

US DISTRICT COURT INDEX SHEET



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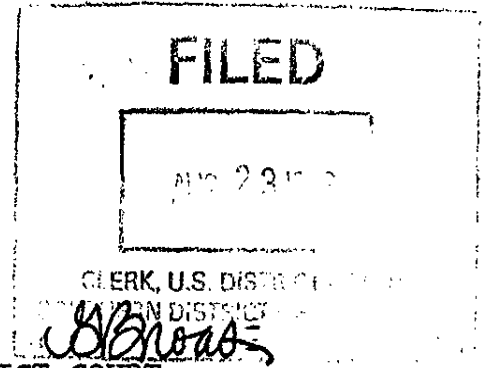
GUZMAN-LOERA

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CRINDISPS.



UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

November 1994 Grand Jury

1 UNITED STATES OF AMERICA,)

Criminal Case No. 95-0973-B

2 Plaintiff,)

I N D I C T M E N T
(4th Superseding)

3 v.)

4 JOAQUIN GUZMAN-LOERA (1),)
5 aka "Chappo Guzman,")

Title 21, U.S.C., Secs. 846
and 841(a)(1) - Conspiracy to
Import and to Possess Cocaine
with Intent to Distribute;

6 ARTURO GUZMAN-LOERA (2),)
7 aka "Pollo Guzman,")

Title 21, U.S.C.,
Sec. 848(b) - Continuing
Criminal Enterprise;

8 HUMBERTO LOYA-CASTRO (3),)
9 aka "Licenciado Perez,")

Title 18, U.S.C.,
Sec. 1956(a)(2)(A) and

10 MIGUEL ANGEL)
11 MARTINEZ-MARTINEZ (4),)

(a)(3)(A) - Money
Laundering; Title 21, U.S.C.,
Sec. 853 - Criminal
Forfeiture

12 aka "El Tololoche,")

13 aka "Tolo,")

14 aka "Gordo,")

15 aka "Compadre,")

16 ENRIQUE AVALOS-BARRIGA (5),)
17 aka "El Doctor,")

18 aka "El Medico,")

19 aka "Juan Jose Robles,")

20 aka "Jose Bautista,")

21 aka "Don Chepe,")

22 ANTONIO)
23 REYNOSO-GONZALEZ (6),)

24 aka "El Ingeniero,")

25 aka "El Inje,")

26 aka "El Electrico,")

27 aka "El Electricista,")

28 aka "Flacco,")
JESUS REYNOSO-GONZALEZ (7),)
aka "Chispas,")
JOSE REYNOSO-GONZALEZ (8),)
aka "Pepe Reynoso,")
aka "The Engineer's)
Brother,")

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- 1 LUIS FERNANDO GONZALEZ (9),)
- 2 aka "La Gori,")
- 3 JORGE RAMIREZ-CORDOVA (10),)
- 4 aka "Alberto Parra-Zamora,")
- 5 aka "The Coach,")
- 6 aka "The Trainer,")
- 7 SALVADOR REZA (11),)
- 8 GERALDO ANTONIO)
- 9 FRISBIE-CALDERON (12),)
- 10 ENRIQUE SUAREZ-ESTRADA (13),)
- 11 JUAN ESTRADA (15),)
- 12 aka "Manuel Trevino-Soto,")
- 13 JORGE ALBERTO SALLES (16),)
- 14 aka "Jorge Alberto Saillez,")
- 15 aka "El Pedoritto,")
- 16 aka "Memo Jr.,")
- 17 RODRIGO SUAVITA (17),)
- 18 aka "Rocky,")
- 19 aka "Andres Mejia,")
- 20 ADALBERTO)
- 21 PARTIDA-CHAVEZ (18),)
- 22 aka "Jose Bautista,")
- 23 aka "Beto,")
- 24 aka "Enrique Del)
- 25 Real-Moreno,")
- 26 aka "Vecino,")
- 27 [REDACTED])
- 28 JOSE LUIS GUZMAN (20),)
- 29 JOSE SANCHEZ (21),)
- 30 aka "El Pajarito,")
- 31 FRANCISCO ERIC ROCHA (22),)
- 32 RICARDO YUDICE-CAMPOS (23),)
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Defendants.

