

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:

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ATF

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. **ATF**

6. On November 16, 2009, ATF Special Agents received information from ATF S/A **ATF** **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], [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**
- 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