

NEWS RELEASE



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For Immediate Release

LEADERS OF ARELLANO-FELIX CRIMINAL ORGANIZATION PLEAD GUILTY

NEWS RELEASE SUMMARY - October 21, 2009

United States Attorney Karen P. Hewitt announced today that, within the last week, Jesus “Chuy” Labra-Aviles, Efrain Perez, Jorge Aureliano Felix, and Armando Martinez-Duarte pled guilty in United States District Court to charges arising from their leadership of the Arellano-Felix drug trafficking organization (AFO). As indicated in court documents, the AFO is a criminal enterprise based in Tijuana, Baja California, Mexico. Over the course of two decades, the AFO has shipped hundreds of tons of cocaine and marijuana to the United States; laundered hundreds of millions of dollars in drug proceeds; kidnaped, tortured, and murdered numerous persons, including informants and law enforcement personnel; and paid millions of dollars in bribes to government officials. All four defendants had been extradited from Mexico to the United States in December 2008 to stand trial.

The defendants entered their guilty pleas before United States Magistrate Judge Cathy Ann Bencivengo, subject to final acceptance of the plea by United States District Court Judge Larry A. Burns, at the time of sentencing. The details of the defendants' pleas are as follows:

Jesus "Chuy" Labra-Aviles: On October 15, 2009, Labra-Aviles pleaded guilty to conspiracy to distribute cocaine and marijuana and agreed to forfeit \$1 million. Under the plea agreement, the United States will recommend 40 years of imprisonment. As part of the plea, Labra-Aviles admitted that from the 1980s to 2000, he was a senior partner in the AFO who frequently joined with Benjamin Arellano-Felix and Manuel Aguirre-Galindo to invest in and distribute large shipments of cocaine and marijuana. Labra-Aviles also admitted that he served as an organizer and leader of the AFO and that AFO members paid millions of dollars in bribes to law enforcement officers, government officials, and military officials. Sentencing for Labra-Aviles is set for January 4, 2010, 9:30 a.m., before United States District Judge Larry A. Burns.

Armando Martinez-Duarte: On October 16, 2009, Martinez-Duarte pleaded guilty to conspiring to conduct the affairs of an enterprise through a pattern of racketeering activity. As part of his plea, Martinez-Duarte admitted that from the 1990s to April 2002, he was a federal law enforcement officer in Mexico who was paid by AFO leaders to leak information about AFO investigations, intervene with other law enforcement officers on the AFO's behalf, escort and protect AFO members and drug shipments, and help place certain individuals in ranking law enforcement positions in areas under AFO control. Sentencing for Martinez-Duarte is set for January 11, 2010, 9:30 a.m., before Judge Burns.

Efrain Perez: On October 19, 2009, Perez pleaded guilty to conducting the affairs of an enterprise through a pattern of racketeering activity and conspiring to invest illicit drug profits. Perez also agreed to forfeit \$1 million. Under the plea agreement, the United States will recommend 30 years of imprisonment. Perez admitted that from the 1990s to June 2004, he and Ismael Higuera-Guerrero, the top lieutenant to the Arellano-Felix brothers, were responsible for receiving large drug shipments in Mexico and smuggling them into the United States, coordinating the distribution of drug shipments within the United States, collecting drug proceeds, and policing Tijuana for enemies, suspected informants, and uncooperative government

personnel. Perez also admitted AFO members killed numerous persons in furtherance of the enterprise. Sentencing for Perez is February 8, 2010, 9:30 a.m., before Judge Burns.

Jorge Aureliano Felix: On October 21, 2009, Felix pleaded guilty to conducting the affairs of an enterprise through a pattern of racketeering activity and conspiring to invest illicit drug profits. Felix also agreed to forfeit \$1 million. Under the plea agreement, the United States will recommend 30 years of imprisonment. Felix admitted that, like Perez, from the 1990s to June 2004, he ranked as a top AFO lieutenant. Sentencing for Felix is set for January 11, 2010, 9:30 a.m., before Judge Burns.

The guilty pleas by Labra-Aviles, Perez, Felix, and Martinez-Duarte bring to eight the number of high-ranking AFO leaders who have been convicted since 2006 in the Southern District of California of federal drug trafficking and racketeering charges.

“These four guilty pleas of top leadership figures in the Arellano-Felix Organization are the product of outstanding investigative and prosecutorial work over more than a decade. In achieving this success, we appreciate the cooperation provided by the Government of Mexico during the extradition process. But our work does not end here. The U.S. Attorney’s Office remains committed to seeking justice against all drug traffickers attempting to exploit the southwest border,” said United States Attorney Karen P. Hewitt.

“With this guilty plea today, all agencies involved in this investigation have dealt a significant blow to the leadership of the Arellano Felix Organization,” said Special Agent in Charge Ralph W. Partridge of the DEA San Diego. “This should send a message to the traffickers that with the outstanding cooperation of the Mexican government, there is no place to hide, they will be brought to justice.”

FBI Special Agent in Charge Keith Slotter commented, “Today’s guilty pleas are a result of thoughtful investigative work and cooperation between law enforcement agencies and we are pleased with the efforts of the prosecutors to see justice brought to these individuals.”

“The plea agreements announced today deal a significant blow to the Arellano-Felix organization and demonstrate law enforcement’s resolve to continue to investigate and prosecute drug trafficking organizations,” said Leslie P. DeMarco, Special Agent in Charge of IRS – Criminal Investigation’s

Los Angeles Field Office. “IRS-Criminal Investigation brings in its financial expertise to narcotic investigations to disrupt and dismantle drug trafficking organizations. We specialize in following the money in these illegal operations, enabling increased criminal prosecutions and asset forfeitures.”

DEFENDANTS

Case Number: 97cr2520-LAB

Jesus “Chuy” Labra-Aviles
Efrain Perez
Jorge Aureliano Felix
Armando Martinez-Duarte

SUMMARY OF CHARGES AND PENALTIES

Conspiracy to distribute cocaine and marijuana, in violation of Title 21, United States Code, Sections 841 and 846 (punishable by at least 5 years and up to 40 years in prison and a \$2 million fine)

Conducting, and conspiring to conduct, the affairs of an enterprise through a pattern of racketeering activity, in violation of Title 18, United States Code, Section 1962 (punishable by up to 20 years in prison and a \$250,000 fine or twice the gross profits)

Conspiracy to invest illicit drug profits, in violation of Title 21, United States Code, Sections 846 and 854 (punishable by up to 10 years in prison and a \$250,000 fine).

AGENCIES

Drug Enforcement Administration
Federal Bureau of Investigation
Internal Revenue Service, Criminal Investigation