

Operation Central



Summary of Wave I Investigation and Prosecutions

Sea Turtles: Basic Facts

- **Seven Species of Sea Turtle**

Loggerhead Sea Turtle

Green Sea Turtle

Hawksbill Sea Turtle

Kemp's Ridley Sea Turtle

Olive Ridley Sea Turtle

Flatback Sea Turtle

Leatherback Sea Turtle



Other Wildlife Species Relevant to the
Investigation:

*Pangolin, Python, Caiman,
Tegu Lizard and others*

Sea Turtles: Basic Facts

- **Threatened and Endangered Sea Turtle Species**
 - Five sea turtle species – Hawksbill, Leatherback, Kemp's Ridley, Olive Ridley, and Green Sea Turtles – are listed as **Endangered** under the ESA throughout all or part of their habitat.
 - One sea turtle species – the Loggerhead Sea Turtle – is listed as **Threatened** under the ESA.
 - ❖ *All* species of sea turtles are listed in **Appendix I** of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (**CITES**), which is incorporated into US law by the ESA.

Sea Turtles: Trade

- International Trade in Sea Turtle Products
 - Sea Turtle Products from Mexico
 - Tanned skins
 - Boots, belts, and other products



Sea Turtles: Trade

– How sea turtle products arrive to the U.S. from Mexico (General)

1. Sea turtles are killed in violation of Mexican law
2. Skins tanned and/or products manufactured in Mexico
3. Shipped to Mexican border towns
4. Crossed into the U.S. by “mules”
5. Shipped/delivered to final destination in U.S.



Sea Turtles: Trade

- International Trade in Sea Turtle Products
 - Sea Turtle Products from China
 - Raw hawksbill sea turtle shell
 - Sea turtle shell guitar picks
 - Violin bows with sea turtle shell decoration



Sea Turtles: Trade

- How sea turtle products arrive to the U.S. from China (General)
 1. Shell obtained and/or products manufactured in China
 2. Shipped to destination in U.S. via air courier (FedEx, etc.), often in mislabeled packaging



Levels of Illegal Activity in the Sea Turtle Skin Trade (Mex.)

KILLERS

(BELIEVED TO BE COMMERCIAL FISHERMEN FROM THE COASTS OF MEXICO)



TANNERS/SUPPLIERS

(PURCHASE SKINS FROM THE KILLERS THEN TAN THE SKINS IN CLANDESTINE TANNERIES)



DISTRIBUTORS/MANUFACTURERS

(MAKERS OF BOOTS, SHOES AND BELTS AND MIDDLEMAN SELLERS OF SKINS)



MULES

(SMUGGLE SKINS AND PRODUCTS ACROSS THE MEXICAN BORDER INTO THE U.S.)



WHOLESALEERS/RETAILERS IN THE U.S.

(BUSINESSES THAT SELL THE BOOTS, SHOES, BELTS AND SKINS IN THE U.S.)

Applicable Laws

- Smuggling
- Labeling and Declaring Wildlife
- Money Laundering
- (Endangered Species Act)

Applicable Laws

- Smuggling, 18 U.S.C. § 545
 - 18 U.S.C. § 545 provides, *inter alia*, that
 - “Whoever fraudulently or knowingly imports or brings into the United States, any merchandise contrary to law, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law – Shall be fined under this title or imprisoned not more than 20 years.”
 - Failure to comply with federal laws and regulations regarding permits, labeling, and declaring of wildlife makes the importation of such merchandise “contrary to law.”

Applicable Laws

- **Labeling and Declaring Wildlife**
 - CITES, the ESA, and 50 C.F.R. § 23.11 *et seq.* make it unlawful to import into the United States any wildlife listed in Appendix I of CITES (including all species of sea turtle) without 1) a *valid US import permit* and 2) a *valid foreign export or re-export permit*. It is also unlawful to possess Appendix I wildlife imported to the US contrary to CITES or the implementing regulations.

Applicable Laws

- **Labeling and Declaring Wildlife**
 - 16 U.S.C. § 3372(b) (Lacey Act) and 50 C.F.R. § 14.81 make it unlawful to import, export, or transport in interstate commerce *any* wildlife unless each container or package is “conspicuously marked” with the name and address of the shipper and consignee, as well as an accurate list of the species included and the number of each species in the shipment.

Applicable Laws

- **Labeling and Declaring Wildlife**

- The Lacey Act also makes it unlawful to *falsely label* wildlife which has been, or is intended to be, imported, exported, transported, sold, purchased, or received from any foreign country, or transported in interstate commerce.

