

3. The Medrano Case (2008)

In February 2008, ATF agents in Phoenix began investigating a straw purchasing network led by Alejandro Medrano. Documents obtained by the Committee indicate that on multiple occasions throughout 2008, ATF agents were aware that Medrano and his associates were making illegal firearms purchases and trafficking the weapons into Mexico. According to documents obtained by the Committee, ATF-Phoenix did not arrest suspects for approximately one year while their activities continued, instead choosing to continue surveillance. During the summer of 2008, agents from U.S. Immigration and Customs Enforcement (ICE) raised concerns about the tactics being used, but the tactics continued for several more months. On December 10, 2008, a criminal complaint was filed against Medrano and his associates in the United States District Court for the District of Arizona, and the targets were later sentenced to varying prison sentences.

ATF agents watched as firearms crossed the border

An ATF-Phoenix Operational Plan obtained by the Committee describes an instance on June 17, 2008, in which ATF agents watched Medrano and an associate, Hernan Ramos, illegally purchase firearms at an FFL in Arizona, load them in their car, and smuggle them into Mexico:

Agents observed both subjects place the firearms in the backseat and trunk [of a vehicle]. Agents and officers surveilled the vehicle to Douglas, AZ where it crossed into Mexico at the Douglas Port of Entry (POE) before a stop could be coordinated with CBP [Customs and Border Protection].¹⁰⁰

Neither Medrano nor Ramos was arrested or detained at the time or in the months after. The Operational Plan does not include any indication that ATF agents attempted to coordinate with Mexican law enforcement. The fact that the suspects continued to make firearms purchases in the United States and take them to Mexico suggests that they were not intercepted by Mexican law enforcement.

In the two months following these surveillance operations, Medrano and his co-conspirators purchased several additional firearms at gun shows and from FFLs in the Phoenix area.¹⁰¹ The suspects also continued to travel back and forth to Mexico.¹⁰² The ATF Operational Plan also stated:

The group particularly targeted gun shows where several members purchased firearms from various FFL'S. According to TECS [the Treasury Enforcement Communications System, a government database used to track individuals' travel patterns], identified subjects routinely crossed into Mexico prior to and following a large number of firearms purchases. While only purchasing a small number of firearms, MEDRANO crossed into Mexico utilizing several vehicles that were not registered to him or his immediate family. MEDRANO routinely returned to the US on foot while other identified subjects drove a vehicle into the US. It is believed that identified subjects entering the US on foot were carrying bulk cash to pay for future firearms.¹⁰³

According to the Operational Plan, multiple firearms connected to the network were recovered in Mexico, some very soon after they were sold:

Hernan RAMOS purchased a 7.62 caliber rifle in February 2008 that was recovered in June 2008. Jose ARIZMENDIZ purchased two pistols that were recovered at the same location in Mexico. One of the pistols had a time to crime of fifteen (15) days.¹⁰⁴

ICE agents raised concerns

Documents obtained by the Committee indicate that in the summer of 2008, ATF agents handling the Medrano investigation met with ICE agents to coordinate surveillance of another cross-border smuggling attempt. At this meeting, ICE agents balked when they learned about the tactics being employed by ATF-Phoenix. On August 12, 2008, the head of ICE's offices in Arizona wrote to ATF Special Agent in Charge Newell asking for an in-person meeting about the dispute among agents over ATF operational plans to allow straw purchased guns to cross the border:

One of [the ICE] groups worked with your guys over the weekend on a surveillance operation at a Tucson gun show. While we had both met in advance with the USAO, our agents left that meeting with the understanding that any weapons that were followed to the border would be seized. On Friday night, however, our agents got an op plan that stated that weapons would be allowed to go into Mexico for further surveillance by LEAs [law enforcement agents] there.¹⁰⁵

In his response, Mr. Newell acknowledged that letting guns cross the border was part of ATF's plan, but stated that he needed more information about what had happened:

I need to get some clarification from my folks tomorrow because I was told that your folks were aware of the plan to allow the guns to cross, in close cooperation with both our offices in Mexico as well as Mexican Feds.¹⁰⁶

Although the subsequent correspondence does not explain how this dispute was resolved, the Medrano trafficking network reportedly supplied over 100 assault rifles and other weapons "to a member of the Sinaloan drug cartel known as 'Rambo.'"¹⁰⁷

Criminal complaint also confirms "gunwalking"

On December 10, 2008, Federal prosecutors filed a complaint in the United States District Court for the District of Arizona that describes in detail gun trafficking activities conducted by Medrano and his associates that involved more than 100 firearms over the course of the year. The complaint confirms that ATF agents watched as Medrano and his associates trafficked illegal firearms into Mexico. For example, the complaint discusses the incident on June 17, 2008, discussed above, in which ATF agents observed the suspects purchase weapons, load them in their car, and drive them to Mexico. The complaint states:

On or about June 17, 2008, at or near Tucson, Arizona, Alejandro Medrano and Hernan Ramos went together to Mad Dawg Global, a federally licensed firearms dealer, where Hernan Ramos purchased six (6) .223 caliber rifles for approximately \$4800.00 and falsely represented on the 4473 that he was the actual purchaser. Both Alejandro Medrano and Hernan Ramos placed the six (6) rifles in the back seat of their vehicle.¹⁰⁸

The complaint then explains that the suspects drove these firearms across the border. It states:

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9
10 United States of America,)
11 Plaintiff,)
12 v.)
13 Aldo Arizmendiz,)
14 Joel Arizmendiz,)
15 Jose Arizmendiz,)
16 Fernando Lopez,)
17 Juan Carlos Medina Duarte,)
Alejandro Medrano,)
Jesus Medrano,)
18 Michael Moreno,)
19 Hernan Ramos,)
20 Seth Rutledge,)
21 Defendants.)

22 **COMPLAINT**

23 **Violations:**

18 U.S.C. § 371
18 U.S.C. § 922(a)(6)
18 U.S.C. § 924(a)(2)

(Conspiracy to Defraud: False Statement During Purchase of a Firearm)

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COUNT 1

1. From a time unknown including on or about May 6, 2006, and continuing through on or about September 13, 2008, in the District of Arizona, and elsewhere, Aldo Arizmendiz, Joel Arizmendiz, Jose Arizmendiz, Fernando Lopez, Juan Carlos Medina Duarte, Alejandro Medrano, Jesus Medrano, Michael Moreno, Hernan Ramos, Seth Rutledge, named herein as defendants and co-conspirators, did willfully, knowingly, and unlawfully combine, conspire, confederate and agree together and with others known and unknown, to

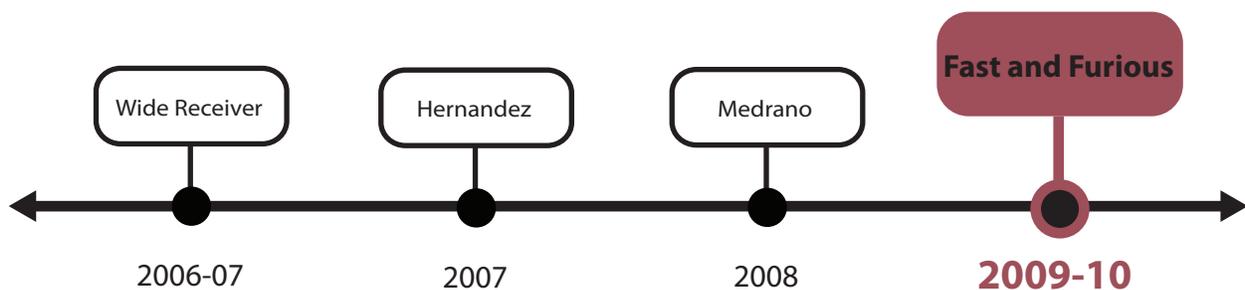
Alejandro Medrano drove Hernan Ramos's vehicle with Hernan Ramos as a passenger from Mad Dawg Global in Tuscon, Arizona, to the Douglas Port of Entry where they both entered into Mexico with at least the six (6) .223 caliber rifles in the vehicle.¹⁰⁹

The complaint states that the information was obtained by ATF agents conducting surveillance:

ATF Special Agents conducted surveillance, recorded firearms transactions, and identified the dates and times that the conspirators herein crossed the international border either in vehicles or on foot.¹¹⁰

The complaint also describes how quickly Medrano and his associates traveled back and forth between the United States and Mexico for additional firearm purchases. For example, in one instance on May 21, 2008, Hernan Ramos entered the United States and returned to Mexico "less than two hours later in the same vehicle." The complaint also states that in another instance on August 13, 2008, Medrano and an associate entered the United States "driving a vehicle which had entered into Mexico approximately fifteen minutes earlier."¹¹¹

On August 9, 2010, Medrano was "sentenced to 46 months in prison for his leadership role in the conspiracy."¹¹² Ramos was sentenced to 50 months in prison and "[m]ost of the remaining defendants in the conspiracy received prison terms ranging from 14 to 30 months."¹¹³ Many of the firearms purchased by the Medrano network were subsequently recovered in Mexico.¹¹⁴



4. Operation Fast and Furious (2009-10)

The investigation that became known as Operation Fast and Furious began in the ATF Phoenix Field Division in October 2009. Despite having identified 20 suspects who paid hundreds of thousands of dollars in cash to buy hundreds of military-grade firearms on behalf of the same trafficking ring, ATF-Phoenix and the Arizona U.S. Attorney's Office asserted that they lacked probable cause for any arrests. Three months into the investigation, they agreed instead on a broader