

CROSS-BORDER FIREARMS OPERATIONS

Detroit Field Division

774010-08-0011

Project Singer

Project Singer was an international firearms trafficking investigation involving the ATF Detroit Field Division, ATF International Affairs Office (Toronto), the Toronto Police Service, the Windsor Police Service, the Provincial Weapons Enforcement Unit (PWEU), the Canada Border Service Agency (CBSA), and the U.S. Immigration and Customs Enforcement (ICE). Project Singer was a proactive investigation into the smuggling of firearms into Canada in return for money and MDMA (ecstasy). The investigation was initiated on information developed by the PWEU and ATF Detroit field office. ATF identified individuals involved in transportation of semi-automatic weapons and drugs across the Detroit/Windsor border crossing. Two Toronto Police Service undercover officers infiltrated the organization and from February 2008 to June 2008, purchased a total of 37 firearms, including several Cobray Mac-11s, Intratec Tec-9, and a Commando Mark .45 machine pistol. The undercover officers were able to identify several of the couriers and were introduced to the main supplier of the firearms from Detroit. A total of six firearms were purchased from the suspects by undercover officers in Windsor, Ontario, Canada on two occasions (2/5/08 (2) and 3/18/08 (4)) following northbound cross-border surveillances. Southbound surveillances occurred following seven UC buys in Canada involving 21 firearms and two cash advances totaling \$2,900. Southbound surveillances occurred following seven UC buys in Canada involving 21 firearms (2/5/08 (2), 2/13/08 (4), 4/9/08 (3), 5/12/08 (4), 5/13/08 (4), 6/2/08 (3)) and two cash advances totaling \$2,900 (2/5/08 \$2,200 and 4/29/08 \$700). None of the surveillances involved suspects acquiring firearms directly from an FFL. The final phase of the investigation concluded in Detroit, MI, on June 4, 2008, with an undercover exchange / buy-bust of 50,000 sham ecstasy pills for 10 handguns with the promise that additional firearms would be delivered in the future. Three search warrants were served, two in Detroit, MI and one in Royal Oak Township, MI, where a small amount of suspected ecstasy and residency documents were seized. All suspects were arrested, with six defendants indicted in the U.S. and two in Canada. Charges were dismissed against one of the individuals arrested in Canada. All defendants have been convicted on charges in the U.S. or Canada. (Briefing paper attached.)

Phoenix Field Division, Yuma Satellite Office

785041-09-0008

ATF

This Yuma Satellite Office investigation involves suspicious activities by an individual who is acquiring large quantities of [ATF]. In January 2010, one controlled delivery of [ATF] was made to the suspect [ATF]. Each component was marked with [ATF]. ATF was in contact with Mexican authorities and ATF in-country assets on the Mexican side of the border. As [ATF] went through the San Luis border port of entry the Mexican officials were advised but did not stop [ATF]. This investigation was initiated on information gained from the ongoing ATF

McAllen investigation (782055-09-0086) of an individual novelty MK2 (pineapple style) [ATF] and assembling functional explosive devices. It was learned that [ATF] had obtained 120 [ATF] from the same source. [ATF] and his family have contacts with law enforcement agencies going back to 2003 in relation to suspicious narcotics and alien smuggling activities, but no criminal record has been verified for [ATF]. Further investigation indicated [ATF] desire to start a company in Mexico and frequent border crossings. His [ATF] is a Mexican national and he is a fluent Spanish speaker. On December 5, 2008, [ATF] was involved in the purchase of seven AK-47 type WASR rifles in Tucson, for \$4,600. When interviewed by ATF agents assigned to the Yuma Satellite Office, [ATF] confessed to having purchased the weapons for re-sale, and admitted to lying on ATF F 4473. A case report was submitted recommending [ATF] prosecution however the case was declined by AUSA Tracy Van Buskirk. Internet records obtained with Federal grand jury subpoenas indicate that [ATF] has purchased approximately 2,000 [ATF]. [ATF] Extensive surveillance led agents to a hardware store in the Yuma area where the suspect had purchased drill bits, a tapping tool, and other items consistent with the manufacture of IEDs from grenade bodies. In November 2009, [ATF] indicated he had a history of manufacturing machine-guns and silencers, and trafficked firearms in the past. This interview also revealed that the suspect has a primary residence in Mazatlan, Sinaloa, Mexico, and he returns to the U.S. frequently pick up supplies and visit his [ATF]. [ATF] closely monitored by the Yuma Satellite Office, with assistance from Phoenix Group I and the Mexico City Office.

