RC-1

m: Morrissey, Mike (USAAZ)
t: Wednesday, December 15, 2010 3:15 PM
o: Cunningham, Patrick (USAAZ); Burke, Dennis (USAAZ); Scheel, Ann (USAAZ)
Cc: Tarango, Manuel (USAAZ)
Subject: RE: Fast and Furious: You available for a call today?

I'd like to make Jan 19 the "set in stone" date for an indictment, so that this comes to pass and we can make definite plans for searches and arrests. I agree with Pat that we should have a back up date but I do not want to use it. Mike

-----Original Message-----
From: Cunningham, Patrick (USAAZ)
Sent: Wednesday, December 15, 2010 1:05 PM
To: Burke, Dennis (USAAZ); Scheel, Ann (USAAZ)
Cc: Morrissey, Mike (USAAZ); Tarango, Manuel (USAAZ)
Subject: Fast and Furious: You available for a call today?

After speaking to Morrissey and Emory, here are some possible dates for Fast and Furious:

Indictment of about 20 defendants on January 19, a Wednesday, to include Conspiracy to falsely purchase weapons (straw purchasing) and to sell firearms without a license, unlawful export of weapons to Mexico which requires Pelak's (sp?) approval in Washington, and money laundering. IRS is doing the money laundering investigation.

January 26, a Wednesday--reserve GJ date if we are not ready on Jan 19

uary 27, three search warrants, some civil seizure warrants, arrests of the 20 defendants, and Press Event that day after the take down.

See you about 3pm. PJC

-----Original Message-----
From: Burke, Dennis (USAAZ)
Sent: Wednesday, December 15, 2010 12:15 AM
To: Cunningham, Patrick (USAAZ); Scheel, Ann (USAAZ)
Subject: Fw: You available for a call today?

----- Original Message -----
From: Burke, Dennis (USAAZ)
Sent: Wednesday, December 15, 2010 02:14 AM
To: Wilkinson, Monty (OAG) (SMO)
Subject: Re: You available for a call today?

Sorry for going dark on you. I was at Navajo and Hopi all day and coverage was weak at best. I did get your vm. We have a major gun trafficking case connected to Mexico we are taking down in January. 20+ defendants. Will call today to explain in detail.

----- Original Message -----

From: Wilkinson, Monty (OAG) (SMO)
Sent: Tuesday, December 14, 2010 11:18 AM
To: Burke, Dennis (USAAZ)
ject: You available for a call today?

RC-1 [redacted]

m: Burke, Dennis (USAAZ)
: Wednesday, December 15, 2010 10:02 AM
Clemens, Shelley (USAAZ); Savel, Nicole (USAAZ); Evans, John (USAAZ) 3
Subject: Re: INITIAL TELEPHONIC - SHOT FIRED - Nogales, AZ

Thx.

Horrible.

From: Clemens, Shelley (USAAZ)
Sent: Wednesday, December 15, 2010 09:58 AM
To: Savel, Nicole (USAAZ); Evans, John (USAAZ) 3; Burke, Dennis (USAAZ)
Subject: Re: INITIAL TELEPHONIC - SHOT FIRED - Nogales, AZ

Just spoke to Jeff Kalitan. 3 suspect are in custody. They are tracking a 5th. He didn't know the extent of the injuries of the injured UDA, or how he was hurt.

Agent Brian Terry was part of the Bortac team. They were out look trying to track rip-off groups. They think that is what this group was part of.

[redacted] is the FBI agent assigned.
ey

From: Clemens, Shelley (USAAZ)
Sent: Wednesday, December 15, 2010 09:27 AM
To: Savel, Nicole (USAAZ); Evans, John (USAAZ) 3
Subject: Fw: INITIAL TELEPHONIC - SHOT FIRED - Nogales, AZ

We will need to assign someone. Jesse?

From: Burke, Dennis (USAAZ)
Sent: Wednesday, December 15, 2010 09:18 AM
To: Clemens, Shelley (USAAZ); Tarango, Manuel (USAAZ); Evans, John (USAAZ) 3
Subject: Fw: INITIAL TELEPHONIC - SHOT FIRED - Nogales, AZ

Fyi.

From: LOPEZ, MARCO A (HQ) [mailto: RC-1 [redacted]]
Sent: Wednesday, December 15, 2010 03:31 AM
To: Burke, Dennis (USAAZ)
Subject: Fw: INITIAL TELEPHONIC - SHOT FIRED - Nogales, AZ

agent has passed away.

