

The United States Department of Justice United States Attorney's Office Western District of Louisiana

For Immediate Release April 16, 2012

www.justice.gov/usao/law

Stephanie A. Finley United States Attorney (337) 262-6618 mona.hardwick@usdoj.gov

ACADIANA DRUG TRAFFICKING RING LEADER SENTENCED TO 19 YEARS IN FEDERAL PRISON

Organized Crime Drug Enforcement Task Force (OCDETF) Investigation Code Named "Operation Lion's Pride"

Lafayette, La.: United States Attorney Stephanie A. Finley announced that Eric Joseph Alexander, 35, of Lafayette, La., was sentenced on Friday afternoon to 19 years in federal prison and five years supervised release for his leadership role in a large-scale cocaine and marijuana drug trafficking organization. The sentence was handed down by U.S. District Judge Rebecca F. Doherty as a result of Alexander's guilty plea in December of 2008, to Conspiracy to Possess with Intent to Distribute Cocaine, Cocaine Base and Marijuana, Possession of a Firearm by a Convicted Felon and Conspiracy to Commit Money Laundering.

The investigation of this case was initiated in 2004 by law enforcement agents of Homeland Security Investigations (HSI) as an Organized Crime and Drug Enforcement Task Force (OCDETF) investigation code named "Operation Lion's Pride." The investigation revealed that Alexander received hundreds of pounds of marijuana and between 5 to 40 kilograms of cocaine **per month** from his sources of supply in Mexico and the Rio Grande Valley of Texas for distribution into Acadiana. A large portion of the cocaine received was converted into "crack" and distributed in the Lafayette -New Iberia area. Alexander's drug trafficking organization used a variety of couriers to receive and transport the controlled substances to end-line distributors in Acadiana. In order to conceal the narcotics, Alexander used a local after-market automobile store, B&M Auto Sound and 4x4, to construct secret compartments in vehicles used by his organization when transporting the drugs.

Alexander's money laundering conviction was related to financial transactions that he engaged in with B&M Auto Sound and 4x4. Specifically, Barry Neveu, a co-owner of

B&M Auto Sound and 4x4, asked Alexander for loans of cash to help with B&M's financial difficulties. It was agreed that Alexander would provide drug proceeds to B&M and Alexander would then be repaid through a scheme where B&M would issue false payroll checks to Alexander. The repayment arrangement was designed to create the illusion that Alexander was an actual employee of B&M with a legitimate source of income. Neveu instructed his staff at B&M to create false invoices to disguise the source of the currency received from Alexander.

On February 16, 2012, Alexander's co-conspirator Antonio Luna Valdez, Jr., of Weslaco, TX, was convicted of drug trafficking at the conclusion of a nine-day jury trial in Lafayette, La. Valdez is incarcerated pending his sentencing. The sentencing date has not been set. Due to his two previous drug related convictions, Valdez faces a mandatory life sentence.

The investigation initially focused on co-conspirators Peyton Knatt and Rusty Honore, two occupants of an apartment in Lafayette, Louisiana. Interception of the garbage at the apartment occupied by Honore and Knatt produced numerous kilogram size wrappings with cocaine residue and empty boxes of baking soda, indicative of the manufacture of large quantities of cocaine base. As a result of court authorized audio and video monitoring equipment installed in the apartment, agents identified Eric Alexander as the source of narcotics for Rusty Honore and Peyton Knatt. On May 6, 2005, a search warrant was executed at the apartment, resulting in the seizure of \$146,000.00, cocaine, cocaine base, marijuana, firearms, and an electronic money counter. Rusty Honore was Alexander's primary customer for cocaine. Rusty Honore and Peyton Knatt were converting the cocaine into cocaine base, or "crack", and distributing it in the Acadiana region of Louisiana.

Thereafter, the OCDETF investigation established that Maria Aide Delgado, along with her mother, Sabina Valdez, and two brothers, Victor Valdez and Antonio Luna Valdez, Jr., all residing in the Rio Grande Valley area of Texas, utilizing SUVs and 18-wheelers, were transporting large quantities of controlled substances to various locations around the United States, including to Eric Alexander in the Western District of Louisiana.

