
United States District Court
District of New Jersey

UNITED STATES OF AMERICA : HON. MICHAEL A. HAMMER

v. : **CRIMINAL COMPLAINT**

JOHN FREEHAUF, : Magistrate No. 14-4070
a/k/a "Johnnie Rocket," :
a/k/a "Agent," :

BENJAMIN NAVARRO, :
a/k/a "Kristie," :

MARIA LISA PASCUAL, :
ARNOLD BALAGTAS, :
MARGARET TIANGCO, :
a/k/a "Greta," :

JAVIER DIAZ, :

CANDACE HEALY, :
a/k/a "Candace Skye" :

RICCE ANCIADO, Jr., :
a/k/a "Ricky Blonde," :
a/k/a "Blondie," :

STEPHANIE LUNA, :
a/k/a "Steph," :

BENEDICT CIPRIANO, :
a/k/a "Ben," and :

RICKY TULUD, :
a/k/a "Ricky Belleville," and :

JANICE VIDALLON : Filed Under Seal

I, Michael Mintchwarner, the undersigned complainant being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Task Force Officer with the U.S. Drug Enforcement Administration and that this complaint is based on the following facts:

SEE ATTACHMENT B

Continued on the attached page and made a part hereof



Michael Mintchwarner
Task Force Officer
U.S. Drug Enforcement Administration

Sworn to before me and subscribed in my presence,

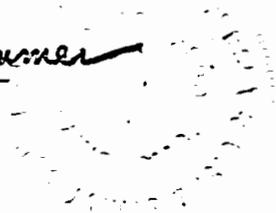
June 6, 2014
Date

at

Newark, New Jersey
City and State

Honorable Michael A. Hammer
United States Magistrate Judge


Signature of Judicial Officer



ATTACHMENT A

From in and around July 2013 through in and around April 2014, in Hudson County, in the District of New Jersey and elsewhere, defendants

JOHN FREEHAUF,
a/k/a "Johnnie Rocket,"
a/k/a "Agent,"

BENJAMIN NAVARRO,
a/k/a "Kristie,"

MARIA LISA PASCUAL,

ARNOLD BALAGTAS,

MARGARET TIANGCO,
a/k/a "Greta,"

JAVIER DIAZ,

CANDACE HEALY,
a/k/a "Candace Skye"

RICCE ANCIADO, Jr.,
a/k/a "Ricky Blonde,"
a/k/a "Blondie,"

STEPHANIE LUNA,
a/k/a "Steph,"

BENEDICT CIPRIANO,
a/k/a "Ben,"

RICKY TULUD,
a/k/a "Ricky Belleville," and

JANICE VIDALLON

did knowingly and intentionally conspire and agree with others to distribute and possess with intent to distribute 50 grams or more of methamphetamine, a Schedule II controlled substance, contrary to Title 21, United States Code, Sections 841(a)(1) and (b)(1)(A), and

In violation of Title 21, United States Code, Section 846.

ATTACHMENT B

I, Michael Mintchwarner, am a Task Force Officer with the U.S. Drug Enforcement Administration ("DEA"). I am familiar with the facts set forth herein through my personal participation in the investigation and through oral and/or written reports from other federal agents and law enforcement officers. Where statements of others are related herein, they are related in substance and part. Since this complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know concerning this investigation. Where I assert that an event took place on a particular date and time, I am asserting that it took place on or about the date and time alleged.

I. Overview and Individual Roles

1. Between in or around July 2013 thru in or around June 2014, law enforcement has been involved in an investigation into a drug trafficking organization ("DTO") operating in Jersey City, New Jersey and elsewhere.

2. The DTO functioned, in part, by utilizing individuals operating in Arizona, California, Nevada and elsewhere to coordinate shipments of parcels containing large quantities of methamphetamine through the U.S. mails to locations in Northern New Jersey. More specifically, suppliers who packaged the methamphetamine in Arizona, California, Nevada and elsewhere concealed the methamphetamine inside parcels, and shipped the parcels to addresses provided by New Jersey-based co-conspirators. Individuals in New Jersey would coordinate these shipments, repackage the methamphetamine upon receipt of the parcels, and distribute the methamphetamine to lower level distributors and retailers in and around New Jersey. On some occasions, co-conspirators working for the U.S. Postal Service would supervise receipt of the methamphetamine-laden parcels to ensure successful delivery.