The grand jury charges:

Count 1

Beginning at a date unknown to the grand jury and continuing up to and including June 23, 1995, within the Southern District of California, and elsewhere, defendants JOAQUIN GUZMAN-LOERA aka

CAB:mdd:San Diego
08/22/96

1 "Chappo Guzman," aka "El Architecto," ARTURO GUZMAN-LOERA, aka
2 "Pollo Guzman," HUMBERTO LOYA-CASTRO, aka "Licenciado Perez,"
3 MIGUEL ANGEL MARTINEZ-MARTINEZ, aka "El Tololoche," aka "Tolo,"
4 aka "Gordo," aka "Compadre," ENRIQUE AVALOS-BARRIGA, aka "El
5 Doctor," aka "El Medico," aka "Juan Jose Robles," aka "Jose
6 Bautista," aka "Don Chepe," aka "Don Vicente," aka "Flacco,"
7 ANTONIO REYNOSO-GONZALEZ, aka "El Ingeniero," aka "El Inje," aka
8 "El Electrico," aka "El Electricista," aka "Flacco," JESUS REYNOSO-
9 GONZALEZ, aka "Chispas," JOSE REYNOSO-GONZALEZ, aka "Pepe
10 Reynoso," aka "The Engineer's Brother," LUIS FERNANDO GONZALEZ,
11 aka "La Gori," aka "Norberto Guzman," JORGE RAMIREZ-CORDOVA, aka
12 "Alberto Parra-Zamora," aka "The Coach," aka "The Trainer,"
13 SALVADOR REZA, GERALDO ANTONIO FRISBIE-CALDERON, ENRIQUE SUAREZ-
14 ESTRADA, JUAN ESTRADA, aka "Manuel Trevino-Soto," JORGE ALBERTO
15 SALLES, aka "El Pedoritto," aka "Memo Jr.," RODRIGO SUAVITA, aka
16 "Rocky," aka "Andres Mejia," ADALBERTO PARTIDA-CHAVEZ, aka "Jose
17 Bautista," aka "Beto," aka "Enrique Del Real-Moreno," aka
18 "Vecino," [REDACTED], JOSE LUIS GUZMAN, JOSE SANCHEZ,
19 aka "El Pajarito," FRANCISCO ERIC ROCHA and RICARDO VUDICE-CAMPOS
20 did knowingly and intentionally conspire together and with each
21 other and with other persons known and unknown to the grand jury
22 to import and to possess, with intent to distribute, cocaine, a
23 Schedule II Controlled Substance, in violation of Title 21, United
24 States Code, Section 841(a)(1).

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Manner and Means

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2 1. Defendant JOAQUIN GUZMAN-LOERA, aka "Chappo Guzman," aka
3 "El Arquitecto" (hereinafter "JOAQUIN GUZMAN"), directed the
4 operations of a drug transportation organization ("the Guzman
5 organization") until his arrest in Mexico City in June, 1993,
6 after which he has directed the Guzman organization through his
7 brother, defendant ARTURO GUZMAN-LOERA, aka "Pollo Guzman"
8 (hereinafter ARTURO GUZMAN).

9 2. Defendant JOAQUIN GUZMAN and members of the Guzman
10 organization arranged for transportation of cocaine from Colombia
11 to the interior of Mexico, from the interior of Mexico to the
12 border, and then into and throughout the United States using
13 various means, including but not limited to jets, rail cars,
14 tunnels and car loads.

15 3. Defendants GERALDO ANTONIO FRISBIE-CALDERON (hereinafter
16 "FRISBIE") and ENRIQUE SUAREZ-ESTRADA (hereinafter "SUAREZ")
17 acting as pilots for the Guzman organization, transported money
18 from the United States to Mexico and drugs from the interior of
19 Mexico to the Mexican border for further transportation across the
20 border into the United States.

21 4. Defendant HUMBERTO LOYA-CASTRO, aka "Licenciado Perez"
22 (hereinafter "LOYA"), protected the drugs and money of the Guzman
23 organization in Mexico by paying money to Mexican authorities to
24 assure that the drugs were not seized by Mexican law enforcement.

25 5. Defendant LOYA ensured that if key members of the Guzman
26 organization were arrested, they did not remain in custody by
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1 paying money to obtain legal files from the Procuraduria General
2 de la Republico ("PGR") so that he could alter these files.

3 6. Defendant MIGUEL ANGEL MARTINEZ-MARTINEZ, aka "El
4 Tololoche," aka "Tolo," aka "Gordo," aka "Compadre" (hereinafter
5 "MARTINEZ"), directed the United States operations of the Guzman
6 organization through his emissary in the United States, defendant
7 ENRIQUE AVALOS-BARRIGA, aka "El Doctor," aka "El Medico," aka
8 "Juan Jose Robles," aka "Jose Bautista," aka "Don Chepe," aka "Don
9 Vicente," aka "Flacco" (hereinafter AVALOS).

