his home. He managed to escape alive and confirmed the attack was directed at him. The Office of the Attorney General of the State suspects the attack was carried out by members of La Familia.

On February 26, Mexico City La Jornada reported that a number of deputies belonging to the PRI and PRD criticized remarks by President Felipe Calderon, who had publically denied accusations that his administration was favoring Sinaloa Cartel kingpin [ATF] by focusing its crackdown on other drug trafficking organizations. PRD coordinator Alejandro Encinas declared that the results of the government's fight against crime spoke for themselves: "there have been more than 54,000 arrests relating to drug trafficking, and just over 900 corresponded to the Sinaloa cartel, so we can clearly speak of a favored cartel."

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On March 2, Mexico City El Universal.com.mx carried a 4:56 minute video report on spiraling violence in Tamaulipas and how residents are using social networks on the internet to report it. The videos uploaded to the internet show traces of massacres and shootouts, including thousands of spent bullets, dead bodies lying around, destroyed luxury pickup trucks and empty towns.

On March 3, Monterrey El Norte reported that several “narco-banners” found in the Monterrey area early this morning urged the President to leave the drug cartels alone to battle it out amongst themselves.

On March 5, Mexico City Proceso reported that in the span of one hour, subjects tossed grenades at the federal and state police headquarters in Acapulco and Costa Chica, in Guerrero State. There were no victims in either attack, but a police lighting system was destroyed and a squad car and tow truck were damaged.

On March 5, Monterrey El Porvenir reported that gunfights between the Gulf Cartel and its one-time gang of hitman, Los Zetas, are expected to continue and spread in the Tamaulipas-Nuevo Leon region, according to Nuevo Leon Governor Rodrigo Medina de la Cruz. He indicated that violence spilling over from neighboring Tamaulipas State into some rural communities of Nuevo Leon could easily extend to the Monterrey metropolitan area.

Significant Seizure Events This Period:

On February 19, the 66th Infantry Battalion as part of the 42nd military zone engaged in a gunfight in Ciudad Jimenez, Chihuahua. Two gunmen were killed, one soldier was wounded, and three were arrested. 25 or more gunmen were involved in the fight which lasted almost 40 minutes. 18 long arms, 2 handguns, 2 grenade launchers, 18 grenades, 5,603 rounds, 15 bullet proof vests, 9 Kevlar helmets and nine vehicles (2 armored) were all seized.

On February 23, in the town of Chiquihuitillo, Michoacán, the Mexican military found a VW Tourag with 11 40mm grenades, a grenade launcher, an AR-15 rifle and 40 magazines for AK-47 rifles. In Tancitaro, Michoacán, soldiers located a Dodge Ram that had 2 AK-47s, 10 magazines, military clothing, and two ski masks in its interior. No arrests were mentioned.

On February 25, one individual was arrested, three firearms, four magazines, 168 rounds, two cylinders of gas, two radios, two vehicles, and 1,400gm of marijuana were all seized in Tarimbaro, Apatzingán, and Parácuaro, Michoacán by authorities.

On February 25, the Mexican Military seized an arsenal after they noticed an armed subject and raided a residence in Tepic, Nayarit. Authorities seized 8 AK-47 type rifles, 1 AR-15 type rifle with a 40mm grenade launcher attached, 1 other AR15 rifle, 1 .223 caliber rifle, 1 .22 caliber rifle, 21 magazines, over 1,750 rounds of ammunition, 2 40mm grenades, and 2 vehicles.

On February 26, the Mexican Military discovered an arsenal inside a subterranean firearms cache near Culiacán, Sinaloa. Authorities seized 129 firearms to include: 2 Barret .50 caliber rifles, 38 AK-47 type rifles, 13 AR-15 rifles, 8 5.7 caliber rifles, 2 .308 caliber rifles, 2 7.62x51 caliber rifles, 1 7.62 AK-21 sub-machinegun, 1 7.56 caliber rifle, 2 .22 caliber rifles, 3 9

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.12 gauge shotguns, 1 30.06 caliber carbine, 1 40mm grenade launcher, 1 scope, 18 silencers, 2 bi-pods, over 700 magazines, over 15,000 rounds of ammunition, tactical gear, and military uniforms.

On February 26, the Mexican Military seized an arsenal found inside of an abandoned vehicle located along Venida del Pino, located inside of Fraccionamiento Cañadas del Florido, in Tijuana, Baja California. Authorities seized 6 rifles, 6 handguns, 11 magazines, 1,401 rounds of ammunition, small amount of marijuana, and a vehicle.

