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CLERK U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY: DEPUTY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

January 2006 Grand Jury

06 CR 2646 LAB

UNITED STATES OF AMERICA,	)	Criminal Case No. _____
)	
Plaintiff,	)	<u>I N D I C T M E N T</u>
)	
v.	)	Title 18, U.S.C., Sec. 1962(c) -
	)	Conducting the Affairs of an
FRANCISCO JAVIER	)	Enterprise Through Pattern of
ARELLANO-FELIX (1),	)	Racketeering Activity; Title 18,
aka El Tigrillo,	)	U.S.C., Sec. 1962(d) - Conspiracy
aka Conan,	)	to Conduct Enterprise Affairs
aka Miclo,	)	Through a Pattern of Racketeering
aka El Senor,	)	Activity; Title 21, U.S.C.,
aka El Apa,	)	Secs. 952, 960, and 963 -
aka El Abuelo,	)	Conspiracy to Import a Controlled
MANUEL ARTURO	)	Substance; Title 21, U.S.C.
VILLARREAL-HEREDIA (2),	)	Secs. 959(a)(1), 960 and 963 -
aka Nalgon,	)	Conspiracy to Distribute
aka Maestro,	)	a Controlled Substance Intending
aka Marcos,	)	Importation; Title 21, U.S.C.,
aka Hector,	)	Secs. 841(a)(1) and 846 -
aka Pedro,	)	Conspiracy to Distribute a
aka A-2,	)	Controlled Substance; Title 21,
aka R-5,	)	U.S.C., Secs. 848(a) and (e)(1) -
aka Z-1,	)	Continuing Criminal Enterprise;
	)	Title 18, U.S.C., Secs. 1956(a)
Defendants.	)	and 1956(h) - Conspiracy to
	)	Laundry Monetary Instruments;
	)	Title 18, U.S.C., Sec. 2 - Aiding
	)	and Abetting; Title 21, U.S.C.,
	)	Sec. 853 and Title 18, U.S.C.,
	)	Secs. 982(a)(1), (b)(1) and
	)	1963(a) - Criminal Forfeiture

1 The grand jury charges:

2 Count 1

3 THE ENTERPRISE

4 1. At various times material to this indictment:

5 a. Defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
6 Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
7 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
8 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, and
9 others, known and unknown to the grand jury, including Benjamin
10 Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-Galindo, Jesus
11 Labra-Aviles, Ismael Higuera-Guerrero, Gilberto Higuera-Guerrero,
12 Efrain Perez, Jorge Aureliano Felix, Rigoberto Yanez, Armando
13 Martinez-Duarte (all charged elsewhere), and Ramon Arellano-Felix and
14 David Barron-Corona (both now deceased), were members and associates
15 of the Arellano-Felix Organization (hereinafter "AFO"), a criminal
16 organization whose members and associates engaged in: (1) the illegal
17 trafficking of narcotics, including but not limited to cocaine and
18 marijuana; (2) the laundering of drug proceeds gained from the AFO's
19 drug trafficking activities; (3) the kidnaping, torture and murder of
20 informants, rival traffickers, uncooperative law enforcement, and
21 other perceived "enemies" of the AFO; (4) the kidnaping of individuals
22 for money; (5) the "taxing" of individuals conducting criminal
23 offenses in the area of Tijuana/Mexicali, Baja California, Mexico; and
24 (6) the systematic bribing of Mexican law enforcement and military
25 personnel.

26 b. The AFO operated principally in the cities of Tijuana
27 and Mexicali, Baja California Norte, Republic of Mexico, although the
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1 AFO's operations extended into southern Mexico, as well as Colombia
2 and the United States.

3 c. The AFO, including its leadership, membership and
4 associates, constituted an "Enterprise," as defined by Title 18,
5 United States Code, Section 1961(4) (hereinafter "the Enterprise"),
6 that is, a group of individuals associated in fact. The Enterprise
7 constituted an ongoing organization whose members functioned as a
8 continuing unit for a common purpose of achieving the objectives of
9 the Enterprise. This enterprise was engaged in, and its activities
10 affected, interstate and foreign commerce.

11 OBJECTIVES OF THE ENTERPRISE

12 2. The objectives of the Enterprise included the following:

13 a. Enriching members and associates of the Enterprise
14 through the importation and distribution of illegal drugs in the
15 United States, the kidnaping of individuals in Mexico, and "taxing"
16 individuals involved in criminal conduct in the areas of Tijuana and
17 Mexicali, Baja California, Mexico.