10 7. Defendant AVALOS directed the transportation of cocaine
11 across the border for the Guzman organization using various means,
12 including hiding the narcotics in rail cars carrying cooking oil
13 and directing construction of secret tunnels from Mexico into the
14 United States.

15 8. Defendant AVALOS, with the assistance of defendant LUIS
16 FERNANDO GONZALEZ, aka "La Gori," aka "Norberto Guzman"
17 (hereinafter "GONZALEZ") ADALBERTO PARTIDA-CHAVEZ, aka "Juan
18 Bautista," aka "Beto," aka "Enrique Del Real-Moreno," aka "Vecino"
19 (hereinafter PARTIDA) and RICARDO YUDICE-CAMPOS (hereinafter
20 "YUDICE"), leased and prepared warehouses in California, Chicago
21 and New Jersey, to store cocaine once it was transported across
22 the border from Mexico.

23 9. Defendant SALVADOR REZA (hereinafter "REZA"), who owns
24 Commercial Real Estate Services ("CRESE") in El Monte, California,
25 acted as a broker for the warehouses set up in California.

26 10. Defendants JOSE REYNOSO-GONZALEZ, aka "Pepe Reynoso,"
27 aka "The Engineer's Brother" (hereinafter "JOSE REYNOSO"), ANTONIO

1 REYNOSO-GONZALEZ, aka "El Ingeniero," aka "El Inje," aka "El
2 Electrico," aka "El Electricista," aka "Flacco" (hereinafter
3 "ANTONIO REYNOSO"), and JESUS REYNOSO-GONZALEZ, aka "Chispas,"
4 (hereinafter "JESUS REYNOSO"), who are all brothers, own grocery
5 products businesses in California, including Reynoso Bros., Inc.,
6 Tia Anita, Fruteria Tropicana, Grocery Depot, Inc., and Cotija
7 Cheese, ("the Reynoso businesses"), which businesses import
8 Mexican food products, including La Comadre brand of jalapeno
9 chili peppers.

10 11. Defendants JOSE REYNOSO, ANTONIO REYNOSO and JESUS
11 REYNOSO used the Reynoso businesses to lend an air of legitimacy
12 to the Guzman organization's importation of cocaine and
13 exportation of money.

14 12. Defendant ANTONIO REYNOSO arranged for the
15 transportation of cocaine into and throughout the United States
16 under the direction of defendant AVALOS.

17 13. Defendants JOSE and JESUS REYNOSO were responsible for
18 acquiring property in Otay Mesa, California at the northwest
19 corner of the intersection of Siempre Viva Road and Avenida de la
20 Fuente Sur ("the Siempre Viva property") and constructed a
21 warehouse on this property so members of the Guzman organization
22 could build a tunnel from Mexico into the United States for the
23 purpose of importing cocaine into the United States through this
24 tunnel.

25 14. Members of the Guzman organization constructed a tunnel
26 approximately 65 feet below the surface, which began in Mexico and
27 extended approximately 1416 feet across the border into Otay Mesa,
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1 California, intending to reach the warehouse being constructed by
2 defendants JOSE and JESUS REYNOSO on the Siempre Viva property.

3 15. Defendants JOSE and JESUS REYNOSO introduced defendant
4 JORGE RAMIREZ-CORDOVA, aka "Alberto Parra-Zamora," aka "The
5 Coach," aka "The Trainer" (hereinafter "RAMIREZ"), to the builder
6 of the warehouse and to the seller of the Siempre Viva property
7 intending that he act as a "straw purchaser" of the Siempre Viva
8 property to shield defendants JOSE and JESUS REYNOSO from
9 culpability.

10 OVERT ACTS

11 In furtherance of said conspiracy and to effect the objects
12 thereof, the following overt acts, among others, were committed
13 within the Southern District of California and elsewhere:

14 Use Of Jets

15 1. In or about February or March, 1990, in Mexico City,
16 Mexico, defendants JOAQUIN GUZMAN and MARTINEZ arranged
17 to set up a front company known as Servicious Aero
18 Ejectivos Poblanos, S.A. ("SAEPSA"), which later became
19 Aeroabastos, to transport money exported from, and
20 cocaine imported to, the United States for the Guzman
21 organization while claiming the company was to rent jets
22 for company executives.

23 2. Throughout 1990 and 1991, defendant MARTINEZ in Mexico
24 City, Mexico, received shipments of money from the
25 United States, shipped by Guillermo Saillez-Cuervo, aka
26 Enrique Perez, aka "Memo," (indicted elsewhere), from
27 Los Angeles, California to Mexico City.