On February 26, the Mexican Military seized an arsenal, vehicles, drugs, and currency in Fresnillo, Zacatecas. Authorities seized 28 rifles, 47 handguns, several explosives devices, over 7,000 rounds of ammunition, tactical gear, uniforms, currency, and nearly 100 vehicles, three of them armored-equipped.

On February 27, elements of the Mexican Army conducting patrol operations came upon the scene of a recent confrontation between rival paramilitary bands at the intersection that unites Camargo with Comales, Tamaulipas. The Army recovered 22 vehicles that were bullet-riddled as well 6 long guns, a handgun, 96 magazines, 2,326 assorted rounds of ammunition, 28 40mm grenades, a hand grenade, a grenade launcher attachment, 2 launcher tubes, and 5 homemade devices. No prisoners nor bodies were recovered.

On February 28, elements with the Federal and State Police along with Mexican Military, arrested six subjects and seized an arsenal in several areas throughout the state of Durango. Authorities seized 72 firearms, to include 35 rifles, 27 handguns, 44 magazines, 820 rounds, and drugs.

On March 1, Mexican authorities detained two men with two rifles, two pistols, 13 magazines, 434 bullets, 15.6kg of marijuana, and a 1996 Jeep Grand Cherokee in Ciudad Juarez, Chihuahua at calles Manuel Acuña and Guerrero Negro in the Puerto La Paz colonia.

On March 1, elements with the Secretaria de Seguridad Publica (SSP), arrested [REDACTED] **ATF** [REDACTED] **ATF** with ties to [REDACTED] **ATF** in Puerto Vallarta, Jalisco. Authorities seized 1 AR-15 type rifle, 2 magazines, 60 rounds of ammunition, 1 cellular telephone, 1 radios, 1 container with unknown substance, identification card, and a vehicle.

On March 2, 2010, elements with the Division Antisecuestros de la Procuraduria General del Estado (PGJE), arrested five members of an unidentified kidnapping group and freed a hostage in Ixtlahuacan de los Membrillos, Jalisco. Authorities seized 1 AR-15 type rifle, 1 .223 caliber rifle, uniform shirts with police logos, and a vehicle.

On March 2, elements with the State Police arrested three subjects and seized an arsenal in two separate events in Nogales, Sonora. Authorities seized 3 7.62x39 caliber rifles, 1 .22 caliber handgun, 1 40mm handgun, 4 9mm handguns, over 8,000 rounds of ammunition, and a vehicle.

On March 2, the Mexican Military personnel were involved in a confrontation against an unidentified armed group and seized several firearms in Obregon, Sonora. Authorities seized 6 AK-47 and AR-15 type rifles, 2 handguns, 2 fragmentation grenades, 33 magazines, tactical gear, uniforms, communication gear, other items and a vehicle.

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On March 2, three La Línea members (Juárez Cartel) were arrested by SSP in Casas Grandes, Chihuahua. They had in their possession three AK-47s, numerous rounds of ammunition, marijuana, and cocaine.

On March 3, elements with the State Police were involved in a confrontation with an unidentified Armed Group and seized several firearms along Mozocahui-Moctezuma Highway, near Sierra de Mazocahui, Sonora. Authorities seized 3 handguns, 1 AK-47 type rifle, and 2 grenades.

On March 3, Mexican Police arrested two members of La Familia Michoacana in the state of Mexico. They had in their possession 3 AR-15 rifles, 160 rounds, marijuana, cocaine, a Chrysler minivan, and a Nissan truck.

On March 3, Mexican soldiers arrested [ATF] (alleged leader of La Familia in Carácuaro, Michoacán) along with numerous firearms, magazines, bullets, uniforms, documents, and two Nissan pickups as part of two coordinated seizures.

On March 3, the Mexican Federal Police and elements of the 7th Military Zone of the Mexican Army were engaged in a gun battle resulting in the deaths of two Federal Police officers and eight gunmen, including one woman. The battle began when an army convoy conducting operations on the highway in the municipality of Apodaca, Nuevo Leon were fired upon by a group of armed individuals aboard five vehicles at approximately 12:30 in the afternoon on Calle Margarita Maza de Juárez at the corner of the Don Martín highway, close to the Nuevo León - Tamaulipas border. The gunmen removed many of their dead from the scene. There were various firearms recovered from the gunmen including AK-47 rifles, AR-15 rifles, and handguns.

On March 6 at 1:30AM, elements of 8TH Military Zone conducting patrol operations were fired upon by gunmen aboard a vehicle on Calle José María Morelos, Colonia Lucio Blanco in Reynosa, Tamaulipas. After repelling the attack, one gunman was captured and the vehicle, five long guns, magazines, ammunition, tactical gear and a radio were recovered in the operation.