3. As the investigation progressed through, among other things, the use of confidential sources, physical surveillance and judicially-authorized electronic surveillance, law enforcement in New Jersey identified John Freehauf, a/k/a "Johnnie Rocket," a/k/a "Agent" ("FREEHAUF"), Benjamin Navarro a/k/a "Kristie" ("NAVARRO"), Maria Lisa Pascual ("PASCUAL") and Arnold Balagtas ("BALAGTAS") as distributors of methamphetamine in the Jersey City area. FREEHAUF, NAVARRO, PASCUAL and BALAGTAS worked together to coordinate and receive shipments of methamphetamine from interstate suppliers, and supervised a distribution network in Northern New Jersey.

4. FREEHAUF, a former officer with the United States Citizenship and Immigration Service, ordered multiple pounds of methamphetamine per month from several interstate suppliers on a recurring basis. FREEHAUF negotiated the price of the methamphetamine and provided New Jersey addresses for his suppliers to direct shipments of parcels containing the methamphetamine via the U.S. Postal Service. Thereafter, upon receipt of the methamphetamine, FREEHAUF and NAVARRO repackaged the methamphetamine for distribution to lower level suppliers and retailers.

5. PASCUAL, a former postal worker, utilized her position with the U.S. Postal Service to track and oversee the receipt of parcels, which contained large quantities of methamphetamine concealed therein. After receiving the parcels, PASCUAL, BALAGTAS and other co-conspirators would redistribute smaller quantities of methamphetamine to lower level dealers and retailers for distribution and use. PASCUAL and FREEHAUF agreed to utilize the same sources of supply and to work together to set a common "market price" for methamphetamine in the Northern New Jersey area. PASCUAL and FREEHAUF also assisted each other in distributing methamphetamine to lower level dealers.

6. Margaret Tiangco a/k/a "Greta" ("TIANGCO") resides in Las Vegas, Nevada, and served as a shipper/supplier of methamphetamine to FREEHAUF, NAVARRO, PASCUAL and BALAGTAS. TIANGCO also brokered shipments of methamphetamine to FREEHAUF and PASCUAL in the New Jersey area from Javier Diaz and others in the California area.

7. Javier Diaz ("DIAZ") resides in Los Angeles, California and served as a shipper/supplier of methamphetamine to FREEHAUF and TIANGCO.

8. Candice Healy a/k/a "Candace Skye" ("HEALY") was a distributor of methamphetamine in the Queens, New York area who served as a secondary supplier to FREEHAUF.

9. Ricces Anciado, Jr. a/k/a "Ricky Blonde" a/k/a "Blondie" ("ANCIADO") assisted FREEHAUF by obtaining mailing addresses for the receipt of parcels containing methamphetamine, which he subsequently delivered to FREEHAUF, NAVARRO and others for distribution.

10. Stephanie Luna a/k/a "Steph" ("LUNA") was a distributor of methamphetamine in the Queens, New York area who utilized FREEHAUF as a supplier.

11. Benedict Cipriano a/k/a "Ben" ("CIPRIANO") was a distributor of methamphetamine in the Northern New Jersey area who utilized FREEHAUF and LUNA as suppliers.

12. Ricky Tulud a/k/a "Ricky Belleville" ("TULUD") was a distributor of methamphetamine in the Northern New Jersey area who utilized FREEHAUF as a supplier.

13. Janice Vidallon ("VIDALLON") was a distributor of methamphetamine in the Northern, New Jersey area who was supplied by FREEHAUF, and who also brokered shipments of methamphetamine from suppliers in Northern California to FREEHAUF in New Jersey.

II. Intercepted Parcels and Controlled Purchases of Methamphetamine

14. The following paragraphs describe some of the controlled purchases and seizures made by law enforcement in furtherance of this investigation, and demonstrate the defendants' involvement in the conspiracy to distribute methamphetamine.

15. On or about August 9, 2013, a confidential source working at the direction of law enforcement ("CS-1") placed a consensually monitored telephone call to PASCUAL, wherein PASCUAL discussed her involvement in the scheme to distribute methamphetamine. Thereafter, on or about August 14, 2013, at the direction of law enforcement, CS-1, while under audio surveillance, made the controlled purchase of approximately 4 grams of methamphetamine from PASCUAL.