1 3. In or about November, 1991, in Los Angeles, California,
2 defendant JOSE REYNOSO caused a Lear Jet 25, owned on
3 paper by Aeroabastos, to be re-registered in the name of
4 Grocery Depot, Inc., a company owned by defendant JOSE
5 REYNOSO and his son, John Reynoso-Gonzalez.

6 4. On or about November 20, 1991, defendant FRISBIE
7 piloted, and defendant SUAREZ copiloted the Lear Jet 25
8 from Leon, Mexico to San Diego, California for the
9 Guzman organization.

10 5. On or about November 23, 1991, defendant FRISBIE piloted
11 and defendant SUAREZ copiloted the Lear Jet 25 from
12 Tijuana, Mexico to San Diego, California for the Guzman
13 organization.

14 6. In or about November, 1991, in Los Angeles, California,
15 defendant JOSE REYNOSO caused a Lear Jet 35, owned on
16 paper by Aeroabastos, to be re-registered in the name of
17 Reynoso Bros., Inc., a company owned by defendant JOSE
18 REYNOSO and his son, Arturo Reynoso-Gonzalez.

19 7. On or about July 28, 1992, defendant FRISBIE piloted and
20 defendant SUAREZ copiloted the Lear Jet 35 from Mexico
21 to Laredo, Texas, for the Guzman organization.

22 Bribes

23 8. In or about 1991, in Mexico City, Mexico, defendant LOYA
24 caused \$1,000,000 cash to be paid to an official of the
25 Mexican Federal Judicial Police for the release of
26 defendant ARTURO GUZMAN from custody.

- 1 9. On or about February 3, 1995, in San Antonio, Texas,
2 Raul Guzman (indicted elsewhere) had a telephone
3 conversation with an unindicted coconspirator and said
4 that he would call and confirm that Guillermo Saillez-
5 Cuervo, (indicted elsewhere), was in custody at Florence
6 Correctional Center in Tucson, Arizona, because
7 defendant LOYA had contacts at the Florence Correctional
8 Center and could allegedly arrange for Saillez-Cuervo,
9 who was serving a nineteen year sentence, to escape.
- 10 10. In or about March, 1991, in San Diego, California, Juan
11 Carlos Alvarez-Guerrero (indicted elsewhere) attempted
12 to bribe an Immigration Inspector to allow him to
13 import, from Mexico into the United States, contraband,
14 later determined to be a load of cocaine.
- 15 11. On or about March 11, 1991, in San Diego, California,
16 Defendant AVALOS met with Juan Carlos Alvarez-Guerrero,
17 Rodolfo Lizarraga-Valenzuela, Victor Manuel Gaxiola-
18 Garcia and Gabriel Vasquez (all indicted elsewhere) and
19 showed them various "staging" locations where they could
20 meet to deliver and pick up cocaine.
- 21 12. On or about March 11, 1991, in San Diego, California,
22 defendant AVALOS designated codes for each of the
23 "staging" locations so that AVALOS could direct Victor
24 Manuel Gaxiola-Garcia where to deliver, and Gabriel
25 Vasquez where to pick up, a load of cocaine due to be
26 transported the next day.

1 13. On or about March 15, 1991, in San Diego, California,
2 Victor Manuel Gaxiola-Garcia drove and Rodolfo
3 Lizarraga-Valenzuela rode as a passenger in a van
4 containing approximately 283 kilograms of cocaine, while
5 Juan Carlos Alvarez-Guerrero followed in a car, across
6 the border from Mexico into the United States at the San
7 Ysidro Port of Entry.

8 14. On or about March 15, 1991, in Mexico, defendant AVALOS
9 called cellular telephones being used by Rodolfo
10 Lizarraga-Valenzuela and Gabriel Vasquez, and gave them
11 a code number indicating the location where the
12 approximately 283 kilograms of cocaine was to be
13 delivered.

14 15. On or about March 15, 1991, in San Diego, California,
15 Victor Manuel Gaxiola-Garcia drove the van containing
16 approximately 283 kilograms of cocaine to the location
17 indicated by defendant AVALOS, where it was picked up by
18 Gabriel Vasquez.

19 Los Angeles Warehouses

20 16. On or about October 4, 1989, in Los Angeles, California,
21 Juan Hernandez (indicted elsewhere) drove a tractor
22 trailer to the Reynoso Brothers' warehouse controlled by
23 defendant JOSE REYNOSO and picked up approximately 296
24 kilograms of cocaine, hidden in Mexican soap boxes.