On March 8, elements of the 7TH Military Zone, 4TH Military Region captured a gunman and seized 6 vehicles, 12 long guns, 3,549 rounds of ammunition, 110 magazines, 1 fragmentation grenade, and 5 40MM grenades after a gun battle on the Paras – Ciudad Mier Highway located in the Municipio of Paras, Nuevo Leon. The incident occurred when the Army, acting on a report of the presence of armed persons on that highway, were fired upon by a group of gunmen aboard several vehicles. The gunmen fled down a side road, abandoned six vehicles and apparently ran over one of their own in their haste to escape.

This reporting period:

- 100 Mexican seizures identified in Open Sources/Seizure Files Open
- 14 Suspect Guns

(Contact EPIC for details on the above information.)

Trace Requests for Mexico Recoveries:

FY 10 Trace Requests Thus Far:

There were 34,531* trace requests submitted involving Mexico recoveries between October 1, 2009 and March 1, 2010, of which 387 are pending completion. The break down by agency is as follows:

- Total Trace Requests by ATF 230
- Total Trace Requests by DHS 321
- Total Trace Requests by Mexico 33,977
- Total Trace Requests From Other Agencies 3

*These numbers do not include 11,484 duplicate traces.

INTERNATIONAL AFFAIRS OFFICE

From February 21-26, International Affairs Office personnel attended the Merida Plan initiative Workshop held at Joint Task Force North Fort Bliss in El Paso, Texas. Representatives from the Department of Justice, Department of Homeland Security, Department of State and Department of Defense were gathered to discuss the draft Merida program and resource plan.

Mexico City

Liaison, Training, Media, and Other SWB Interaction:

From February 16-26, the Department of Justice, Office of Overseas Prosecutorial Development Assistance and Training (OPDAT) requested assistance from the ATF Mexico Office to conduct training for 50 students. The attendees consisted of PGR prosecutors, prosecutor coordinators, laboratory technicians, and federal police. MCO personnel made presentations in Spanish, with DEA, IRS and Assistant United States Attorneys from various judicial districts on firearms identification, firearms tracing, eTrace, explosives investigations, arson, as well as, court preparation procedures for the Accusatory Judicial System.

On February 19, Special Agents from the ATF Mexico Office met with the SSP Director of Terrorism to discuss information on six Mexican-born individuals who are associated with multiple sale firearm purchases. The SSP Director of Terrorism will use the charts developed by ATF to investigate these individuals and coordinate criminal charges with the Attorney General's Office.

On February 22, MCO personnel attended a Capstone Presentation at the U.S. Embassy. The Capstone Program allowed U.S. Military Flag and General Staff Officers to travel to different U.S. Embassies and learn of their missions and capabilities prior to the completion of their studies. The meeting was hosted by the Deputy Chief of Mission. Representatives from 20 U.S. Military Flag and General Staff Officers, ATF, CBP, DEA, the Defense Attaché Office (DAO), the Information Analysis Center from the Joint Inter Agency Task Force – South, Narcotics Affairs Section, Office of Program Analysis and Development (OPAD), Political Counsel of the U.S. Embassy, and the Regional

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Security Officer participated in class. Discussions included the four Mission Mexico priorities (People, Security, Jobs and Sustainability), the Merida Initiative and political issues in Mexico. Mexico office personnel also attended a reception hosted by the DAO at his residence during the evening hours of February 22, and explained firearms and explosives activities in Mexico and Central America.

On February 25, MCO personnel attended the GC-Armas and the 2nd Session of the Bi-National Subgroup Regarding Firearms Trafficking at the Center for Planning, Analysis and Information Combating Organized Crime (CENAPI) Headquarters in Mexico City.

PGR, CENAPI and SRE told ATF that we will be in violation of an executive order issued by the government of Mexico on July 2, 1992, that states “all foreign LE agencies have to go thru SRE, PGR and SEGOB (Ministry of Interior) to offer LE assistance to the Mexican States. Without permission from the above mentioned agencies ATF could not grant access to eTrace to the 32 Mexican States, as well as SSP--to do so, ATF would be at risk of losing its accreditation in Mexico. This was made perfectly clear by the GOM. They further stated that they expect ATF to comply with this executive order.

During the week of March 1-5, the Department of Justice Office, OIG team arrived in Mexico City to review successes and shortcomings of “Project Gunrunner.” The team met with the ATF staff, Deputy Chief of Mission [ATF] DEA Regional Attaché [ATF] Regional Security Officer [ATF] Narcotics Affairs Section Assistant Director [ATF] CBP Attaché [ATF], ICE Attaché [ATF] and Assistant Attaché [ATF] DOJ Attaché [ATF] and other various embassy staff.