From: JAIGOBIND, CARL
To: OIOC-SIT SHOTS FIRED INJURY-DEATH
Cc: SITROOM
nt: Wed Dec 15 02:31:32 2010
ject: INITIAL TELEPHONIC - SHOT FIRED - Nogales, AZ

INITIAL TELEPHONIC

On December 14, 2010, a BORTAC agent working in the Nogales, AZ AOR was shot. The agent was conducting Border Patrol operations 18 miles north of the international boundary when he encountered approximately 4 unidentified subjects. Shots were exchanged resulting in the agent being shot. At this time, the agent is being transported to an area where he can be air lifted to an emergency medical center. One subject is in custody and three are outstanding. A search for the suspects is on going.

Updates to follow.

RC-1 [redacted]

om: Scheel, Ann (USAAZ)
nt: Wednesday, December 15, 2010 7:24 PM
o: Burke, Dennis (USAAZ); Clemens, Shelley (USAAZ)
Subject: Re: FBI/CBP Presser

Wow! Timely.

From: Burke, Dennis (USAAZ)
Sent: Wednesday, December 15, 2010 07:21 PM
To: Clemens, Shelley (USAAZ); Scheel, Ann (USAAZ)
Subject: RE: FBI/CBP Presser

Thanks. I just talked to Bill Newell about it. The guns tie back to Emory's Fast and Furious case.

From: Clemens, Shelley (USAAZ)
Sent: Wednesday, December 15, 2010 5:19 PM
To: Burke, Dennis (USAAZ); Scheel, Ann (USAAZ)
Subject: Fw: FBI/CBP Presser

BP decided to make a statement and not allow questions. RC-5 [redacted]. Based on that, we chose not to make a formal statement. RC-5 [redacted] RC-5 [redacted] They referenced that John and I were there for the USAO and to support their fice.

Nate Grey was here and advised that the 2 guns are tied to an on-going Phoenix ATF inv. You will probably get a call from Bill Newell.
Shelley

From: Chandler, Matthew (DHS)
Sent: Wednesday, December 15, 2010 06:12 PM
To: Clemens, Shelley (USAAZ); ROE, MELANIE N. <RC-1 [redacted] dhs.gov>
Subject: RE: FBI/CBP Presser

No worries at all. We really appreciate your support and assistance with this.

From: Clemens, Shelley (USAAZ) RC-1 [redacted]
Sent: Wednesday, December 15, 2010 6:11 PM
To: Chandler, Matthew (DHS); ROE, MELANIE N.
Subject: RE: FBI/CBP Presser

Sorry for the faux pas. I spoke with Agent Cantu, and was told 5:00 at Sector Headquarters on Swan.

From: Chandler, Matthew (DHS)
Sent: Wednesday, December 15, 2010 4:09 PM
o: Clemens, Shelley (USAAZ); ROE, MELANIE N.
Subject: RE: FBI/CBP Presser

Hi Shelley –

I certainly appreciate the promotion to 'Agent' but alas, I'm merely a press flack for Secy. Napolitano. Final details are being formulated, I am looping in Melanie Roe from CBP who can provide further guidance shortly.

ıanks,

Matt

Matt Chandler
Deputy Press Secretary
Office of Public Affairs
U.S. Department of Homeland Security
O - (202) RC-1
C - (202) [redacted]
RC-1

From: Clemens, Shelley (USAAZ) [RC-1
Sent: Wednesday, December 15, 2010 6:00 PM
To: Chandler, Matthew (DHS)
Subject: FW: FBI/CBP Presser

Agent Chandler,

I have been notified by USA Dennis Burke of this press conference. I will be there to represent the US Attorney's Office. Where will it be held at?
Thanks
elley

From: Chandler, Matthew (DHS)
Sent: Wednesday, December 15, 2010 3:30 PM
To: Burke, Dennis (USAAZ)
Subject: FBI/CBP Presser

CBP is calling FBI now, they're going to aim for 5 PM ish in Tucson. We'd love to have someone from the USAO there...no chance you could make it down? Vow to prosecute to the full extent, etc?

HOGR USAO 003077

From: Smith, Brad (ODAG) <RC-1 [redacted]>
Sent: Friday, December 17, 2010 11:58 AM
To: Grindler, Gary (ODAG) <RC-1 [redacted]>; Monaco, Lisa (ODAG) <RC-1 [redacted]>; Luck, Stacey (ODAG) <RC-1 [redacted]>
Cc: Michalic, Mark (ODAG) <RC-1 [redacted]>; Johnston, Deborah A. (ODAG) <RC-1 [redacted]>
Subject: ATF Update
Attach: RC-2 [redacted]; December Fast and Furious BP for SAC (2) (2).docx; December Fast and Furious BP Supplemental December 16 2010.docx

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<<...>> G <<...>> a <<...>> r <<...>> y,

Mark and I just wanted to pass along a few quick ATF-related updates we received from Billy Hoover. We do not believe anything requires immediate action from our office, but we wanted to make sure you were aware of the issues.