25 17. In or about July, 1991, in Los Angeles, California,
26 Ismael Garza-Villareal leased a warehouse under the
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1 business name of Agroquimicos, for the purpose of
2 storing narcotics imported by the Guzman organization.

3 18. In or about May, 1992, in Mexico City, Mexico, defendant
4 AVALOS caused a warehouse to be opened by Roberto
5 Sanchez and Ismael Garza-Villareal under the business
6 name of Agroquimicos, for the purpose of loading
7 narcotics into chile cans and rail cars for importation
8 to the United States.

9 19. In or about June, 1992, in Paramount, California,
10 defendant AVALOS, assisted by defendant RAMIREZ, opened
11 a small front business known as Perez Brothers Hardware,
12 which imported from Mexico into the United States rolls
13 of chicken wire with hidden fiberglass compartments for
14 the storage of cocaine.

15 20. In or about September 3, 1991, in the City of Industry,
16 California, defendant RAMIREZ introduced a person he
17 identified as "Angel Ochoa" to realtors, so that Ochoa,
18 together with defendant AVALOS, could rent a warehouse
19 for the purpose of storing cocaine on Red Hat Lane,
20 under the business name of Ochoa Bros. Mexican Food
21 Products.

22 Tecate Seizure

23 21. In or about April, 1993, in Tecate, Mexico, defendant
24 AVALOS leased a warehouse, under the company name of
25 Distribudores de Basicos ("the Basicos warehouse"),
26 guaranteed by defendant ANTONIO REYNOSO, for storage of
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1 and eventual importation of cocaine through Otay Mesa,
2 California, to Los Angeles, California.

3 22. On or about April 21, 1993, in Tecate, Mexico, Armando
4 Reyes-Gonzalez, charged elsewhere, drove a tractor
5 trailer containing 1400 cases of cans marked with La
6 Comadre brand of jalapeno chile peppers, each can
7 containing approximately one kilogram of cocaine (for a
8 total of 7.3 tons of cocaine) which he was to deliver to
9 the Basicos warehouse.

10 The Tunnel

11 23. In or about January, 1992, in Otay Mesa, California,
12 defendants JOSE REYNOSO and JESUS REYNOSO caused two
13 brokers to inquire about the purchase of the Siempre
14 Viva property.

15 24. In or about January, 1992, in an office in Sorrento
16 Mesa, California, defendant JESUS REYNOSO met with the
17 owner of the Siempre Viva property to discuss its
18 purchase.

19 25. In or about January, 1992, in Otay Mesa, California,
20 defendant JESUS REYNOSO met with the owner of the
21 Siempre Viva property to finalize its purchase, and gave
22 the owner a cash down payment in the amount of \$9,000.

23 26. On or about January 27, 1992, in Otay Mesa, California,
24 defendant JESUS REYNOSO caused a cashiers check in the
25 amount of \$324,000 to be delivered for the purchase of
26 the Siempre Viva property.

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1 27. In or about 1992, after escrow opened on the Siempre
2 Viva property, defendant ANTONIO REYNOSO called the
3 owner of the Siempre Viva property from Guadalajara,
4 Mexico and attempted to change the purchase of the
5 Siempre Viva property to a piece of property closer to
6 the Mexican border.

7 28. In or about March, 1992, defendants JESUS and JOSE
8 REYNOSO informed the owner of the Siempre Viva property
9 that they would be changing the name of the purchaser
10 from themselves to "Alberto Parra-Zamora," (an alias
11 used by defendant RAMIREZ.)

12 29. On or about March 10, 1992, in Otay Mesa, California,
13 defendant RAMIREZ caused a cashiers check in the amount
14 of \$400,000 to be delivered for the purchase of the
15 Siempre Viva property.

16 30. On or about March 12, 1992, in Otay Mesa, California,
17 defendant RAMIREZ caused a cashiers check in the amount
18 of \$300,000 to be delivered for the purchase of the
19 Siempre Viva property.

20 31. On or about October 9, 1992, in Otay Mesa, California,
21 defendant RAMIREZ purchased the Siempre Viva property
22 for \$1,133,000, the sum of which was paid with a
23 combination of cash and cashiers checks, although only
24 \$100,000 of that sum went through escrow.

25 32. In or about April, 1992, in Victorville, California,
26 defendant REZA contacted a builder to build a warehouse
27 on the Siempre Viva property for defendant JOSE REYNOSO.