18 b. Preserving and protecting the Enterprise's control over
19 the Tijuana and Mexicali "plaza," or drug-trafficking marketplace,
20 through the use of intimidation, threats of violence, and violence,
21 including kidnaping, torture and murder.

22 c. Keeping rival traffickers, potential informants and
23 witnesses, Mexican law enforcement, the Mexican media, and the Mexican
24 public-at-large in fear of the Enterprise, and in fear of its members
25 and associates through threats of violence and violence.

26 d. Promoting and enhancing the Enterprise and its members'
27 and associates' activities.

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1 defendant Alberto Benjamin Arellano-Felix was unable to attend, and
2 was put in charge of the Enterprise's Tijuana and Mexicali operations
3 after the arrest of Ismael Higuera-Guerrero in May of 2000.

4 b. From in or about March 2002 through August 14, 2006,
5 defendant FRANCISCO JAVIER ARELLANO-FELIX was the principal organizer
6 and top leader of the Enterprise, and had the ultimate decision-making
7 authority over all major Enterprise decisions, including the
8 organization and transportation of shipments of drugs into the United
9 States, distribution operations in the United States, and enforcement
10 activities undertaken by members of the Enterprise, including the
11 kidnaping and murder of Enterprise "enemies" and the kidnaping of
12 individuals for money.

13 c. From at least 1998 through August 2006, defendant
14 MANUEL ARTURO VILLARREAL-HEREDIA was a member of the Enterprise with
15 duties and responsibilities to the Enterprise, including the
16 transportation, importation and distribution of drugs and carrying out
17 enforcement operations.

18 d. From in or about March 2002 through August 14, 2006,
19 defendant MANUEL ARTURO VILLARREAL-HEREDIA was one of defendant
20 FRANCISCO JAVIER ARELLANO-FELIX' top six underbosses, reporting
21 directly to defendant JAVIER ARELLANO-FELIX and personally overseeing
22 and commanding multiple crews of men carrying out enforcement
23 operations and drug trafficking activities on behalf of the
24 Enterprise.

25 **METHOD AND MEANS OF THE ENTERPRISE**

26 5. Defendants and other members of the Enterprise used the
27 following method and means, among others, to conduct and participate
28 in the conduct of the affairs of the Enterprise:

1 a. Defendants, along with other members of the Enterprise,
2 negotiated with Colombian cocaine suppliers to arrange for the
3 purchase and transportation of multi-ton shipments of cocaine from
4 Colombia to Mexico;

5 b. Defendants, along with other members of the Enterprise,
6 arranged for the transmission of U.S. dollars to Colombia to pay for
7 these multi-ton cocaine shipments;

8 c. Defendants, along with other members of the Enterprise,
9 also negotiated with Mexican marijuana suppliers in the interior of
10 Mexico to arrange for the purchase of multi-ton shipments of
11 marijuana;

12 d. Defendants, along with other members of the Enterprise,
13 transported large loads of cocaine and marijuana overland by convoys
14 of vehicles, or hidden in large commercial trucks, through Mexico, to
15 locations along the Mexico/California border;

16 e. Defendants, along with other members of the Enterprise,
17 smuggled cocaine and marijuana into the United States by various
18 methods, including the trunks of vehicles, secret compartments located
19 inside personal and commercial vehicles, backpackers, and small boats;

20 f. Defendants, along with other members of the Enterprise,
21 obtained vehicles to be used as load vehicles to transport drugs and
22 cash, and recruited and paid individuals to drive these vehicles;

23 g. Defendants, along with other members of the Enterprise,
24 arranged for cocaine and marijuana to be smuggled into the United
25 States, and delivered to their customers in Los Angeles, California,
26 and elsewhere in the United States;

27 h. Defendants, along with other members of the Enterprise,
28 arranged for the proceeds of their drug trafficking activities in the

1 United States to be smuggled across the U.S./Mexican border and into
2 Mexico;

3 i. Defendants, along with other members of the Enterprise,
4 systematically bribed Mexican law enforcement and military officials
5 to: (1) protect the Enterprise's leadership and drug shipments;
6 (2) inform Enterprise members of Mexican and United States law
7 enforcement activities; (3) arrest rival drug traffickers; and
8 (4) seize drug loads belonging to rival traffickers and give those
9 loads to members of the Enterprise;

10 j. Defendants, along with other members of the Enterprise,
11 discussed Enterprise affairs and business in person and over
12 communications equipment, using various codes to disguise their
13 identities and the meaning of their conversations;

