

**From:** Newell, William D.

**Sent:** Wednesday, December 02, 2009 6:01 PM

**To:** McMahon, William G.

**Subject:** Phoenix VII Firearms Trafficking Case, ref: Naco, Sonora Seizure Case of 42 AKs

**Attachments:** Phoenix Naco Seizure Case.docx; [REDACTED] **ATF**

Bill, FYI. This is a good overview of the efforts of SA [REDACTED] **ATF** and crew to date on her case which directly relates to the recent seizure in Naco, Sonora, Mexico of 42 AK-47 type firearms. This case is evolving daily and they are doing a great job keeping on top of this considering it's only 3 of them and this is not the only case they are working on. [REDACTED] **ATF**, the new Group VII supervisor, arrives on Monday and that will allow [REDACTED] **ATF** to not have to be the acting sup anymore. I'll keep you posted as this case develops but for now we've got it handled.

**Phoenix Field Division**  
**Phoenix Group VII (Gunrunner/Strike Force)**  
**ATF Et. Al. Firearms Trafficking Case**  
**IN# 785115-10-0004**  
**12/01/2009**

1. On or about October 31, 2009, ATF Group VII Special Agents initiated an investigation into suspected firearms trafficking by:



2. On or about October 31, 2009, ATF Group VII Special Agents reviewed numerous ATF Form 4473, Firearm Transaction Records, from Federal Firearms Licensee (FFL) ATF

ATF

3. On November 5, 2009, ATF Special Agents conducted a query of Arizona Motor Vehicle Department (AZMVD) records. According to these records, both ATF

ATF

4. On November 5, 2009, ATF Special Agents queried Maricopa County Assessor's Office website. According to the web based search, ATF is owned by ATF

5. On November 10, 2009, ATF Special Agents observed ATF purchase ten (10) AK-47 style rifles. ATF Special Agents observed ATF place the firearms into a Honda Civic.

6. On November 16, 2009, ATF Special Agents received information from ATF S/A ATF regarding information from a source concerning previous firearms purchases

by ATF and ATF at FFL, ATF in Prescott, Arizona. According to the source, both ATF and ATF had previously purchased firearms from ATF on separate occasions in the company of the same unidentified Hispanic male.

7. On November 18, 2009, ATF Special Agents received information that at approximately 0845 hours, an individual contacted FFL ATF from a telephone number previously provided by ATF during a previous firearms transaction. The caller inquired as to "ATF" hours of operation and inventory of AK-47 style firearms. At approximately 0901 hours, ATF arrived at ATF and purchased ten (10) CIA, AK-47 style, 7.62 caliber pistols. During surveillance of ATF vehicle ATF agents observed ATF meet with subjects driving ATF previously identified Honda Civic.

8. ATF Special Agents have established relationships between ATF ATF and ATF as well as ATF ATF and ATF. In addition, not only are the dates of purchase in close proximity to one another, the firearms purchased by these seven individuals are all AK-47, 7.62 style rifles/pistols, the majority of which were purchased from the same FFLs.

9. During the past week ATF Special Agents have documented additional straw purchases by the above individuals and based on surveillance have identified ATF ATF and ATF as additional related straw purchasers.

10. In addition, ATF Special Agents conducted surveillance and identified a Phoenix, AZ

ATF

11. Last week ATF Special Agents received information indicating that (42) firearms were recovered by Mexican customs at the Naco, Sonora, Mexico Port of Entry. Among these firearms were several purchased by suspected straw purchasers ATF

ATF

12. ATF received trace information ATF

ATF

13. To date, agents have identified 341 firearms purchased by this organization, all from (5) Phoenix and Prescott, AZ Federal Firearms Licensees.

14. Total approximate cash value for all purchases totaling \$190,000.

### INVESTIGATIVE STEPS TAKEN/INVESTIGATIVE PLAN

#### Investigative Steps Taken to Date (12/01/09)

- ATF
- Agents provided the names of the original straw purchasers (above) to Financial Investigator: ATF who has thus far identified several Cash Transaction Reports connected to ATF and ATF
- Agents have conducted general background checks on all suspects, identified vehicles and residences
- ATF
- Surveillance conducted on several purchases identifying a stash residence and involved business.
- Received ATF Forms 4473 and 3310.4 for all known purchases.
- Received all known video of purchases from FFLs.
- ATF
- Working relationship established with FFL's ATF ATF notifying ATF of suspect purchases/orders
- ATF
- Obtained ICE point of contact, ATF

#### Investigative Plan

- Identify main target from additional surveillance, and analysis of phone toll records by ATF IRS ATF
- ATF
- Identify any further Co-Conspirators
- Obtain further information regarding the connection to identified DEA investigations