RC-2 [redacted]

Second, you may recall that a CBP border agent was killed on Tuesday in a firefight in Arizona involving along the Mexican border. Two of the weapons recovered from the scene (AK-47 variants) have been linked to Jaime Avila Jr., a ‖ straw firearms purchaser¶ that ATF and USAO for Arizona have been investigating since November 2009 as part of its larger ‖ Fast and Furious¶ operation. (It is not clear if the shots that killed the CBP agent came from the weapons liked to Avila.) ATF agents, assisted by ICE, USMS, and Phoenix police, arrested Avila on Wednesday for falsification of ATF forms, and in a subsequent interview, he admitted to serving as a straw purchaser. The attached background papers, which ATF prepared, provide additional details on the case, if you are interested.

RC-2 [redacted]

Thanks,

Brad

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Case Background

The Phoenix Group VII Field Office is leading an investigation entitled "Operation Fast & Furious" in conjunction with Immigration and Customs Enforcement (ICE), Drug Enforcement Administration (DEA), Internal Revenue Service (IRS) and the Phoenix Police Department (PPD). This operation was approved as an OCDETF case by the Southwest Region as SW-AZP-0496.

Since October 2009, ATF and the other partners listed above have been investigating a firearm trafficking organization that is being funded by the Sinaloa drug trafficking organization (DTO), a narcotics trafficking organization well known for violent criminal activity in Mexico. This organization is also involved in trafficking firearms to Mexico, and smuggling cocaine and marijuana into southern Arizona to be distributed throughout the United States. The OCDETF investigation of this organization is addressing violations of Federal Laws to include Firearms, Narcotics, Money Laundering, and Conspiracy Laws.

Agents believe that the Phoenix-based firearm trafficking group is actively purchasing firearms through "straw" purchasers using narcotics proceeds. From October 2009 to October 2010 agents have documented that this organization spent approximately 1.25 million dollars in cash at various Phoenix area Federal Firearms Licensees to acquire in excess of 1,900 firearms. The firearms are then being trafficked into Mexico using false compartments in various vehicles through various international Ports of Entry in Arizona and Texas.

RC-3 [redacted] and many other investigative techniques to further the investigation. Through these investigative techniques agents have been able to identify a large number of additional co-conspirators and disrupt the illegal activities of this firearms trafficking organization by seizing numerous firearms and narcotics. To date, over three hundred firearms and over fifty pounds of marijuana have been recovered by agents in addition to the numerous firearms and narcotic seizures in Mexico related to this investigation.

Over the past several weeks agents, in conjunction with the investigative partners and the United States Attorney's Office (USAO) have been preparing for the indictment of RC-5 [redacted] individuals in this investigation. Agents initially anticipated a first wave of indictments on December 7, 2010. However, in light of additional evidence obtained in support of this investigation and investigative efforts on the part of IRS the first wave of approximately 20 indictments have been pushed back another 30 days. The reasons for this include the very proactive stance the IRS has taken during the past several weeks RC-3 [redacted] RC-3 [redacted] In addition the USAO has agreed to approve the inclusion of five Federal search warrants. The additional preparation for the search warrants and RC-3 [redacted] coupled with available Grand Jury time, has pushed the indictment date to the week of January 10, 2011.

On December 3rd SAC Newell and ASAC Needles met with USA Burke, Chief of Criminal Cunningham and the lead AUSA for this case and discussed all these matters.

It should be further noted that firearms purchasing and trafficking activity by this organization has subsided significantly since early October of this year. This is due to several factors not the least of which are the many proactive measures taken by the agents assigned to Phoenix Group VII. It should also be noted that throughout the course of the investigation numerous seizures were made by other State, local and Federal law enforcement agencies at the direction of Phoenix Group VII in order to ensure the seized firearms did not reach their intended destination but also to ensure the leadership of this firearms trafficking organization was not "tipped off" to the proactive measures taken while the larger conspiracy case was being prepared for the USAO.