The team also met with [ATF] the Deputy Chief Prosecutor’s Office of SIEDO, members of the Center for Planning, Analysis, and Information Combating Organized Crime (CENAPI), Licenciada Adriana Escobedo of the Center of Intelligence and National Security (CISEN), Secretariat of National Defense (SEDENA) Colonel Guillermo Briseno Loberto and [ATF] from the Secretariat of Public Safety (SSP).

On March 5, members of the MCO participated in a meeting with members of the Secretariat of National Defense (SEDENA) to discuss homemade grenade seizures and the deployment of CEIT to examine and disassemble these devices.

Investigative Assistance:

During the week of March 5, ATF personnel from Mexico City Office drafted a memorandum linking four different firearms seizures in Baja California and Sonora to a Phoenix Field Division firearms trafficking case. This memorandum will be signed by the Phoenix Field Division Special Agent in Charge and forwarded by the Representative to the Mexican Attorney General’s (PGR) Office in Phoenix to the PGR Delegate in Tijuana to be used in their investigation.

Tijuana

Liaison, Training, Media, and Other SWB Interaction:

During the week of March 5, ATF personnel from the 13

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Tijuana Consulate Office met with the Director of the Baja California State laboratories and the Liaison Director of the Attorney General's Office regarding the participants for the Spanish eTrace training and signing of the MOU.

Investigative Assistance:

On February 16, Tijuana Field Agents attended the California Firearms Trafficking Working Group. This is a collaborative effort by the ATF Los Angeles Field Division, along with ICE, CBP and the U.S. Border Patrol to identify potential firearms traffickers and to work them in a joint effort. An initial list of 29 potential investigative targets was unveiled and discussed by those present. Five were selected for further investigation, such as CBP secondary inspections, and airport lookouts.

On February 17, Tijuana Field Agents were briefed on ATF Phoenix case 785115-09-0003. The case led to the seizure of \$200,000.00 and 16 kilos of methamphetamine on February 10. Tijuana Field Agent personnel interviewed five defendants in the case and agreed to pass any information that was generated by the arrests, such as stash houses with drugs or guns, to ATF Mexico.

On February 17, Tijuana Field Agents met with the new PGR delegate about continued exchange of information between ATF and the PGR and the implementation of Spanish eTrace. The PGR delegate requested ATF training in safe handling of firearms for his attorneys in his office and sub-offices in Baja, California. Furthermore, he offered to provide a basic course to agents in the Mexican legal system and what the law permits PGR to share with foreign agencies.

During the week of March 5, ATF personnel from the Tijuana Consulate Office responded to call of assistance from the PGR to identify five long guns and five pistols including an FN 5.7 and a .50 caliber AR-type rifle. Three of the AK-47 type rifles in this seizure are linked to a firearms trafficking investigation in the Phoenix Field Division.

Ciudad Juarez

Liaison, Training, Media, and Other SWB Interaction:

On February 17, ATF Agents from the Ciudad Juarez Consulate Office met with the Chihuahua State Attorney General to discuss the recent murder of 16 youths in Ciudad Juarez. The Attorney General stated that some of the suspects may have ties to the El Paso area and requested that some of the cartridge casings from this and other murder scenes tied to the suspects be examined and entered into NIBIN in El Paso, to search for possible links to activity in Texas.

On February 24, ATF agents from the Ciudad Juarez Consulate Office met with the Chihuahua State Attorney General to discuss additional evidence that may be linked to previously discussed suspects. The Attorney General stated that the evidence would be ready to be submitted to the Texas State Department of Public Safety (DPS), the state police laboratory by February 26. On February 26, the ATF agents from Ciudad Juarez Consulate Office took custody of 20 spent cartridge casings from the Chief of Ballistics for the Chihuahua State Laboratory in Ciudad Juarez and transported them to the Texas DPS laboratory for examination and entry into

NIBIN.

OFFICE OF TRAINING AND PROFESSIONAL DEVELOPMENT

No new updates provide for this period.

ENFORCEMENT PROGRAMS AND SERVICES

On March 1, EEO [ATF] assisted S/A [ATF] with the identification of grenades recovered from cartel attacks on five Municipal Police Stations in the Monterrey Metropolitan Area of Nuevo Leon on 2/27/2010. Follow-up and disassembly will occur at a later date.

On March 3, EEO [ATF] assisted ICE Mexico City with the identification of a cast booster (PENTEX) cover found in cargo shipment coming from Brazil to Mexico. This investigation continues.

On March 5, the CEIT team met for operational planning and disassembly of IED grenades that are in custody in Mexico City. Planning is underway to move ETB gear from McAllen, Texas, to Mexico City, MX, for exploitation of explosive materials.