14 k. Defendants, along with other members of the Enterprise,
15 obtained houses and other locations in Mexico and the United States
16 which they used to store drugs, guns, money, and armored vehicles, and
17 as bases for their operations;

18 l. Defendants, along with other members of the Enterprise,
19 operated houses known as "nests" or "caves" which were used to conduct
20 wiretaps and to monitor the communications of members of the
21 Enterprise, rival drug traffickers, and Mexican law enforcement
22 officials in order to monitor their activities and obtain information
23 useful to the Enterprise;

24 m. Defendants, along with other members of the Enterprise,
25 purchased hundreds of firearms and other equipment, in the United
26 States and elsewhere, including AK-47s, Colt .38 Supers, Uzi machine
27 guns, AR-15s, and bulletproof vests, for AFO enforcement crew members
28 to use in carrying out the enforcement activities of the Enterprise.

1 n. Defendants, along with other members of the Enterprise,
2 obtained military and law enforcement uniforms and credentials that
3 were used by Enterprise members in furtherance of their drug
4 trafficking activities;

5 o. Defendants, along with other members of the Enterprise,
6 recruited, organized, and trained groups of bodyguards and assassins
7 who would protect the Enterprise leaders and conduct assassinations
8 of Enterprise "enemies";

9 p. Defendants, along with other members of the Enterprise,
10 enforced various rules of the Enterprise, such as the prohibition
11 against cooperating with law enforcement, and would punish and murder
12 other members of the Enterprise who violated the rules in order to
13 promote discipline, punish disobedient members, and make examples of
14 those who disobeyed the rules of the Enterprise;

15 q. Defendants, along with other members of the Enterprise,
16 organized and directed the kidnaping, torture and murder of
17 Enterprise "enemies" in Mexico and the United States, including rival
18 drug traffickers, suspected cooperators, and uncooperative law
19 enforcement or military personnel.

20 r. Defendants, along with other members of the Enterprise
21 "taxed" individuals conducting criminal activities in the areas of
22 Tijuana and Mexicali, Mexico.

23 s. Defendants, along with other members of the Enterprise,
24 organized and directed the kidnaping of individuals for money.

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1 THE RACKETEERING OFFENSE

2 6. Beginning in or about the year 1986, and continuing up to
3 and including August 14, 2006, within the Southern District of
4 California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX,
5 aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa,
6 aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
7 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
8 aka Z-1, and others, known and unknown to the grand jury, including
9 Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-
10 Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto
11 Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto
12 Yanez, Armando Martinez-Duarte (all charged elsewhere), and Ramon
13 Arellano-Felix and David Barron-Corona (both now deceased); being
14 persons employed by and associated with the Enterprise, (as defined
15 above), which Enterprise was engaged in, and the activities of which
16 affected interstate and foreign commerce, did knowingly and
17 intentionally conduct and participate, directly and indirectly, in the
18 conduct of the Enterprise's affairs through a pattern of racketeering
19 activity, as defined by Title 18, United States Code, Sections 1961(1)
20 and (5), and as described in paragraph 7 of this Count.

21 THE PATTERN OF RACKETEERING ACTIVITY

22 7. The pattern of racketeering activity, as defined in
23 Title 18, United States Code, Sections 1961(1) and 1961(5), consisted
24 of the following acts:

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Racketeering Act No. 1

(Conspiracy To Distribute Controlled Substances With Intent To Import And Conspiracy To Import Controlled Substances)

Defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO VILLARREAL-HEREDIA committed the following acts, the commission of either one of which constitutes Racketeering Act No. 1:

(a) Beginning in or about the year 1986, and continuing up to and including August 14, 2006, within the Southern District of California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO VILLARREAL-HEREDIA and others, known and unknown to the grand jury, including Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte (all charged elsewhere), and Ramon Arellano-Felix and David Barron-Corona (both now deceased), did knowingly and intentionally conspire with each other, and other persons known and unknown to the grand jury, to import controlled substances, including 5 kilograms and more of cocaine, a Schedule II Controlled Substance, and 1000 kilograms and more of marijuana, a Schedule I Controlled Substance, into the United States from a place outside thereof; all in violation of Title 21, United States Code, Sections 952, 960, and 963.

(b) Beginning in or about 1986 and continuing up to and including August 14, 2006, within the Southern District of California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO VILLARREAL-HEREDIA, together with others, known and unknown, did knowingly and intentionally conspire with each other and with other persons, known and unknown to the grand jury, to distribute 5 kilograms and more of cocaine, a Schedule II Controlled Substance, and 1000 kilograms and more of marijuana, a Schedule I Controlled Substance, intending that such substances would be unlawfully imported into the United States; all in violation of Title 21, United States Code, Sections 959(a)(1) and 963.

