

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - -X

UNITED STATES OF AMERICA : SEALED INDICTMENT

- v. - : S3 09 Cr. 941

JESUS MENDEZ-VARGAS, :
a/k/a "Chango," :

Defendant. :

- - - - -X

COUNT ONE

(Narcotics Importation Conspiracy)

The Grand Jury charges:

Background of the Conspiracy

The "La Familia" Cartel

1. "La Familia Michoacana" (hereafter, "LFM" or "La Familia") is a violent drug trafficking organization based in the state of Michoacan, in southwestern Mexico. LFM controls drug manufacturing and distribution within and around the state of Michoacan, as well as the port of Lazaro Cardenas, a key drug transshipment point. LFM imports vast quantities of cocaine and methamphetamine into the United States from Mexico. LFM leadership forbids the sale or use of methamphetamine in the areas under its control in Mexico, and instructs LFM's members that methamphetamine is manufactured solely for export to the United States.

2. LFM utilizes violence, including assault, murder and kidnapping, to support its narcotics trafficking activities, as well as its other illegal activities, which include extortion and sale of pirated goods. LFM utilizes heavy weaponry. Some of that weaponry, including military-grade weapons, assault weapons, and ammunition, is smuggled from the United States to Mexico by LFM's associates for use by the organization.

The Defendant

3. JESUS MENDEZ-VARGAS, a/k/a "Chango," the defendant, has been a top leader of LFM during the period charged in this Indictment, with primary responsibility for LFM's drug trafficking activities.

Statutory Allegations

4. From in or about 2006, up to and including in or about June 22, 2011, in Michoacan, Mexico and elsewhere, JESUS MENDEZ-VARGAS, a/k/a "Chango," the defendant, who will first enter the United States in the Southern District of New York, and others known and unknown, intentionally and knowingly did combine, conspire, confederate and agree together and with each other to violate the narcotics laws of the United States.

5. It was a part and an object of the conspiracy that JESUS MENDEZ-VARGAS, a/k/a "Chango," the defendant, and others known and unknown, would and did distribute a controlled substance, to wit, five kilograms and more of mixtures and

substances containing a detectable amount of cocaine, intending and knowing that such substances would be unlawfully imported into the United States or into waters within a distance of 12 miles of the coast of the United States, in violation of Sections 959, 960(a)(3) and 960(b)(1)(B) of Title 21, United States Code.

6. It was a further part and an object of the conspiracy that JESUS MENDEZ-VARGAS, a/k/a "Chango," the defendant, and others known and unknown, would and did distribute a controlled substance, to wit, 500 grams and more of mixtures and substances containing a detectable amount of methamphetamine, its salts, isomers, and salts of its isomers, intending and knowing that such substances would be unlawfully imported into the United States or into waters within a distance of 12 miles of the coast of the United States, in violation of Sections 959, 960(a)(3) and 960(b)(1)(H) of Title 21, United States Code.

Overt Acts

7. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed:

a. In or about 2008, JESUS MENDEZ-VARGAS, a/k/a "Chango," the defendant, attended a meeting in Michoacan, Mexico, at which he and other co-conspirators not named as defendants herein discussed LFM's drug-trafficking activities and a proposed strategy with respect to those activities.

b. On or about July 14, 2009, approximately two days after the arrest of another co-conspirator not named as a defendant herein ("CC-1"), who was a high-level LFM leader, the bodies of 12 Mexican federal police officers believed to have been murdered were discovered in Michoacan, Mexico.

c. On or about July 17, 2009, another co-conspirator not named as a defendant herein ("CC-2"), telephoned a local television station in Michoacan, Mexico, and, in a statement that was recorded, publicly acknowledged that he was a member of LFM, and, among other things, claimed that LFM was in a battle against the Mexican federal police and prosecutors, and that LFM kidnaps people who owe LFM money and those whose family members work in state and federal governments.

(Title 21, United States Code, Section 963.)

Forfeiture Allegation

8. As a result of committing the controlled substance offense alleged in Count One of this Indictment, JESUS MENDEZ-VARGAS, a/k/a "Chango," the defendant, shall forfeit to the United States, pursuant to Title 21, United States Code, Sections 853 and 970, any and all property constituting or derived from any proceeds the defendant obtained directly or indirectly as a result of the said violation and any and all property used or intended to be used in any manner or part to commit and to

facilitate the commission of the violation alleged in Count One of this Indictment.

Substitute Asset Provision

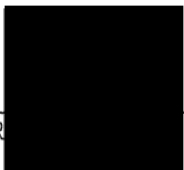
9. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant -

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intention of the United States, pursuant to Title 21, United States Code, Sections 853(p) and 970, to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 21, United States Code,
Sections 853 and 970.)

FOREPER



PREET BHARARA
United States Attorney