- **Federal law further requires that:**

- All wildlife be declared to US Customs at the port of first arrival (19 C.F.R. § 148.11, 19 U.S.C. § 1497, see also 16 U.S.C. § 1538(f)); and
- Importers of wildlife file with the FWS a Declaration for Importation or Exportation of Fish and Wildlife (50 C.F.R. § 14.61, 16 U.S.C. § 1538 (ESA)).

Applicable Laws

- Money Laundering, 18 U.S.C. § 1956
 - 18 U.S.C. § 1956(a)(2)(A) provides that whoever transports, transmits, or transfers (or attempts those things) a monetary instrument or funds from a place in the US to or through a place outside the US, or vice versa, “with the intent to promote the carrying on of specified unlawful activity,” may be sentenced to up to 20 years imprisonment and fined not more than \$500,000 or twice the value at issue.
 - Smuggling constitutes a “specified unlawful activity” under section 1956(a)(2)(A).

Applicable Laws

- **Brief comment on the Endangered Species Act (ESA)**
 - 16 U.S.C. § 1538(a)(1) provides that “with respect to any endangered species of fish or wildlife listed [under the ESA] it is unlawful for any person ... to—
 - (A) import any such species into, or export any such species from the United States;
 - [...]
 - (E) deliver, receive, carry, transport, or ship in interstate or foreign commerce, by any means whatsoever and in the course of commercial activity, any such species;
 - (F) sell or offer for sale in interstate or foreign commerce any such species;”
 - However, the ESA is not particularly attractive for criminal prosecution because even knowing violations result **only in misdemeanor penalties**. As matter of strategy, ESA charges are not included in these indictments.

Operation Central

- **Main Goal**

IDENTIFY, INFILTRATE, and PROSECUTE those involved in the HIGHEST LEVELS of the illegal sea turtle trade. The investigation focused on trade in SEA TURTLE SKINS, which appears to be the most organized and commercially successful segment of the sea turtle trade.

- **Secondary Goal**

IDENTIFY, INFILTRATE, and PROSECUTE:

1. Those involved in the SMUGGLING OF HAWKSBILL SEA TURTLE SHELL from China.
2. Those involved in the SMUGGLING OF EXOTIC SKIN boots, shoes, and belts to the United States from Mexico.

Covert Business

- *July 2004*

- Class II covert operation titled “Operation Central” approved by Director of Fish & Wildlife Service.
- Creation of covert leather and boot wholesale business in Denver, CO metro area.

WAREHOUSE



VIDEO/AUDIO RECORDING ROOM



Operation Central – 2004-2007

- *April 14, 2005*

First significant instance of smuggling of exotic skins from Mexico. *Fauna Pielles*, an exotic skin distributor out of Leon, Mexico, arranges to smuggle caiman, tegu lizard, and python skins to covert business.

APRIL 14, 2005 SHIPMENT OF SKINS FROM FAUNA PIELES



Operation Central – 2004-2007

- *September 11, 2005*

First significant instance of sea turtle smuggling. *Botas Exoticas Canada Grande* owner, Esteban LOPEZ ESTRADA, arranges for smuggling of 27 pairs of sea turtle boots and belts. ESTRADA claims to have 500 pairs of sea turtle boots on hand.

SEPTEMBER 11, 2005 SHIPMENT FROM BOTAS EXOTICAS CANADA GRANDE



Operation Central – 2004-2007

- *November 18, 2005*

First smuggled shipment of tanned sea turtle skins received from ESTRADA, including 27 front skins, 35 rear skins, and 8 pieces.

ESTRADA speaks of clandestine tanneries in Mexico where the skins are tanned.

NOVEMBER 18, 2005 SHIPMENT FROM BOTAS EXOTICAS CANADA GRANDE



Operation Central – 2004-2007

- *April to October 2006*

Several shipments of Hawksbill sea turtle shell and shell products received from Stephen CHENG, WANG Hong, and FU Yiner of China.

- *February 2007*

First direct contact with Carlos LEAL BARRAGAN, a Supplier of sea turtle skins to businesses in Leon. LEAL admitted to buying skins from fishermen, tanning the skins, and selling the tanned skins to Manufacturers/Distributors.

Operation Central – 2004-2007

➤ *February 23, 2007*

98 sea turtle skins purchased directly from LEAL and smuggled into the United States by Jorge CARAVEO.