Racketeering Act No. 2

(Conspiracy To Distribute Controlled Substances)

Beginning in or about the year 1986, and continuing up to and including August 14, 2006, within the Southern District of California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO VILLARREAL-HEREDIA and others, known and unknown to the grand jury, including Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte (all charged elsewhere), and Ramon Arellano-Felix and David Barron-Corona (both now deceased), did knowingly and intentionally conspire with each other, and other persons known and unknown to the grand jury, to distribute controlled substances, including 5 kilograms and more of cocaine, a Schedule II

1 Controlled Substance, and 1000 kilograms and more of marijuana, a
2 Schedule I Controlled Substance; all in violation of Title 21, United
States Code, Sections 841(a)(1) and 846.

3 Racketeering Act No. 3
4 (Conspiracy To Launder Drug Proceeds)

5 Beginning in or about the year 1986, and continuing up to and
6 including August 14, 2006, within the Southern District of California
7 and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL
8 ARTURO VILLARREAL-HEREDIA and others, known and unknown to the grand
9 jury, including Benjamin Arellano-Felix, Eduardo Arellano-Felix,
10 Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero,
11 Gilberto Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix,
12 Rigoberto Yanez, Armando Martinez-Duarte (all charged elsewhere), and
13 Ramon Arellano-Felix and David Barron-Corona (both now deceased), did
14 knowingly and intentionally conspire and agree with each other, and
15 with other persons known and unknown to the grand jury, to:

16 (a) conduct a financial transaction affecting interstate and
17 foreign commerce, knowing that the property involved in the financial
18 transaction represented the proceeds of some form of unlawful
19 activity, which in fact involved the proceeds of specified unlawful
20 activity, that is, the felonious manufacture, importation, receiving,
21 concealment, buying, selling and otherwise dealing in a controlled
22 substance, punishable under the laws of the United States: (1) with
the intent to promote the carrying on of specified unlawful activity;
and (2) knowing that the transaction was designed, in whole or in
part, to conceal and disguise the nature, the location, the source,
the ownership, and the control of the proceeds of specified
unlawful activity, in violation of Title 18, United States Code,
Sections 1956(a)(1)(A)(i) and (B)(i); and

23 (b) knowingly transport, transmit, and transfer monetary
24 instruments and funds from a place in the United States to and through
25 a place outside the United States and to a place in the United States
26 from and through a place outside the United States: (1) with the
27 intent to promote the carrying on of specified unlawful activity; and
28 (2) knowing that the monetary instruments and funds involved in the
transportation, transmission and transfer represent the proceeds of
some form of unlawful activity and knowing that such transportation,
transmission, and transfer was designed in whole or in part to conceal
and disguise the nature, the location, the source, the ownership, and

1 the control, of the proceeds of specified unlawful activity; in
2 violation of Title 18, United States Code, Sections and 1956(a)(2)(A)
and (B)(i).

3 All in violation of Title 18, United States Code, Section 1956(h).

4 Racketeering Act No. 4
5 (Possession With Intent To Distribute Cocaine)

6 Defendant FRANCISCO JAVIER ARELLANO-FELIX committed the following
7 acts, the commission of any one of which alone constitutes
8 Racketeering Act No. 4:

9 (a) On or about July 31, 1991, in Los Angeles, California,
10 defendant FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally
11 possessed with intent to distribute 5 kilograms and more, to wit:
12 approximately 599 kilograms (1,317.80 pounds) of cocaine, a
Schedule II Controlled Substance; in violation of Title 21, United
States Code, Section 841(a)(1), and Title 18, United States Code,
Section 2.

13 (b) On or about July 31, 1991, in Tustin, California, defendant
14 FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally possessed
15 with intent to distribute 5 kilograms and more, to wit: approximately
16 232 kilograms (510.40 pounds) of cocaine, a Schedule II Controlled
Substance; in violation of Title 21, United States Code,
Section 841(a)(1), and Title 18, United States Code, Section 2.

17 (c) On or about August 6, 1991, in Fontana, California,
18 defendant FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally
19 possessed with intent to distribute 5 kilograms and more, to wit:
approximately 400 kilograms (880 pounds) of cocaine, a Schedule II
Controlled Substance; in violation of Title 21, United States Code,
Section 841(a)(1), and Title 18, United States Code, Section 2.