16. On or about September 20, 2013, CS-1 placed a consensually monitored telephone call to PASCUAL, wherein PASCUAL stated, in sum and substance, that she had arranged for two parcels containing a quantity of methamphetamine to be delivered from her supplier in Phoenix, Arizona to an address in Edison, New Jersey. The following day, law enforcement intercepted two parcels that were addressed to the location PASCUAL had indicated. A search of the parcels revealed that one parcel contained approximately 230 grams of methamphetamine, and the other parcel contained approximately 475 grams of methamphetamine concealed therein.

17. On various occasions between January 6, 2014 and March 31, 2014, BALAGTAS was recorded via video surveillance shipping a total of approximately 13 parcels from a U.S. Post Office in Jersey City, New Jersey to an address in Centerville, Virginia, which the investigation revealed was a destination for shipments of methamphetamine. Each of the parcels bore similar characteristics, including handwriting on the shipping label, identical sender names and addresses, as well as method of delivery. Law enforcement intercepted one of these parcels, which was found to contain approximately 5 grams of methamphetamine concealed therein.

18. On or about January 23, 2014, another confidential source working at the direction of law enforcement ("CS-2") placed a consensually monitored telephone call to FREEHAUF, wherein FREEHAUF agreed to meet CS-2 the next day and sell CS-2 a quantity of methamphetamine. The following day, on or about January 24, 2014, at the direction of law enforcement, CS-2, while under physical surveillance by law enforcement, made the controlled purchase of approximately 28 grams of methamphetamine from FREEHAUF.

19. On or about February 7, 2014, at the direction of law enforcement, CS-2 engaged in a series of consensually recorded text messages and phone calls with FREEHAUF and NAVARRO arranging the purchase of methamphetamine. Shortly thereafter, while under physical surveillance by law enforcement, CS-2 made the controlled purchase of approximately 28 grams of methamphetamine from FREEHAUF and NAVARRO.

20. On or about March 8, 2014, at the direction of law enforcement, CS-2 engaged in a series of consensually recorded text messages and phone calls with FREEHAUF arranging the purchase of methamphetamine. Shortly thereafter, while under physical surveillance by law enforcement, CS-2 made the controlled purchase of approximately 85 grams of methamphetamine from FREEHAUF.

21. On or about March 25, 2014, law enforcement intercepted a parcel containing approximately 128 grams of methamphetamine sent from FREEHAUF's Arizona-based supplier to an address provided by FREEHAUF and his co-conspirators.¹

22. On or about April 29, 2014, law enforcement intercepted a parcel containing approximately 72 grams of methamphetamine sent from TIANGCO to FREEHAUF at an address provided by FREEHAUF and his co-conspirators.

III. Intercepted Communications

23. During the course of the investigation, law enforcement obtained orders authorizing the lawful interception of wire and electronic communications made over several telephone facilities utilized by FREEHAUF and his co-conspirators. All calls referenced in following paragraphs were lawfully obtained pursuant to those orders. The following paragraphs describe some of the conversations intercepted over those telephone facilities.

24. On or about March 1, 2014, in a series of calls and text messages, FREEHAUF conferred with NAVARRO and LUNA regarding the ongoing conspiracy to traffic methamphetamine. NAVARRO advised FREEHAUF that NAVARRO had obtained a price quote for a quantity of methamphetamine from a New York-based supplier, and that BALAGTAS confirmed that the price would be \$1100 per ounce of methamphetamine. In a separate conversation, LUNA advised FREEHAUF that she was upset that CIPRIANO, who was a customer of hers, was going "behind [her] back" to purchase methamphetamine directly from FREEHAUF, LUNA's supplier.

25. On or about March 3, 2014, in a series of text messages, TIANGCO confirmed that she had brokered additional deliveries of methamphetamine from DIAZ to FREEHAUF, and that DIAZ was attempting to secure a pound of methamphetamine to ship to FREEHAUF.

26. On or about March 4, 2014, in a series of calls and text messages, DIAZ confirmed that he would be shipping methamphetamine to FREEHAUF via a Union, New Jersey address provided by ANCIADO.

27. As FREEHAUF was waiting for DIAZ's shipment to arrive, FREEHAUF conferred with TULUD in a series of calls and text messages regarding the shipment from DIAZ, and the poor quality of methamphetamine FREEHAUF previously acquired from HEALY's

¹ FREEHAUF's Arizona-based suppliers Ryan Bontempi and Howard Taylor were previously charged in a separate federal criminal complaint, Magistrate No. 14-4038 (MAH).

supplier. FREEHAUF and TULUD also agreed that FREEHAUF would increase TULUD's recurring supply to 1 ounce on a recurring basis.