With this transaction, the highest targeted level of the illegal sea turtle trade was penetrated, and the investigation refocused on cleaning up loose ends and moving towards takedown.

Indictments

Four Indictments were issued by a federal grand jury in the District of Colorado on August 22, 2007:

CARAVEO Indictment (07-cr-00359): CARAVEO, CRUZ
PACHECO, LEAL, MUNOZ and ESTRADA

CUEVA Indictment (07-cr-00358): CUEVA, PIMENTEL,
VILLEGAS and ESTRADA

CHENG and WANG Indictment (07-cr-00357): CHENG and WANG

FU Indictment (07-cr-00360): FU

International

- ECS and FWS coordinated with OIA, State Department, and DHS/ICE on lures and coordination with Mexico (and to a lesser degree China).
 - Lure approval sought for 5 Mexican and 2 Chinese nationals.
 - Worked with US Embassy in Mexico City re visa issues, and to arrange meetings with Mexican authorities. Also coordinated with US Embassy in China re visas.
 - ICE informed of lure and visa issues.
- ECS and FWS traveled to Mexico in August 2006 to discuss cooperation and info sharing with Mexican authorities.

TAKEDOWN

Lures Approved by OIA

From Mexico:

- Maria De Los Angeles CRUZ PACHECO
- Esteban Lopez ESTRADA
- Carlos LEAL
- Miguel VAZQUEZ PIMENTEL
- Martin VILLEGAS TERRONES

From China:

- WANG Hong
- FU Yiner

TAKEDOWN

Successful Lures (Sept. 6, 2007)

From Mexico:

- Maria De Los Angeles CRUZ PACHECO
- Esteban Lopez ESTRADA
- Carlos LEAL
- Miguel VAZQUEZ PIMENTEL
- Martin VILLEGAS TERRONES

From China:

- WANG Hong
- FU Yiner

TAKEDOWN

Arrests on September 6, 2007

1. Jorge CARAVEO – El Paso, TX
2. Oscar CUEVA – McAllen, TX
3. Esteban Lopez ESTRADA – Denver, CO
4. Carlos LEAL – Denver, CO
5. Martin VILLEGAS TERRONES – Denver, CO
6. WANG Hong – Denver, CO
7. FU Yiner – Denver, CO
8. Name redacted – El Paso, TX (not then indicted)

TAKEDOWN

Searches warrants were executed at 11 locations in 5 states on September 6, 2007:

1. Jorge **CARAVEO** – Business (El Paso, TX)
2. Name redacted – Business (El Paso, TX)
3. Name redacted – Business (Dodge City, KS)
4. Name redacted – Business (Liberal, KS)
5. Oscar **CUEVA** – Home (McAllen, TX)
6. Name redacted – Business (El Paso, TX)
7. Name redacted – Business (Harvey, IL)
8. El Norteño – Business (Chicago, IL)
9. Name redacted – Business (Oklahoma City, OK)
10. Name redacted – Business (Denver, CO)
11. Name redacted – Home Business (Denver, CO)

Numerous consent searches also resulted in seizures of sea turtle products.

TAKEDOWN: International

Activities undertaken by Mexico (led by PGR-UEIDAPLE), in coordination with our takedown, included:

- Seizure of more than 700 pairs of boots and shoes made from sea turtle and other exotic skins (Estrada) (including the largest seizure in Guanajuato in last 5 years)
- Seizure of 300 pairs of boots and shoes made from exotic skins (Villegas)
- Several arrests
- Additional searches in Leon, as well as near the Mexican coast in Jalisco, and unsuccessful efforts to conduct a search in Juarez, Mexico
- Mexican authorities provided ECS and FWS with detailed investigative information regarding LEAL
- Mexican authorities subsequently prosecuted two individuals related to the investigation of LOPEZ ESTRADA and two others in Jalisco.

Results of Wave I

(disposition/sentence)

FU Yiner: Guilty plea, Time served (138 days)

WANG Hong: Guilty plea, Time served (167 days)

Oscar CUEVA: Guilty plea, 16 months

Carlos LEAL: Guilty plea, 16 months

Jorge CARAVEO: Guilty plea, 18 months

Esteban LOPEZ ESTRADA: Guilty plea, 24 months

Martin VILLEGAS: Guilty plea, 24 months

Wave II

- **Follow-up overt investigation** has focused on a number of U.S. retailers identified during the covert stage of the investigation.
- **Two or three may be suitable for prosecution**, and a further number will likely receive NOVs from FWS.
- Plan to wrap up investigation and indictments **by end of 2009**.