20 (d) On or about August 6, 1991, in Fontana, California,
21 defendant FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally
22 possessed with intent to distribute 5 kilograms and more, to wit:
23 approximately 611 kilograms (1,346.40 pounds) of cocaine, a
Schedule II Controlled Substance; in violation of Title 21, United
States Code, Section 841(a)(1), and Title 18, United States Code,
Section 2.

24 Racketeering Act No. 5
25 (Possession With Intent To Distribute Cocaine)

26 On or about October 9, 1991, in Fontana, California, defendant
27 FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally possessed
28 with intent to distribute 5 kilograms and more, to wit: approximately
2,298 kilograms (5,055.60 pounds) of cocaine, a Schedule II Controlled
Substance; in violation of Title 21, United States Code,
Section 841(a)(1), and Title 18, United States Code, Section 2.

1 Racketeering Act No. 8
2 (Importation And Possession With Intent To Distribute Cocaine)

3 Defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO
4 VILLARREAL-HEREDIA committed the following acts, the commission of any
5 one of which alone constitutes Racketeering Act No. 8:

6 (a) In or about May 2006, in Chula Vista, California, in the
7 Southern District of California, defendants FRANCISCO JAVIER ARELLANO-
8 FELIX and MANUEL ARTURO VILLARREAL-HEREDIA did knowingly and
9 intentionally import 5 kilograms and more cocaine, a Schedule II
Controlled Substance, into the United States from a place outside
thereof; in violation of Title 21, United States Code, Sections 952
and 960, and Title 18, United States Code, Section 2.

10 (b) In or about May 2006, in Chula Vista, California, in the
11 Southern District of California, defendants FRANCISCO JAVIER ARELLANO-
12 FELIX and MANUEL ARTURO VILLARREAL-HEREDIA did knowingly and
13 intentionally possess with intent to distribute approximately
5 kilograms and more cocaine, a Schedule II Controlled Substance, in
violation of Title 21, United States Code, Section 841(a)(1), and
Title 18, United States Code, Section 2.

14 All in violation of Title 18, United States Code, Section 1962(c).

15 Count 2

16 THE RACKETEERING CONSPIRACY

17 1. Paragraphs 1-5 and paragraph 7 of Count 1 of this Indictment
18 are realleged and incorporated by reference as though fully set out
19 herein.

20 2. Beginning in or about the year 1986, and continuing up to
21 and including August 14, 2006, within the Southern District of
22 California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX,
23 aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa,
24 aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
25 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
26 aka Z-1, and Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel
27 Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto
28 Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto

1 Yanez, Armando Martinez-Duarte (all charged elsewhere), and Ramon
2 Arellano-Felix and David Barron-Corona (both now deceased); and others
3 known and unknown to the grand jury, being employed by and associated
4 with the Enterprise, as defined in Count 1 of this Indictment, which
5 Enterprise was engaged in, and the activities of which affected
6 interstate and foreign commerce, did knowingly and intentionally
7 conspire with each other, and other persons, to violate
8 Section 1962(c) of Title 18, United States Code, that is, to conduct
9 and participate, directly and indirectly, in the conduct of the
10 Enterprise's affairs through a pattern of racketeering activity, as
11 defined in by Title 18, United States Code, Sections 1961(1) and (5),
12 consisting of the racketeering acts contained in paragraph 7 of
13 Count 1.

14 3. It was further a part of the conspiracy that the defendants
15 agreed that a conspirator would commit at least two acts of
16 racketeering activity in the conduct of the affairs of the Enterprise.

17 **OVERT ACTS**

18 4. In furtherance of said conspiracy and to effect the objects
19 thereof, the following Overt Acts, among others, were committed within
20 the Southern District of California and elsewhere:

21 Overt Act No. 1
22 (The Murder of Armando Lopez)

23 In or about 1989, in Tijuana, Mexico, co-conspirator Ramon
24 Arellano-Felix (now deceased), shot and killed Armando Lopez, a member
of the Joaquin Guzman-Loera Organization and AFO rival.

25 Overt Act No. 2
26 (The Murder Of Guillermo Castaneda-Lopez)

27 On or about October 23, 1991, in San Diego, California, at the
28 direction of co-conspirators Alberto Benjamin and Eduardo Arellano-
Felix (charged elsewhere), members of an AFO Enterprise enforcement
crew murdered Guillermo Castaneda-Lopez.