28. Thereafter, on or about March 7, 2014, in a series of calls and text messages between FREEHAUF, DIAZ, NAVARRO and ANCIADO, the conspirators confirmed that a shipment of methamphetamine was received from DIAZ at the Union, New Jersey address provided by ANCIADO. FREEHAUF then advised DIAZ that he would be remitting \$20,000 as payment for the methamphetamine to DIAZ's Los Angeles, California address.

29. On or about March 18, 2014, CIPRIANO called FREEHAUF regarding a quantity of money CIPRIANO remitted to LUNA as payment for a previous shipment of methamphetamine. CIPRIANO also explained that he intended to purchase an additional ½ ounce of methamphetamine directly from FREEHAUF.

30. On or about March 19, 2014, in a series of text messages, PASCUAL and FREEHAUF discussed the transfer of a quantity of methamphetamine from FREEHAUF to PASCUAL. PASCUAL confirmed that if FREEHAUF could provide good quality methamphetamine, she would pick up ½ ounce that day.

31. On or about March 20, 2014, in a series of text messages, PASCUAL spoke to FREEHAUF about a \$4000 payment FREEHAUF made to their Arizona-based suppliers for a shipment of methamphetamine. PASCUAL and FREEHAUF then agreed that they would utilize multiple suppliers and work together in an effort to set prices/control the local market, and make the most money off of their methamphetamine sales. PASCUAL then requested that FREEHAUF provide her with ½ pound of methamphetamine, and promised to consult FREEHAUF when considering a new source of supply.

32. On or about April 8, 2014, CIPRIANO spoke with FREEHAUF via telephone and reported that LUNA was attempting to insert herself as the broker on the previous sale of ½ ounce of methamphetamine from FREEHAUF to CIPRIANO.

33. On or about April 13, 2014, FREEHAUF spoke with TULUD via telephone regarding replenishing TULUD's recurring supply of methamphetamine. FREEHAUF advised TULUD that NAVARRO was "on the way" to deliver the methamphetamine.

34. On or about April 17, 2014, in a series of text messages, VIDALLON brokered a shipment of methamphetamine from a Northern California-based supplier to FREEHAUF in New Jersey.

35. On or about April 21, 2014, in a series of text messages, FREEHAUF directed VIDALLON to retrieve a parcel containing methamphetamine from a Union, New Jersey address provided by ANCIADO.

36. On or about April 23, 2014, in a series of text messages, FREEHAUF and HEALY negotiated an arrangement in which HEALY agreed to be a secondary supplier to FREEHAUF when FREEHAUF's methamphetamine supply was running low. FREEHAUF advised HEALY that he normally paid \$15,000 per pound of methamphetamine from his west coast supplier, and usually received 3-4 pound shipments. HEALY confirmed that she would provide FREEHAUF with methamphetamine at \$1,000 per ounce, or \$14,500 per pound of methamphetamine, with cash paid up front. Thereafter, in a series of calls and text messages between April 23, 2014 and May 1, 2014, HEALY and FREEHAUF orchestrated the sale of multiple ounces of methamphetamine, and discussed HEALY's desire to corner the methamphetamine market in the Queens, New York area.

37. On or about April 25, 2014, NAVARRO spoke with FREEHAUF via telephone and advised FREEHAUF that a prospective new source with whom NAVARRO had negotiated would charge FREEHAUF \$12,000 per pound of methamphetamine.

38. On or about April 26, 2014, BALAGTAS spoke with FREEHAUF via telephone regarding the purchase of methamphetamine from the new source of supply. FREEHAUF advised BALAGTAS that he could purchase a pound of methamphetamine, and then sell it to lower level dealers at a profit to both FREEHAUF and BALAGTAS. FREEHAUF also confirmed that BALAGTAS would take ½ pound of the methamphetamine. BALAGTAS then confirmed that he would process the methamphetamine in order to create more volume.

39. On or about April 28, 2014, FREEHAUF exchanged a series of text messages with another methamphetamine supplier. During the conversation, FREEHAUF stated that on average, FREEHAUF and his co-conspirators distributed 3.5-5 pounds of methamphetamine per month.