1 33. In or about April or May, 1992, in Otay Mesa,
2 California, defendants JOSE REYNOSO, JESUS REYNOSO
3 (using the name "Chispas"), RAMIREZ (using the name
4 Alberto Parra-Zamora) and REZA met with the original
5 owner of the Siempre Viva property and the builder of
6 the warehouse to discuss construction of a warehouse on
7 the Siempre Viva property.

8 34. On or about May 12, 1992, in a restaurant in Cerritos,
9 California, defendant RAMIREZ met with Guillermo
10 Saillez-Cuervo (indicted elsewhere) and showed Saillez-
11 Cuervo blueprints.

12 35. On or about May 29, 1992, defendant RAMIREZ paid the
13 builder an initial \$10,000 deposit for construction of
14 a warehouse on the Siempre Viva property, with a check
15 drawn on a bank account for Fruteria Tropicana, owned by
16 defendant ANTONIO REYNOSO.

17 36. On or about April 22, 1993 in a restaurant parking lot
18 in Chula Vista, California, defendant RAMIREZ delivered
19 approximately \$60,000 in U.S. currency to defendant REZA
20 and the builder for construction of the warehouse on the
21 Siempre Viva property.

22 37. On or about May 12, 1993, defendant RAMIREZ signed over
23 two checks, each in the amount of \$120,000, to the
24 builder of the warehouse on the Siempre Viva property,
25 which checks were made out to RAMIREZ by defendant JOSE
26 REYNOSO for construction of the warehouse on the Siempre
27 Viva property.

1 38. From on or about August 3, 1992 to on or about May 20,
2 1993, defendant RAMIREZ paid the builder of the
3 warehouse on the Siempre Viva property approximately
4 \$1,019,000 for construction of the warehouse, \$40,000 of
5 which the builder then paid to defendant REZA.

6 39. On or about September 5, 1994, in Chicago, Illinois,
7 defendant AVALOS discussed by telephone with defendant
8 MARTINEZ (located in Mexico) the feasibility of
9 constructing a secret, underground tunnel crossing the
10 United States - Mexico border at a location between San
11 Luis Colorado, Mexico and Mexicali, Mexico.

12 Transfer of Cash

13 40. On or about November 22, 1993, in Los Angeles,
14 California, defendant JOSE REYNOSO gave \$10,000 in U.S.
15 currency to another person to be delivered to defendant
16 AVALOS (using the name Juan Jose Robles) in Chicago,
17 Illinois.

18 41. On or about November 29, 1993, in Los Angeles,
19 California, defendant JOSE REYNOSO gave \$20,000 cash to
20 another person to be delivered to defendant AVALOS
21 (using the alias Juan Jose Robles) in Chicago, Illinois.

22 Warehouses in Los Angeles and Texas

23 42. On or about June 16, 1994, in Chicago, Illinois,
24 defendant AVALOS spoke by telephone with Raul Guzman
25 (indictment elsewhere) who was located in San Antonio,
26 Texas, and said he had located a great warehouse in
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1 Texas, after which Raul Guzman offered his assistance to
2 AVALOS.

3 43. On or about June 13, 1994, in the Republic of Mexico,
4 defendant MARTINEZ spoke by telephone with defendant
5 AVALOS (located in Chicago, Illinois) and told AVALOS to
6 concentrate on finding a warehouse in Los Angeles
7 instead of Texas, adding that defendant JOSE REYNOSO
8 could help AVALOS to locate a warehouse in Los Angeles.

9 44. On or about June 13, 1994, in Chicago, Illinois,
10 defendant AVALOS spoke by telephone with defendant
11 ANTONIO REYNOSO (located in Los Angeles, California) and
12 advised ANTONIO REYNOSO that he, AVALOS would send
13 defendant GONZALEZ, who would be using the name Norberto
14 Guzman and would be acting on behalf of Agro Industrias,
15 to Los Angeles to meet with defendant JOSE REYNOSO's
16 broker, defendant REZA, so that the Guzman organization
17 could locate a warehouse in Los Angeles to store
18 cocaine.

19 45. On or about June 13, 1994, in Chicago, Illinois,
20 defendant AVALOS spoke by telephone with defendant REZA
21 (located in Los Angeles, California) about finding a
22 warehouse in Los Angeles, California, which could
23 accommodate railroad tracks leading inside the building.

24 46. On or about June 24, 1994, defendant AVALOS directed
25 defendant GONZALEZ to travel from Chicago, Illinois, to
26 Los Angeles, California, to find a warehouse in Los
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1 Angeles for the Guzman organization to store its
2 cocaine.