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Overt Act No. 9
(Alberto Benjamin Arellano-Felix Goes Into Hiding)

In or about May 1993, in Mexico, co-conspirator Alberto Benjamin Arellano-Felix went into hiding.

Overt Act No. 10
(Francisco Javier and Ramon Arellano-Felix Go Into Hiding)

In or about May 1993, in the United States, defendant FRANCISCO JAVIER ARELLANO-FELIX and Ramon Arellano-Felix went into hiding.

Overt Act No. 11
(Plot To Murder Fernando Gutierrez)

In or about December 1996, in Tijuana, Mexico, defendant FRANCISCO JAVIER ARELLANO-FELIX and co-conspirators Alberto Benjamin and Eduardo (charged elsewhere), and co-conspirators Ramon Arellano-Felix and David Barron-Corona (both now deceased), agreed that Fernando Gutierrez would be murdered for failing to repay a debt, and plotted his murder.

Overt Act No. 12
(Murder Of Fernando Gutierrez)

On or about December 11, 1996, in Coronado, California, at the direction of defendant FRANCISCO JAVIER ARELLANO-FELIX and co-conspirators Alberto Benjamin and Eduardo Arellano-Felix (both charged elsewhere), and co-conspirator Ramon Arellano-Felix (now deceased), members of an AFO Enterprise enforcement crew murdered Fernando Gutierrez.

Overt Act No. 13
(Attempted Murder Of Ramiro Ramirez)

On or about March 7, 1997, in Chula Vista, California, at the direction of co-conspirators Alberto Benjamin Arellano-Felix and Ismael Higuera-Guerrero (both charged elsewhere), and co-conspirators Ramon Arellano-Felix and David Barron-Corona (both now deceased), members of an AFO Enterprise enforcement crew attempted to murder Ramiro Ramirez.

Overt Act No. 14
(Kidnaping Of Victim-1)

On or about January 18, 2002, in Tijuana, Mexico, defendant MANUEL ARTURO VILLARREAL-HEREDIA and other members of an AFO Enterprise enforcement crew working under his command kidnapped Victim-1.

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Overt Act No. 22
(The Murder Of Three Police Officers And One Civilian)

On or about June 20, 2006, in Tijuana Mexico, defendant FRANCISCO JAVIER ARELLANO-FELIX approved, and defendant MANUEL ARTURO VILLARREAL-HEREDIA directed, members of an AFO Enterprise enforcement crew to murder three police officers, Ismael Arellano-Torres, Jesus Hernandez-Ballesteros and Benjamin Fabian-Ventura, and one civilian, Fernando Avila.

Overt Act No. 23
(The Beheading Of Three Police Officers And One Civilian)

On or about June 20, 2006, in Tijuana, Mexico, defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO VILLARREAL-HEREDIA authorized members of an AFO Enterprise enforcement crew to behead the above-murdered police officers and civilian.

All in violation of Title 18, United States Code, Sections 1962(c) and 1962(d).

Count 3

CONSPIRACY TO IMPORT CONTROLLED SUBSTANCES

1. Paragraphs 1 through 5 and paragraph 7 of Count 1 of this indictment are realleged and hereby incorporated by reference in this count as though fully set forth herein.

2. Beginning in or about the 1986, and continuing up to and including August 14, 2006, within the Southern District of California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, together with co-conspirators Alberto Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte (all charged elsewhere), and Ramon Arellano-Felix and David Barron-Corona (both now deceased), and others known and unknown, did knowingly and

1 intentionally conspire with each other, and other persons known and
2 unknown to the grand jury, to import 5 kilograms and more of cocaine,
3 a Schedule II Controlled Substance, and 1000 kilograms and more of
4 marijuana, a Schedule I Controlled Substance, into the United States
5 from a place outside thereof; all in violation of Title 21, United
6 States Code, Sections 952, 960, and 963.

7 Count 4

8 CONSPIRACY TO DISTRIBUTE CONTROLLED SUBSTANCES
9 WITH INTENT TO IMPORT

10 1. Paragraphs 1 through 5 and paragraph 7 of Count 1 of this
11 indictment are realleged and hereby incorporated by reference in this
12 count as though fully set forth herein.

13 2. Beginning in or about 1986 and continuing up to and
14 including August 14, 2006, within the Southern District of California
15 and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
16 Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
17 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
18 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, together
19 with co-conspirators Alberto Benjamin Arellano-Felix, Eduardo
20 Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael
21 Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge
22 Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte (all charged
23 elsewhere), and Ramon Arellano-Felix and David Barron-Corona (both now
24 deceased), and others known and unknown, did knowingly and
25 intentionally conspire with each other and with other persons, known
26 and unknown to the grand jury, to distribute 5 kilograms and more of
27 cocaine, a Schedule II controlled substance, and 1000 kilograms and
28 more of marijuana, a Schedule I Controlled Substance, intending that

1 such substances would be unlawfully imported into the United States;
2 all in violation of Title 21, United States Code, Sections 959(a)(1),
3 960, and 963.