In June of 2005, HSI agents implemented court ordered wiretaps of cellular telephones being used by Alexander confirming that members of the Valdez family were regularly transporting controlled substances from south Texas to Alexander, and that Eric Alexander was using couriers to deliver controlled substances to various "stash" houses and apartments used by Alexander.

Specific incidents related to this OCDETF investigation included the following:

• On February 11, 2003, a trooper of the Arkansas Highway Patrol stopped a tractor trailer operated by an individual, who said he was traveling to New York with his boss, Antonio Valdez, Jr., the passenger and registered owner of both the tractor and trailer. The trooper obtained a written consent from both occupants to perform a search, and found 27 bundles of marijuana, approximately 243 pounds, hidden in the upper bunk within the sleeper berth of the tractor.

On June 9, 2005, the wiretap of Eric Alexander's telephone intercepted a conversation between Eric Alexander and Maria Aide Delgado. Delgado advised that she was coming to Lafayette. Agents conducted surveillance and observed a Ford Excursion bearing the Texas license plate MAIDE (registered to Delgado). The vehicle, occupied by Delgado, her mother, brother, and Anna Montoya, was subsequently stopped returning to Texas and agents located 13 wrapped bundles of currency totaling \$77,500.00.

On June 16, 2005, agents executed federal search warrants for one of Alexander's "stash apartments" maintained by Bryan Malbreaux in Lafayette, seizing \$216,335.00 in U.S. Currency, 12.9 kilograms of cocaine, 458 grams of marijuana, 5 hydraulic jack compressors used to repackage cocaine, three digital scales, an electronic money counter, and numerous jars of "cutting agent" used to dilute and expand cocaine for resale.

On June 16, 2005, agents searched Eric Alexander's 2004 Chevrolet Avalanche, and discovered that the passenger air bag in the dashboard had been converted into a secret compartment. The secret compartment had been manufactured and installed by B&M Auto Sound and 4x4. In the compartment, officers located \$1,000.00 and a High Point Model JCP .40 caliber pistol.

On August 16, 2005, an agent of Lafayette Metro Narcotics located a 2000 Mercury Sable, driven by co-conspirator Bryan Malbreaux, at a business in Lafayette, La. Agents conducted a consensual search of the trunk of the vehicle and located \$19,950.00 and a handgun inside of a secret compartment built into a rear speaker box in the vehicle. The investigation subsequently revealed that this secret compartment also was installed at B&M Auto Sound and 4x4 at the direction of Eric Alexander.

On April 23, 2006, a 1999 Kenworth tractor titled to Antonio Luna Valdez, Jr., was stopped at the Falfurrias, Texas Border Patrol checkpoint driving south. Utilizing a Border Patrol x-ray device, agents found \$961,155.00 located in a secret compartment within the roof of the trailer.

On May 20, 2006, DEA task force agents located in Texas, received intelligence relating to the Valdez family drug trafficking, and were provided the description of an 18-wheeler that was en route to pick up a "cover" load to conceal drugs to be driven north. The vehicle, a 1991 Kenworth tractor, titled to Antonio Luna Valdez, Jr., was stopped in La Joya, Texas. Within the trailer, a false, freshly sealed wall was found to conceal 738.9 pounds of marijuana.

On September 11, 2006, HSI agents in McAllen, Texas, conducted surveillance at the residence of Maria Aide Delgado in Weslaco, Texas. Agents observed a 1998 Freightliner tractor-trailer, registered to Victor Valdez, parked in front of her residence. Inside the tractor, agents located and seized 34 packages of marijuana, totaling 230 kilograms.

In addition to the convictions of Alexander and Valdez, the following individuals have pled guilty and been sentenced in federal court on charges related to this investigation:

Defendant	Date Sentenced	Sentencing Details
Maria Aide Delgado, 47, Weslaco, TX	04/19/2010	240 months in prison and 10 years supervised release; conspiracy to distribute narcotics.
Victor Luna Valdez, Jr., 43, of Weslaco, TX	04/22/2009	120 months in prison and five years supervised release; conspiracy to distribute narcotics.
Sabina Luna Valdez, 64, of Weslaco, TX	05/28/2009	78 months in prison and four years supervised release; conspiracy to distribute narcotics.
Rusty Ross Honore, 32, of New Iberia, LA	10/29/2007	168 months in prison; conspiracy to distribute narcotics, 60 months in prison; possession of a firearm in furtherance of a drug trafficking crime, to run consecutive to the 168 months, and five years supervised release.
Peyton Earl Knatt, 30, of New Iberia, LA	11/28/2008	36 months in prison and five years supervised release; conspiracy to distribute narcotics.
Jesse Joseph Viltz, 34, of New Iberia, LA	05/27/2008	Five years and three months in prison; possession with intent to distribute cocaine base or "crack," five years and three months in prison; possession of a firearm in furtherance of a drug trafficking crime, both sentences to run consecutive, and four years supervised release.
Justin Anthony Viltz, 27, of New Iberia, LA	10/19/2007	135 months in prison and five years supervised release; conspiracy to distribute narcotics.
Hassan Hypolite, 38, of Fresno, TX	03/28/2008	60 months probation; misprision of a felony.
Kiamani Anjoli Beasley, 26, of New Iberia, LA	03/12/2008	60 months probation; misprision of a felony.
Franisca Wiltz Alexander, 35, of Lafayette, LA	05/02/2008	36 months in prison and three years supervised release; conspiracy to commit money laundering.
Bryan Lee Malbreaux, 29, of Lafayette, LA	03/03/2008	168 months in prison; conspiracy to distribute narcotics, 60 months in prison; possession of a firearm in furtherance of a drug trafficking crime, to run consecutive to the 168 months, and five years supervised release.
Ana Maria Montoya, 43, of Mercedes, TX	10/17/2008	30 months in prison and two years supervised release; conspiracy to commit money laundering.

Barry Joseph Neveu, 38, of Lafayette, LA	12/15/2008	Five years probation; conspiracy to commit money laundering, and five years probation; witness tampering, both sentences to run concurrent.
Wendy Dugas Hossley, 46, of Lafayette, LA	02/23/2012	One day in prison and three years supervised release; conspiracy to distribute narcotics.

Two co-defendants have previously pleaded guilty to charges related to this investigation and now await sentencing. Rodney Ontavious Gatlin, 36, of Houston, TX, pled guilty in December of 2008 to the unlawful use of a communication facility, and Yvette Francis Eaglin, 42, of Breaux Bridge, LA, pled guilty in January of 2012 to conspiracy to possess with intent to distribute marijuana. Gatlin is scheduled to be sentenced on June 15, 2012. The sentencing date for Eaglin has not yet been scheduled.

In connection with this case, the United States seized \$1,275,940 in United States currency, and an 18-wheeler used to traffic the narcotics related to the case.

U.S. Attorney Finley stated, "This was a complex drug organization that distributed enormous quantities of cocaine and marijuana in the Acadiana region and caused immeasurable harm to the community. These sentences are the result of a lot of hard work by dedicated prosecutors and law enforcement agents who are committed to ensuring that our communities do not fall prey to drug dealers. The U.S. Attorney's Office, along with our federal, state and local law enforcement partners, will continue to be vigilant during the investigation and prosecution of those engaging in drug activity."

"Special Agent in Charge of Homeland Security Investigations (HSI), New Orleans, Raymond R. Parmer, Jr., stated: "HSI is uniquely positioned to leverage its expertise in both drug smuggling investigations and immigration enforcement in order to disrupt and dismantle these types of criminal organizations. This investigation provided an excellent opportunity to demonstrate our capabilities while partnering with other law enforcement agencies under the OCDETF umbrella. This operation is noteworthy—not only for the significance of the violators apprehended, but also for the level of collaboration that led to its successful outcome."

IRS Special Agent in Charge James C. Lee stated that, "IRS Criminal Investigation will continue to work with federal, state, and local law enforcement partners to dismantle drug organizations by investigating their money laundering activities."

The investigation was led by Special Agents Erol Catalan and Lance Lopez of Homeland Security Investigations (formerly Immigration and Customs Enforcement). Also participating in the investigation were the United States Drug Enforcement Administration, Internal Revenue Service, the Bureau of Alcohol, Tobacco, Firearms and Explosives, Louisiana State Police, and Lafayette Metro Narcotics Unit. The case is being prosecuted by Assistant United States Attorneys Daniel J. McCoy and Brett L. Grayson and Supervisory Assistant United States Attorney Richard A. Willis.