HOGR DOJ 002877

List of Defendants Referred to USAO for Prosecution:

RC-4

[redacted]

HOGR DOJ 002878

Proposed Charges:

1. Title 18, United States Code, Section 554, Smuggling Goods from the United States;
2. Title 18, United States Code, Section 922(a)(1), Dealing in Firearms without a License;
3. Title 18, United States Code, Section 922(a)(5), Transferring Firearms to a Non-Resident of the State;
4. Title 18, United States Code, Section 922(a)(6) Making a False Statement in Connection with the Acquisition of a Firearm;
5. Title 18, United States Code, Section 924(a)(1)(A) Making a False Statement in Connection with the Acquisition of a Firearm;
6. Title 18, United States Code, Section 924(n), Interstate/International Firearms Trafficking;
7. Title 18, United States Code, Sections 924(c) and 924(o), Use of a Firearm in Furtherance of a Drug Trafficking Offense/Conspiracy to Use a Firearm in Furtherance of a Drug Trafficking Offense;
8. Title 18, United States Code, Section 1343, Wire Fraud;
9. Title 18, United States Code, Section 1956, Money Laundering;
10. Title 18, United States Code, Section 371, Conspiracy to Commit any Offense Against the United States;
11. Title 21, United States Code, Sections 841 and 846, Possession/Conspiracy to Possess a Controlled Substance with Intent to Distribute;
12. Title 21, United States Code, Sections 960 and 963, Import/Conspiracy to Import a Controlled Substance;
13. Title 22, United States Code, Section 2778, Attempt/Export Munitions without a License;
14. Title 31, United States Code, Section 5324, Structuring Transactions to Evade Reporting Requirements; and
15. Title 31, United States Code, Section 5332, Bulk Cash Smuggling;

HOGR DOJ 002879

Briefing Paper

Phoenix Field Division

Phoenix Group VII (OCDETF Strike Force/Gunrunner)

ATF Investigation 785115-10-0004

Operation: Fast & Furious, OCDETF No. SW-AZP-0496

Supplemental

On December 15/16, 2010, after the shooting death of U.S. Border Patrol Agent Brian Terry near Rio Rico, Arizona (approx 25 miles north of Nogales) Southern Arizona law enforcement officers/agents responded and conducted a search of the area. This search resulted in the arrest of four individuals. One of them, Manuel Osorio Arellances DOB: 8-4-76, was shot in the exchange of gunfire RC-5 [redacted] RC-5 [redacted]

In addition and during the search of the area two RomArm/Cugir, Model GP WASR 10, 7.62x39mm AK-47 rifles, serial numbers 1983AH3977 and 1971CZ3775 were recovered near the scene of the shooting. An Urgent firearms trace requested by ATF agents on-scene determined that these firearms were in ATF's National Tracing Center's Suspect Gun Database due to their association to an ATF led OCDETF investigation out the Phoenix OCDETF Strike Force. This investigation, entitled "Fast and Furious", due to the very quick manner in which a complex firearms trafficking organization acquired several hundred firearms was initiated in October 2009 and is being conducted in conjunction with ICE/HSI, IRS, DEA and the Phoenix Police Department.

Due to the "hit" in the Suspect Gun Database the Phoenix Field Division's Field Intelligence Group was notified and confirmed that the two recovered firearms were part of a sale of three Romarm/Cugir AK-47 variant rifles purchased by Jaime AVILA Jr. on January 16, 2010 from Lone Wolf Trading Company in Glendale, Arizona. Jaime Avila Jr. is one of RC-5 [redacted] straw firearms purchasers identified in the "Fast and Furious" investigation and recommended by ATF for prosecution to the U.S. Attorney's Office in Phoenix, Arizona.

Jaime Avila Jr. is known to have purchased a total of 52 firearms beginning in late November 2009 and ending in mid-June 2010. He had purchased 13 firearms by the time he purchased the three AK-47 variant rifles on January 16, 2010, two of which were recovered near Rio Rico, Arizona on December 16th. The 52 firearms purchased by Jaime Avila Jr. included 17 AK-47 variant rifles, 11 Fabrique National "FN57" 5.7x28mm pistols, 10 9mm pistols, 5 .45 and .40 caliber pistols, 2 Barrett .50 caliber rifles and several other assorted firearms.

On December 15, 2010, ATF agents, assisted by ICE, the USMS and the Phoenix Police Department located Jaime Avila Jr. and subsequently interviewed and arrested him on charges stemming from his falsifying ATF F 4473s by using a false address during his purchase of four (4) firearms on June 12, 2010, and another four (4) firearms on June 15, 2010. During his interview, Jaime Avila Jr. admitted to ATF agents that he straw purchased these firearms for an unidentified Hispanic male as well as admitted he had used an address of a residence he had not resided in for several years. This was confirmed by interviewing the current residents of the address he used along with verification via utility systems queries.

Jaime Avila Jr. was held overnight and ATF agents have prepared a Federal criminal complaint for him based on violations of Federal firearms laws specifically of Title 18, United State Code, Sections 924(a)(1)(A).