On January 26, 2010, ATF Yuma conducted a controlled delivery of [ATF] [ATF] to [ATF] at his [ATF] Yuma residence, with the assistance of the U.S. Postal Inspection Service after conferral with the U.S. Attorney's Office, Phoenix ICE SAC Office, and the U.S. Border Patrol, and after receiving clearance from the U.S. Ambassador to Mexico (through the ATF-MCO). After delivery, [ATF] [ATF] until he drove into Mexico at the San Luis Port of Entry (POE), where he eluded Mexican military and police officials working with ATF to interdict the components (ATF agents were present and relayed real-time information to the GOM). On June 15, 2010, [ATF] was arrested by members of the U.S. Customs and Border Protection at the San Luis POE after [ATF] vehicle was x-rayed as part of a "southbound" inspection, which showed [ATF] inside one of the tires on [ATF] SUV. The search revealed [ATF] [ATF] [ATF] confessed that he has been supplying members of La Familia Michoacan (LFM) with [ATF] which they turn into IEDs with explosives that they steal in Mexico from mining locations and elsewhere. He added that people he supplies are conducting enforcement work for the Sinaloa Cartel. [ATF] also stated that he has instructed them on how to convert semi-automatic AK-47 variants into automatic machine guns. Since [ATF] arrest, ATF has met with the assigned AUSAs in Arizona and requested that [ATF] be indicted. This has not yet occurred. In October, 2010 a case report was sent to the ATF Mexico City Office for translation and referral in accordance with the MLAT. To date, no action has been taken by the Government of Mexico in regards to potential prosecution. (Briefing paper attached.)

Phoenix Field Division

785045-07-0177

ATF

et al.

In July 2007, ATF Phoenix II Field Office initiated an investigation into suspected firearms trafficking by **ATF** had purchased a total of 41 firearms from a Phoenix FFL. ATF intelligence analysts indicated that **ATF** and vehicles registered to him had recently crossed the border (from Mexico into the U.S.) on 23 occasions. On August 8, 2007, ATF determined that **ATF** had purchased an additional 13 firearms from a Phoenix FFL. Further inquiry revealed that an **ATF** also made 13 recent border crossings into the U.S. A “trash search” at **ATF** residence uncovered packaging, labels and manuals for various firearms. Agents compiled a log of all documented international border crossings for **ATF**. Other trafficking associates were also identified.

Phoenix Field Division had established liaison with Mexico AFI through the ATF Country Attaché in Mexico City, Mexico. In furtherance of ATF’s Southwest Border “Gunrunner” Initiative, Phoenix agents had been attempting to pursue a joint ATF-AFI international firearms trafficking investigation culminating with prosecution by the Mexican Attorney Generals Office. The District of Arizona, U.S. Attorney’s Office was informed of the joint investigation and were supportive of the cooperative effort. Agents determined that **ATF** had collectively purchased over 200 firearms (including AK-47 and AR-15 style rifles and high quality pistols. Moreover, four of their firearms were recovered in Sonora, Mexico

On September 26 and 27, 2007, Phoenix ATF agents conducted **ATF** **ATF** ATF had information that these subjects were in possession of approximately 19 firearms (including assault rifles and pistols) and were planning a firearm smuggling trip into Mexico. The surveillance operation was coordinated with Tucson I Field Office and the ATF Mexico Country Attaché. The plan, agreed to by all parties and authorized by the Phoenix SAC, was to follow these subjects to the border crossing in Nogales, Arizona while being in constant communication with an ATF MCO agent who would be in constant contact with a Mexican law enforcement counterpart at the port of entry and authorized to make a stop of the suspects’ vehicle as it entered into Mexico.

On September 27, 2007, at approximately 10:00pm, while the Phoenix agents, an MCO agent and Mexican counterparts were simultaneously on the phone, the suspects’ vehicle crossed into Mexico. ATF agents observed the 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.

