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CLERK U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

BY:

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

January 2006 Grand Jury

**06 CR 2646 LAB**

UNITED STATES OF AMERICA,  
Plaintiff,

v.

FRANCISCO JAVIER  
ARELLANO-FELIX (1),  
aka El Tigrillo,  
aka Conan,  
aka Miclo,  
aka El Senor,  
aka El Apa,  
aka El Abuelo,  
MANUEL ARTURO  
VILLARREAL-HEREDIA (2),  
aka Nalgon,  
aka Maestro,  
aka Marcos,  
aka Hector,  
aka Pedro,  
aka A-2,  
aka R-5,  
aka Z-1,

Defendants.

Criminal Case No. \_\_\_\_\_

**I N D I C T M E N T**

Title 18, U.S.C., Sec. 1962(c) -  
Conducting the Affairs of an  
Enterprise Through Pattern of  
Racketeering Activity; Title 18,  
U.S.C., Sec. 1962(d) - Conspiracy  
to Conduct Enterprise Affairs  
Through a Pattern of Racketeering  
Activity; Title 21, U.S.C.,  
Secs. 952, 960, and 963 -  
Conspiracy to Import a Controlled  
Substance; Title 21, U.S.C.  
Secs. 959(a)(1), 960 and 963 -  
Conspiracy to Distribute  
a Controlled Substance Intending  
Importation; Title 21, U.S.C.,  
Secs. 841(a)(1) and 846 -  
Conspiracy to Distribute a  
Controlled Substance; Title 21,  
U.S.C., Secs. 848(a) and (e)(1) -  
Continuing Criminal Enterprise;  
Title 18, U.S.C., Secs. 1956(a)  
and 1956(h) - Conspiracy to  
Launder 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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