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HEROIN AND COCAINE SUPPLY NETWORKS, STREET GANG DRUG AND GUN SALES TARGETED IN THREE SEPARATE INVESTIGATIONS RESULTING IN STATE AND FEDERAL CHARGES AGAINST 55 DEFENDANTS

CHICAGO — Fifty-five defendants are facing state or federal charges following separate law enforcement operations that penetrated alleged wholesale cocaine and heroin supply networks and street gang-related retail sales of drugs and guns on the city's south and west sides. Nearly 20 firearms, tens of kilograms of heroin and cocaine, more than \$800,000 in cash, and three luxury automobiles were seized during the course of the joint local, state and federal investigations that were taken down consecutively today, yesterday and Tuesday.

The defendants charged in the operations included drug wholesalers alleged to have narcotics supply connections in Mexico; the customers of those wholesalers, whose alleged re-sales extended from Chicago into Indiana and Wisconsin; and members of six different street gangs who allegedly dealt drugs and guns to an undercover operatives. In one instance, the violence that often accompanies guns, drugs and gangs was captured on a telephone wiretap when a gunman fired a shot into a car as one federal defendant, who allegedly brokered a cocaine deal, then orchestrated a robbery of both the buyer and seller.

The following events occurred in a series of early morning operations this week:

- ▶ On Tuesday, Chicago police and federal Alcohol, Tobacco, Firearms and Explosives (ATF) agents executed arrest and search warrants against 20 state and 13 federal defendants who allegedly sold various amounts of crack cocaine and/or firearms in a single west side neighborhood to an undercover agent, mostly since 2009. Thirteen guns and rifles were seized during the investigation;
- ▶ On Wednesday, FBI and DEA agents, together with Chicago police, began executing arrest and search warrants against 18 federal defendants, including **Moises Villalobos**, an alleged wholesale dealer with Mexican connections after authorities seized approximately 25 kilos of heroin from him since July in Chicago and south suburban Harvey. Villalobos allegedly supplied heroin to a faction of the Gangster 2-6 Nation street gang that was dismantled two weeks ago in a similar takedown on state and federal narcotics charges. Another defendant, **Roberto Romero**, allegedly directed a separate drug-trafficking cell that was supplied by Villalobos, and which re-sold wholesale quantities of cocaine and heroin to various customers in the Chicago area, as well in Milwaukee and northern Indiana. Defendant **Antonio Negron** allegedly transported wholesale supplies of cocaine into Chicago on multiple commercial airline trips from Puerto Rico, and yet another defendant, **Helga Weis**, allegedly staged the simultaneous robbery of a drug supplier and a customer; and
- ▶ Today, FBI agents began executing arrest warrants against four additional defendants, including two alleged members of the Mickey Cobras street gang and two alleged Gangster Disciples members, who allegedly sold various amounts of either heroin or crack cocaine, and in one instance a 9 mm rifle, on the city's south side to individuals cooperating with law enforcement agents.

“The wholesale supply side and the retail street sales of narcotics trafficking are equally important components of the same problem,” said Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois. “These coordinated efforts demonstrate the commitment of all law enforcement agencies in Chicago, at both the federal and state level, to combat the dangerous combination of gangs, guns and drugs in our community,” he added.

“Using all of our combined police and prosecutorial resources, we are continuing to successfully hammer away at the drug markets and the accompanying violence that is plaguing so many of our communities,” said Cook County State's Attorney Anita Alvarez.

“The core missions of ATF are combating gun crimes and interdicting the illegal trafficking and possession of firearms. As demonstrated by our investigation and arrests, we are fulfilling those missions by targeting mid-level narcotics traffickers and their support networks. It is ATF's

committed contribution to the comprehensive fight against violent crime throughout the city of Chicago” said Andrew L. Traver, Special Agent-in-Charge of ATF in Chicago.

“The DEA will continue to investigate alleged drug trafficking organizations with every legally available tool we possess. During this investigation, our agents worked with the FBI and the Chicago Police Department to deploy a myriad of investigative tactics, from surveillance to court-authorized wire intercepts,” said Jack Riley, Special Agent-in-Charge of the Chicago Field Division of the DEA. “Our mission is to keep law enforcement pressure on these alleged drug distribution networks, while gathering evidence for use in court.”

Jody P. Weis, Superintendent, Chicago Police Department, said: “This operation is critical because it targeted individuals who are alleged to have received illegal drugs that were subsequently sold on the city's south and west sides. Removing these individuals will impact the ability of street gangs to profit from their illegal activities.”