Although ATF received similar information and conducted extensive surveillances of **ATF** and **ATF** again in the future, no further border crossing operations were conducted with the Mexican officials.

Houston Field Division, Houston Group IX

782095-11-0009

ATF et al. (current/sensitive investigation underway)

This firearms trafficking investigation involves **ATF** and others, who are trafficking large quantities of firearms and firearm accessories to Colombia, South America. Houston ATF agents identified several persons involved in a conspiracy to traffic firearms into Colombia, South America.

In October 2010, ATF developed information about **ATF** suspected firearms trafficking activities. A Suspicious Activity Report (SAR) from USAA bank and JP Morgan contained information on money wired to **ATF** from Columbia, South America. **ATF** purchased firearms within a couple of days of receiving this transfer. **ATF** bank records, from November 2009 through November 2010 revealed \$118,000 wired into his account directly from Columbia. In that time frame, **ATF** purchased at least 100 firearms costing over \$50,000 and over \$50,000 of firearm accessories. **ATF** moved to the Houston, TX area in July 2010 with his wife, a Colombian National. Since moving to Houston, **ATF** has continued to receive money wires from Columbia and purchase firearms and firearm accessories.

On December 8, 2010, **ATF** were observed entering a Fed-Ex store with five boxes that appeared to be boxes that **ATF** removed from a storage unit. ICE/ATF contacted Fed-Ex and obtained the shipping information on the five boxes. Pursuant to ICE's U.S. Border Search Authority, these five packages being shipped to Colombia were located and searched. ATF and ICE 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.

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, **ATF** was observed placing a UPS box into a UPS drop box in Houston. ATF/ICE contacted the UPS distribution center in Houston, and located and seized the package. 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.

ATF has shipped at least 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. **ATF** has signed for multiple packages in Colombia. On February 10, 2011 **ATF** returned to the U.S. from Colombia through Miami. During re-entry, **ATF** was searched by U.S. Customs and **ATF** had \$12,000.00 of undeclared U.S. currency and three invoices associated with firearm purchases.

On March 1, 2011 ATF and ICE discovered that from December 18, 2010 through February 1, 2011, [ATF] used UPS to deliver 11 packages to Columbia. Additionally, from February 1-2, 2011, [ATF] shipped 15 additional packages to Columbia using Fed-Ex. Prior to March 1, 2011, ATF and ICE were unaware of these packages being shipped.

On March 2, 2011 [ATF] dropped off four FedEx packages at a drop box. ATF/ICE coordinated with FedEx and examined the packages 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. These packages contained one of two commercial accounts and locations in Colombia. The search of the boxes lead to the discovery of 15 Surplus Ammo & Arms, Model Low 15, .223 caliber rifles with obliterated serials and two disassembled AR-15 type rifles without the receivers.

On March 3, 2011 ATF/ICE Houston made a controlled delivery of 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.

On March 8, 2011, ATF and ICE conducted arrest warrants for [ATF] who were trafficking firearms directly to Colombia. Additionally, four search warrants were served which resulted in the seizure various firearms, firearm accessories and components, ammunition, debit cards, FedEx and UPS shipping labels, computers and media devices, and a variety of machines and hardware.

The four search warrants were conducted to coincide with controlled deliveries of firearms in Colombia with the Colombian National Police (CNP). Fifteen firearms seized by ATF Houston/ICE were delivered on March 3, 2011 to the CNP. [ATF] [ATF] and delivered to addresses identified in this investigation. Nine packages were delivered to two different locations. The Colombian investigation is still ongoing based upon Colombian wiretap information, and leads stemming from [ATF] arrest.

[ATF] stated that he has shipped approximately 125 firearms to Colombia within the last 6 months, all have been .223 in caliber. [ATF] provides firearms to an identified high ranking member of The Urabenos, a paramilitary organization in Colombia. [ATF] further stated he purchased multiple FN pistols from a Houston based FFL (ATF case 782095-11-0030). This FFL was immediately inspected by ATF and the FFL surrendered his license for a wide variety of infractions. A subsequent review of the FFLs records revealed [ATF] purchased another 20 FN pistols that ATF was unaware of because the FFL never completed multiple sales reports. Indicators of other straw purchasing schemes are being investigated by ATF Houston.

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