



FOR IMMEDIATE RELEASE
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'OPERATION FROZEN FREIGHT' DISMANTLES FAMILY-RUN DRUG TRAFFICKING ORGANIZATION

**Eight Arrested in Drug Conspiracy, Money Laundering
*Property, guns, vehicles, jewelry seized***

PHOENIX – Eight people were arrested yesterday in Tucson on federal charges they ran a conspiracy that used a network of front businesses and warehouses, residences, cars, and semi-tractor trailers to package and ship-multi-hundred pound loads of marijuana from Arizona to Ohio, and to package, ship or deposit cash proceeds from those sales. Charges include multiple counts of conspiracy to possess with intent to distribute marijuana, money laundering, promotional money laundering, illegal financial transactions to further the conspiracy, and a forfeiture allegation for \$5 million. The organization is alleged to have smuggled at least 6,000 pounds of marijuana at an estimated street value of \$5 million.

The investigation conducted by the U.S. Drug Enforcement Administration and IRS Criminal Investigations lasted from March 2005 to June 2010. In the course of the investigation, dubbed "Operation Frozen Freight," federal agents believe the drug trafficking organization led by Jonathan Ortiz Troncoza, 39, of Tucson, Ariz. and several other members of the Troncoza family laundered up to \$5 million of criminal proceeds from the sale of marijuana to finance the purchase, lease, or rental of properties, cash, vehicles, jewelry, and other items in furtherance of the drug trafficking conspiracy. Federal agents seized marijuana, over \$700,000 cash, numerous vehicles (including a semi-tractor-trailer), guns, jewelry, and a house in the course of the investigation (see photos attached. More available upon request).

"This family business used fictitious identities and false business fronts to conceal a broad conspiracy to smuggle drugs from Arizona to the northeastern United States," said U.S. Attorney Dennis K. Burke. "This was an outstanding investigation led by the DEA, which has effectively put the thaw on this so-called 'frozen freight' business."

The 15-count indictment was unsealed yesterday afternoon when the eight defendants made their initial appearance at the U.S. District Courthouse in Phoenix.

"With these arrests, we have closed the doors on this family of drug traffickers, taking away their money, drugs, and freedom," said DEA Special Agent in Charge Elizabeth W. Kempshall. "This multi-million dollar drug trafficking and money laundering conspiracy went beyond Arizona, contributing to drug abuse and addiction nationwide. "DEA and our partners will continue to follow the money trail and bring justice to all those responsible for spreading poison in our communities."

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According to the allegations contained in the indictment, in March 2005 federal agents were alerted to the conspiracy when Jonathan Ortiz Trancoza and a female companion transported \$181,790 of U.S. currency through the Phoenix Sky Harbor Airport concealed in two suitcases. Also according to the indictment, Ortiz Trancoza and co-conspirators used proceeds from the sales of marijuana to lease warehouses and residences in Tucson and Ohio to store and package marijuana for distribution. Cash proceeds from the trafficking were hidden and transferred by commercial airlines, semi-tractor trailers, and vehicles. Proceeds from drug sales were also used to purchase airline tickets, pay for hotels, cell phones, and other expenses to further the conspiracy.

The conspiracy used aliases and false business names to disguise the identity of defendants and the true nature of the drug trafficking organization, such as “Sea of Cortez Seafood & Produce Distribution, LLC”, “Wedoito’s Hotdogs, LLC”, “AB Trucking”, and others. Conspirators also purchased semi-tractor trailers which were used to transport thousands of pounds of marijuana (and multiple pounds of cocaine) from stash houses in Tucson and Phoenix areas to properties in Ohio. The defendants also conspired to conduct financial transactions, including depositing thousands of dollars in drug proceeds into bank accounts controlled by the drug trafficking organization.

Defendants & Charges

Jonathan Ortiz Trancoza, 39 of Tucson, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana, Possession With Intent to Distribute Marijuana, Conspiracy to Commit Money Laundering, Promotional Money Laundering and Concealment Money Laundering;

David Ortiz Trancoza, 41 of Tucson, Arizona, for violations of Conspiracy to possess with Intent to Distribute Marijuana, Possession With Intent to Distribute Marijuana, Conspiracy to Commit Money Laundering and Promotional Money Laundering;

Drusilla Ortiz Trancoza, 61 of Tucson, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana, Conspiracy to Commit Money Laundering and Concealment Money Laundering; (not arrested-will be summoned into court)

Yvonne Teresa Trancoza-Martinez, 38 of Tucson, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana, Conspiracy to Commit Money Laundering and Promotional Money Laundering;

Kathy Ann Trancoza-Valenzuela, 41 of Tucson, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana, Conspiracy to Commit Money Laundering and Promotional Money Laundering;

Nina Francine Trancoza-Celaya, 32 of Tucson, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana and Conspiracy to Commit Money Laundering;

Manuel Martin Garcia, 34 of Tucson, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana, Possession With Intent to Distribute Marijuana and Conspiracy to Commit Money Laundering;

Manuel Alejandro Alvarez, 35 of Tucson, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana, Possession With Intent to Distribute Marijuana and Conspiracy to Commit Money Laundering;

Anna Graciela Goncalvez-Mendez, 41 of Naco, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana, Concealment Money Laundering, Concealment Money Laundering and Engaging in Monetary Transactions; (reported deceased)

Juan Fonseca-Cantallops, 41 of Buckeye, Arizona, for violations of Conspiracy to Possess with Intent to Distribute Marijuana, Conspiracy to Commit Concealment Money Laundering and Concealment Money Laundering;

A conviction for Conspiracy to Possess with Intent to Distribute Marijuana carries a maximum penalty of 10 years to life, a \$4,000,000 fine or both, a conviction for Possession With Intent to Distribute Marijuana carries a maximum penalty of 40 years, a \$2,000,000 fine or both, Conspiracy to Commit Money Laundering carries a maximum penalty of 20 years, a \$500,000 fine or two times the value, Conspiracy to Commit Concealment Money Laundering carries a maximum penalty of 20 years or a \$500,000 fine or two times the value, Promotional Money Laundering carries a maximum penalty of 20 years or a \$500,000 fine or two times the value, Concealment Money Laundering carries a maximum penalty of 20 years or a \$500,000 fine or two times the value, Engaging in Monetary Transactions carries a maximum penalty of 10 years or a \$250,000 fine or two times the value. In determining an actual sentence, Judge G. Murray Snow will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the U.S. Drug Enforcement Administration and the IRS-Criminal Investigations Division, and included the participation of the U.S. Postal Inspection Service, U.S. Marshal's Service, U.S. Immigration and Customs Enforcement, U.S. Border Patrol. The FBI, U.S. Alcohol, Tobacco, Firearms & Explosives, Arizona Department of Public Safety. Local police agencies that assisted include the Mesa, Phoenix, Glendale, Tempe and Tucson Police Departments; the Pinal County Sheriff's Office and the Arizona Attorney General's Office. The investigation was also made possible by the assistance of the Las Vegas Metropolitan Police Department, Imperial Police Department, U.S. Attorney's Offices in Arizona, Nevada and Ohio and various DEA offices throughout the U.S. and in Mexico. The National Drug Intelligence Center (NDIC) provided extensive analysis of documents seized during the investigation.

The prosecution is being handled by Karen S. McDonald, Assistant U.S. Attorney, District of Arizona, Phoenix.

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