4 Count 5

5 CONSPIRACY TO DISTRIBUTE CONTROLLED SUBSTANCES

6 1. Paragraphs 1 through 5 and paragraph 7 of Count 1 of this
7 indictment are realleged and hereby incorporated by reference in this
8 count as though fully set forth herein.

9 2. Beginning in or about 1986 and continuing up to and
10 including August 14, 2006, within the Southern District of California
11 and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
12 Tigrillo, aka Conan, aka Miclo, aka El Senor, El Apa, El Abuelo, and
13 MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro, aka Marcos,
14 aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, together with co-
15 conspirators Alberto Benjamin Arellano-Felix, Eduardo Arellano-Felix,
16 Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero,
17 Gilberto Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix,
18 Rigoberto Yanez, Armando Martinez-Duarte (all charged elsewhere), and
19 Ramon Arellano-Felix and David Barron-Corona (both now deceased), and
20 others known and unknown, did knowingly and intentionally conspire
21 with each other, and other persons known and unknown to the grand
22 jury, to distribute 5 kilograms and more of cocaine, a Schedule II
23 Controlled Substance, and 1000 kilograms and more of marijuana, a
24 Schedule I Controlled Substance; in violation of Title 21, United
25 States Code, Sections 841(a)(1) and 846.

26 //
27 //
28 //

1 Count 6

2 CONTINUING CRIMINAL ENTERPRISE

3 Beginning in or about 1986 and continuing up to and including
4 August 14, 2006, within the Southern District of California, and
5 elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
6 Tigrillo, aka Conan, aka Miclo, aka El Señor, aka El Apa, aka El
7 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
8 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, did
9 knowingly and intentionally engage in a continuing criminal enterprise
10 by violating various felony provisions of the Controlled Substance Act
11 (Title 21, United States Code, Sections 801, et seq.), including but
12 not limited to Title 21, United States Code, Sections 841(a)(1), 846,
13 952, 959, 960, and 963, as alleged in Counts 3, 4, and 5, of this
14 Indictment (said Counts being incorporated herein by reference), which
15 violations were a part of a continuing series of violations of said
16 Act, were undertaken by defendants FRANCISCO JAVIER ARELLANO-FELIX,
17 aka El Tigrillo, aka Conan, aka Miclo, aka El Señor, aka El Apa,
18 aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
19 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
20 aka Z-1, in concert with five or more other persons with respect to
21 whom defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El Tigrillo,
22 aka Conan, aka Miclo, aka El Apa, aka El Señor, aka El Apa, aka El
23 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
24 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, occupied
25 a position of organizer, supervisor, and other position of management,
26 and from which such continuing series of violations defendants
27 FRANCISCO JAVIER ARELLANO-FELIX, aka El Tigrillo, aka Conan,
28 aka Miclo, aka El Señor, aka El Apa, aka El Abuelo, and MANUEL ARTURO

1 VILLARREAL-HEREDIA, aka Nalgon, aka Maestro, aka Marcos, aka Hector,
2 aka Pedro, aka A-2, aka R-5, aka Z-1, obtained substantial income and
3 resources.

4 It is further alleged that defendants FRANCISCO JAVIER ARELLANO-
5 FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El
6 Apa, aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
7 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
8 aka Z-1, while engaged in and working in furtherance of such
9 continuing criminal enterprise, intentionally killed and counseled,
10 commanded, induced, procured, and caused the intentional killing of
11 an individual and such killing resulted.

12 All in violation of Title 21, United States Code, Sections 848(a)
13 and 848(e)(1).

14 Count 7

15 THE MONEY LAUNDERING CONSPIRACY

16 1. Paragraphs 1 through 5 and paragraph 7 of Count 1 of this
17 indictment are realleged and hereby incorporated by reference in this
18 count as though fully set forth herein.