Also announcing the charges was Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the FBI. The U.S. Immigration and Customs Enforcement (ICE) Office of Homeland Security Investigations (HSI) and the U.S. Marshals Service assisted with the investigations and arrests. All three investigations were conducted under the umbrella of U.S. Organized Crime Drug Enforcement Task Force (OCDETF), and with assistance from the High Intensity Drug Trafficking Area Task Force (HIDTA). The investigations, which employed wiretaps, surveillance, cooperating witnesses, undercover drug and firearms transactions, and a steady progression of searches and seizures of evidence, are continuing the officials said.

The ATF / CPD undercover investigation

ATF agents and Chicago police officers have been investigating illegal drug and weapons sales by individuals in the west side neighborhood bounded by Keeler, Kilbourn, Iowa and Walton streets. Beginning before 2009, the investigation focused on the alleged narcotics sales operation of **Ivan Thomas**, also known as “Pimp,” as well as **Anthony Grant, Ervin Hewing, Reynaldo Davis, and Antwain Lashley**, who allegedly worked with Thomas to distribute crack cocaine and heroin. ATF agents were assisted in the investigation by a cooperating source (CS1) and, from January through July this year, provided CS1 with an apartment in the Walton Street neighborhood

to facilitate CS1's assistance. During the investigation, an undercover agent, posing as CS1's friend, was introduced to make undercover purchases of guns and drugs.

As a result of the undercover investigation, 20 defendants are facing state narcotics charges alleging delivery of a controlled substance, and 13 defendants are facing federal charges. Of the 33 defendants, 14 were arrested Tuesday or yesterday, eight were already in custody or on bond, and 11 remain at large with arrest warrants outstanding. The complaints identify individual defendants variously as members of the Four Corner Hustlers, the Conservative Vice Lords, the Traveling Vice Lords, the Gangster Disciples and the New Breeds street gangs.

Thomas, 26, who was arrested and whose apartment in the 100 block of South Hamlin Avenue was searched on Tuesday, was charged with conspiring with Grant, Hewing, Davis and Lashley in December 2009 to distribute more than 50 grams of crack cocaine, which carries a mandatory minimum penalty of 10 years to a maximum of life in prison and a \$4 million fine.

Also charged separately with distributing more than 50 grams of crack cocaine were: Davis, 21; Grant, 30, who was arrested last month and has pleaded not guilty after being indicted; and Lashley, 30. Charged with distributing more than five grams of crack were: **Dianiso Dorsey**, 30; Hewing, 22, and brothers, **Jermaine**, 37, and **Michael Lewis**, 34. That charge carries a mandatory minimum of 5 years to a maximum of 40 years in prison and a \$2 million fine.

Five defendants — **Jerome Carson**, 30; **George Smith**, 26; **Gregory Hayes**, 26; **Donneil Reed**, 32, and **Timothy Williams**, 22 — were each charged with being a felon in illegal possession of a firearm. Carson allegedly sold three .22 caliber rifles and a 9 mm pistol to the undercover agent or cooperating informant over the last year; Smith and Hayes both allegedly possessed a 9 mm pistol that was seized; and Reed and Williams, allegedly each sold a pistol to the undercover agent. Six other firearms were seized during the investigation. The felon-in-possession charge carries a maximum penalty of 10 years in prison and a \$250,000 fine.

The government is being represented in these cases by Assistant U.S. Attorneys Steven Block, Tiffany Tracy and Kartik K. Raman.

The DEA/FBI/CPD wholesale supply investigation

In one of five separate complaints, **Moises Villalobos**, 23, also known as “Antonio Salgado,” **Faustino Arrellano**, 37, **Adan Moreno**, 20, and **Rosa Fernandez**, 53, were charged with conspiring between May and Aug. 25, 2010, to possess and distribute a kilogram or more of heroin and five kilograms or more of cocaine. On July 14, agents and officers seized nearly a kilogram of heroin after Villalobos allegedly had a courier deliver it to a customer; on Aug. 15, approximately 10 kilograms of heroin was seized before it was delivered to Villalobos; and approximately 12 kilograms of heroin was seized on Aug. 24 from a car in a garage in Harvey after Villalobos’ co-defendants allegedly moved it from a “stash house” in Chicago.

According to the specific transactions described in the complaint, between April and August this year alone, Villalobos and his co-defendants were responsible for the movement of at least 17 kilograms of cocaine and 50 kilograms of heroin.

Villalobos allegedly used his connections to Mexican brokers to receive wholesale quantities

of cocaine and heroin from suppliers in the Chicago area, and then distributed those narcotics to various customers, including **Roberto Romero**, 45, who was charged in a separate complaint, along with 10 co-defendants, for allegedly operating a re-sale distribution network that had customers across the region, including in Milwaukee and northern Indiana. Villalobos and his organization also allegedly supplied multiple kilograms of cocaine to Francisco Masias, the alleged leader of a 2-6 street gang faction who was among 19 defendants who were charged with federal narcotics crimes two weeks ago.