3 47. On or about August 4, 1994, in the Republic of Mexico,
4 defendant MARTINEZ directed defendant JUAN ESTRADA, aka
5 "Manuel Trevino-Soto" (hereinafter "ESTRADA"), to travel
6 to Los Angeles to locate a warehouse for the Guzman
7 organization to store cocaine.

8 48. On or about August 5, 1994, in Los Angeles, California,
9 defendants GONZALEZ, ESTRADA and REZA filed a business
10 license application and occupancy permit for a warehouse
11 located on railroad tracks at 14325 Alondra Boulevard in
12 La Mirada, California ("the Alondra warehouse"), using
13 the name of Agro Industrias Unidas, SA de CV, claiming
14 that the purpose of the business was to "export edible
15 oil."

16 49. In or about April, 1995, in Los Angeles, California,
17 defendant GONZALEZ negotiated with the lessor of the
18 Alondra warehouse to arrange for use of a rail spur
19 leading to the Alondra warehouse.

20 50. In or about April, 1995, in Los Angeles, California,
21 defendant GONZALEZ placed a series of telephone calls to
22 Union Tank to arrange for the lease of rail cars on
23 behalf of Agro Industrias Unidas.

24 The New Jersey Warehouse

25 51. On or about August 25, 1994, in the Republic of Mexico,
26 defendant JORGE ALBERTO SALLES, aka "El Pedoritto," aka
27 "Memo Jr." (hereinafter "SALLES") son of Guillermo

1 Saillez-Cuervo, indicted elsewhere, attempted to reach
2 defendant AVALOS so that he (SALLES) could introduce
3 defendant RODRIGO SUAVITA, aka "Rocky," aka "Andres
4 Mejia" (hereinafter "SUAVITA"), a resident of Cali,
5 Colombia, to defendant AVALOS.

6 52. On or about August 25, 1994, in the Republic of Mexico,
7 defendant SALLES spoke by telephone with Raul Guzman
8 (indicted elsewhere) and told him defendant SUAVITA had
9 cocaine he needed transported and stored in the United
10 States.

11 53. On or about August 25, 1994, defendant AVALOS spoke by
12 telephone with Raul Guzman (indicted elsewhere) who was
13 located in San Antonio, Texas, and told Raul Guzman to
14 discuss the cost and mechanics of picking up and storing
15 cocaine with defendant SUAVITA.

16 54. On or about August 25, 1994, in San Antonio, Texas, Raul
17 Guzman (indicted elsewhere) met with defendant SUAVITA,
18 and later summarized the meeting by telephone to
19 defendant AVALOS.

20 55. On or about August 26, 1994, in San Antonio, Texas, Raul
21 Guzman (indicted elsewhere) arranged for defendant
22 SUAVITA to fly to Los Angeles to meet with defendant
23 ANTONIO REYNOSO and view the Los Angeles operations of
24 the Guzman organization.

25 56. On or about August 26, 1994, defendant SUAVITA flew from
26 San Antonio, Texas, to Los Angeles, California, and met
27 with defendant ANTONIO REYNOSO at a warehouse located at

1 1409L Virginia Avenue in Baldwin Park, California ("the
2 Virginia Street warehouse"), leased by defendant YUDICE.

3 57. On or about August 27, 1994, in a telephone
4 conversation, defendant AVALOS asked defendant SALLES to
5 come to Chicago, Illinois, to meet with defendant AVALOS
6 so defendant AVALOS could tell defendant SALLES in
7 person about the meeting with defendant SUAVITA, and so
8 defendant SALLES could report back to their "boss" in
9 Mexico.

10 58. On or about September 8, 1994, defendant SUAVITA called
11 defendant AVALOS in Chicago, Illinois and said he wanted
12 to hire defendant AVALOS to transport cocaine from
13 Chicago to New York, to which defendant AVALOS replied
14 that he would require some time to open a warehouse in
15 New York.

16 59. On or about September 9, 1994, defendant AVALOS directed
17 defendant GONZALEZ to fly to Newark, New Jersey, where
18 defendant GONZALEZ leased and prepared a warehouse,
19 located at 985 B Linden Avenue, Linden, New Jersey,
20 operating under the business name of "Quinones
21 Machinery."

22 The Chicago Warehouse

23 60. On or about May 24, 1994, in the Republic of Mexico,
24 defendant MARTINEZ spoke by telephone with defendant
25 AVALOS (located in Chicago, Illinois) and asked
26 defendant AVALOS to make hotel reservations for "Manuel
27 Trevino" (an alias used by defendant ESTRADA) who was to

1 travel from Mexico to look at the options for a
2 warehouse in Chicago.