19 2. Beginning in or about 1986 and continuing up to and
20 including August 14, 2006, within the Southern District of California
21 and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
22 Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
23 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
24 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, and
25 others known and unknown, did knowingly and intentionally conspire and
26 agree with each other, and with other persons, known and unknown to
27 the grand jury, to:

28

1 (a) conduct a financial transaction affecting interstate and
2 foreign commerce, knowing that the property involved in the financial
3 transaction represented the proceeds of some form of unlawful
4 activity, which in fact involved the proceeds of specified unlawful
5 activity, that is, the felonious manufacture, importation, receiving,
6 concealment, buying, selling and otherwise dealing in a controlled
7 substance, punishable under the laws of the United States: (1) with
8 the intent to promote the carrying on of specified unlawful activity;
9 and (2) knowing that the transaction was designed, in whole or in
10 part, to conceal and disguise the nature, the location, the source,
11 the ownership, and the control, of the proceeds of specified unlawful
12 activity; in violation of Title 18, United States Code,
13 Sections 1956(a)(1)(A)(i) and (B)(i); and

14 (b) knowingly transport, transmit, and transfer monetary
15 instruments and funds from a place in the United States to and through
16 a place outside the United States and to a place in the United States
17 from and through a place outside the United States: (1) with the
18 intent to promote the carrying on of specified unlawful activity; and
19 (2) knowing that the monetary instruments or funds involved in the
20 transportation, transmission and transfer represent the proceeds of
21 some form of unlawful activity and knowing that such transportation,
22 transmission, and transfer was designed in whole or in part to conceal
23 and disguise the nature, the location, the source, the ownership, and
24 the control, of the proceeds of specified unlawful activity; in
25 violation of Title 18, United States Code, Sections 1956(a)(2)(A)
26 and (B)(i).

27 All in violation of Title 18, United States Code, Section 1956(h).

28 //

1 **FORFEITURE ALLEGATION**

2 1. The allegations contained in Counts 1 and 2 are realleged
3 and by reference are fully incorporated herein for the purpose of
4 alleging forfeiture to the United States of America, pursuant to the
5 provisions of Title 18, United States Code, Section 1963(a).

6 2. As a result of the commission of the felony offense alleged
7 in Count 1 and/or 2, said violation being punishable by imprisonment
8 for more than one year, and pursuant to Title 18, United States Code,
9 Section 1962(a), defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
10 Tigritillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
11 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
12 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, shall
13 forfeit to the United States: all interest the defendants acquired or
14 maintained in violation of Section 1962; any and all interest in,
15 security of, claim against, and property and contractual right of any
16 kind affording a source of influence over, any and all enterprises the
17 defendants established, operated, controlled, conducted, and
18 participated in the conduct of, in violation of Section 1962; and any
19 property constituting, or derived from, any proceeds the defendants
20 obtained, directly or indirectly, from racketeering activity in
21 violation of Section 1962, including but not limited to, \$63,000,000
22 in U.S. currency, and a 2001 43' Riviera yacht, "Dock Holiday",
23 RJH43156A101, registered in Delaware under the name of M-Y Junior,
24 Inc..

25 3. The allegations contained in Counts 3 through 6 are
26 realleged and by their reference fully incorporated herein for the
27 purpose of alleging forfeiture to the United States of America
28

1 pursuant to the provisions of Title 21, United States Code,
2 Section 853.

3 4. As a result of the commission of the felony offenses alleged
4 in Counts 3 through 6, said violations being punishable by
5 imprisonment for more than one year, and pursuant to Title 21, United
6 States Code, Section 853(a)(1), defendants FRANCISCO JAVIER ARELLANO-
7 FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El
8 Apa, aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
9 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
10 aka Z-1, shall upon conviction, forfeit to the United States all their
11 rights, title and interest in any and all property constituting or
12 derived from proceeds obtained directly or indirectly as the result
13 of said violations, including but not limited to: \$63,000,000 in U.S.
14 currency and a 2001 43' Riviera yacht, "Dock Holiday", RJH43156A101,
15 registered in Delaware under the name of M-Y Junior, Inc.

16 5. As a result of the commission of the felony offense alleged
17 in Count 7 of this indictment, said violations being punishable by
18 imprisonment for more than one year and pursuant to Title 18, United
19 States Code, Section 982(a)(1), defendants FRANCISCO JAVIER ARELLANO-
20 FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El
21 Apa, aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
22 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
23 aka Z-1, shall, upon conviction, forfeit to the United States all
24 their rights, title and interest in any and all property involved in
25 such offenses, or any property traceable to such property, including
26 but not limited to: \$63,000,000 in U.S. currency and a 2001 43'
27 Riviera yacht, "Dock Holiday", RJH43156A101, registered in Delaware
28 under the name of M-Y Junior, Inc.