According to the charges, Villalobos maintained two stash houses where he received and stored his supplies of heroin and cocaine. One was located at 2455 N. McVicker in Chicago, where agents and officers found approximately 1.7 kilograms of heroin, 1.2 kilograms of cocaine and \$750,000 in cash hidden under the floor of a bedroom closet during a search on Aug. 19 after Villalobos was arrested on state drug charges. The other stash house was located at 2826 N. Long in Chicago, where Villalobos allegedly received a shipment of approximately 13 kilograms of heroin on June 25. Between Aug. 12 and 18, approximately 12 kilograms of heroin was stored at the Long house before Villalobos' co-conspirators allegedly moved the heroin to Harvey, and Villalobos, Arellano and Fernandez simultaneously removed other belongings from the house as well.

Both the Villalobos and Romero complaints allege the seizure of nearly a kilogram of "Mexican brown heroin" on July 14 when a courier for Villalobos allegedly attempted to make a delivery to one of Romero's customers, identified as **Leo Mercado**, by placing the heroin on the front floorboard of an unlocked silver Mercedes SUV parked in the 4900 block of North Harding. Unbeknownst to the defendants, agents, who were conducting surveillance, immediately seized the heroin from the vehicle before it could be retrieved, and subsequent intercepted phone calls indicated that Villalobos and Romero believed that Romero's customer was lying when he later claimed that he could not find the heroin in the vehicle.

The Romero complaint alleges that he received wholesale quantities of cocaine and heroin from Villalobos, as well as his main cocaine supplier, **Richard Medina**, 27, of Berwyn, with whom he bought and sold heroin, and that he then "fronted" both cocaine and heroin to other customers for re-sale. The nine-count, 157-page complaint charges the following: Counts One, Two and Four charge **Romero; Medina; Alejandro Reyes**, 26; **Abraham Mercado**, 29, of Cicero; and **Ana Montoya**, 30, with one count each of conspiracy to possess and distribute five kilograms or more of cocaine; Count Three charges an unnamed defendant later identified as **Leo Mercado**, 24, with conspiracy to possess and distribute one kilogram or more of heroin; Counts Five through Seven charge **Nicolas Gomez**, 31; **Thomas Merced**, 31, of Hobart, Ind.; and **Luis Lopez-Martinez**, 26, of Melrose Park; with one count each of conspiracy with Romero to possess and distribute more than 500 grams of cocaine; Count Eight charges and **Israel Hernandez**, 37, of Forest Park, with possession with intent to distribute more than 500 grams of cocaine; and Count Nine charges **Johnny Fort**, 45, with conspiracy with Romero to possess and distribute more than 100 grams of heroin.

Three other defendants were charged individually in separate complaints. They are: **Francisco Llamas**, 41, distribution of heroin; **Antonio Negrón**, 39, of Winter Haven, Fla., conspiracy to distribute cocaine — Negrón allegedly transported various amounts of cocaine to Chicago on five trips between November 2009 and March 2010 aboard commercial airlines arriving at O'Hare International Airport; and **Helga Weis**, 25, interstate robbery — Weis, together with three

unnamed, uncharged individuals, allegedly brokered a cocaine deal on March 10, 2010, between a supplier and a customer, in which both were robbed but only money was taken.

After meeting with the customer and obtaining \$1,500 for the purchase of cocaine, Weis met with the supplier in the supplier's car in the vicinity of West Armitage and North Kostner avenues. Using a monitored phone, Weis had placed an outgoing call that went to voicemail but the phone remained on during the following events, according to her complaint: a gunman approached the car, threatened to shoot and demanded money and the car keys, and then fired a shot into the car. Weis gave the gunman \$1,400 and the supplier gave the keys before the gunman fled with the money but no drugs. The victim supplier then fled and Weis allegedly called the gunman and another individual to return to the car to obtain cocaine left inside the vehicle but they were unable to retrieve it from a hidden compartment. Weis then told the victim customer about the purported robbery without disclosing her alleged involvement.

If convicted, Villalobos, Arrellano, Moreno, Fernandez, Romero, Medina, Reyes, both Mercados, and Montoya face a mandatory minimum sentence of 10 years to a maximum of life in prison and a \$4 million fine. Defendants Gomez, Merced, Lopez-Martinez, Hernandez, and Fort face a mandatory minimum of five years and a maximum of 40 years in prison and a \$2 million fine. Defendants Llamas, Negron and Weis each face a maximum penalty of 20 years in prison and a \$250,000 fine. The Court, however, must determine a reasonable sentence under the advisory United States Sentencing Guidelines.

The government is being represented by Assistant United States Attorneys Steven Kubiowski, Stephen Lee and Angel Krull.

In the operation that commenced today and was still unfolding, the government is being represented by Assistant U.S. Attorneys Halley Guren, Steven Grimes and Christopher McFadden.

The public is reminded that charges are merely allegations and are not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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