3 61. On or about July 13, 1994, in the Republic of Mexico,
4 defendant MARTINEZ spoke by telephone with defendant
5 AVALOS (located in Chicago, Illinois) and said that he
6 (MARTINEZ) was sending two couriers to Chicago,
7 Illinois, from Guadalajara, Mexico, to pick up money,
8 "1000" of which defendant MARTINEZ acknowledged must be
9 paid to defendant ANTONIO REYNOSO.

10 62. On or about July 15, 1994, in Chicago, Illinois,
11 defendant AVALOS spoke by telephone with a courier,
12 defendant JOSE LUIS GUZMAN, and told him he would send
13 "Norberto Guzman" (an alias used by defendant GONZALEZ)
14 to take care of transportation to the airport, tickets
15 and expenses.

16 63. On or about July 16, 1994, in Chicago, Illinois,
17 defendant GONZALEZ met with the two couriers, sent by
18 defendant MARTINEZ, and provided them with airline
19 tickets to Guadalajara, Mexico and expense money, after
20 which he transported them to the Chicago airport.

21 64. On or about July 16, 1994, at O'Hare International
22 Airport in Chicago, Illinois, defendants JOSE LUIS
23 GUZMAN [REDACTED]
24 [REDACTED] checked two television boxes, addressed to
25 defendant ARTURO GUZMAN which contained \$350,000 in U.S.
26 currency each, from Chicago, Illinois, to Guadalajara,
27 Mexico.

- 1 65. On or about July 16, 1994, in Chicago, Illinois,
2 defendant AVALOS called defendant PARTIDA to report that
3 the couriers did not arrive in Guadalajara as scheduled,
4 to which PARTIDA replied that La Gori (defendant
5 GONZALEZ) had taken them (the couriers) to the airport.
- 6 66. On or about July 16, 1994, in Chicago, Illinois,
7 defendant AVALOS spoke by telephone with defendant
8 PARTIDA and told him not to worry about the couriers
9 because "they fell."
- 10 67. On or about July 16, 1994, in Chicago, Illinois,
11 defendant AVALOS told defendant PARTIDA that "El
12 Ingeniero" (defendant ANTONIO REYNOSO) was buying "the
13 machinery" and it would be ready soon.
- 14 68. On or about July 19, 1994, in Chicago, Illinois,
15 defendant PARTIDA purchased a forklift for the Chicago
16 warehouse.
- 17 69. In or about July, 1994, in Chicago, Illinois, defendant
18 GONZALEZ leased a warehouse at 9124 Medill, Franklin
19 Park, Illinois, operating under the business name of
20 Melvyn's Machinery ("the Chicago Warehouse").
- 21 70. In or about April, 1994, defendant YUDICE leased the
22 Virginia Street warehouse in Baldwin Park, California.
- 23 71. In or about September, 1994, defendant AVALOS caused a
24 boiler to be sent from Chicago, Illinois, to Los
25 Angeles, California.
- 26 72. In or about September, 1994, at the Virginia Street
27 warehouse, defendant YUDICE modified several boilers so
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1 cocaine could be concealed in PVC pipes inside the
2 boilers.

3 73. On or about September 21, 1994, in Chicago, Illinois,
4 defendant PARTIDA called "Jose" and told Jose to tell
5 "El Pajarito" (an alias used by defendant JOSE SANCHEZ)
6 to stay at the "Big House" (the Chicago warehouse) until
7 6 p.m.

8 74. On or about September 22, 1994, in Chicago, Illinois,
9 defendant AVALOS spoke by telephone with defendant
10 ANTONIO REYNOSO (located in Los Angeles, California) and
11 discussed a "small delivery" that ANTONIO REYNOSO was
12 sending to Chicago in the "same machine."

13 75. On or about September 23, 1994, in Chicago, Illinois,
14 defendant ANTONIO REYNOSO caused approximately 390
15 kilograms of cocaine to be delivered to the Chicago
16 warehouse secreted in a boiler sent by defendant AVALOS
17 to ANTONIO REYNOSO earlier in the month and modified by
18 defendant YUDICE.

19 76. On or about September 23, 1994, in Chicago, Illinois,
20 defendant FRANCISCO ERIC ROCHA left the Chicago
21 warehouse driving a car containing approximately 120
22 kilograms of cocaine.

23 77. On or about September 23, 1994, in Chicago, Illinois
24 defendant JOSE SANCHEZ guarded the Chicago warehouse,
25 which then held approximately 270 kilograms of cocaine
26 and two cars with secret compartments.

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1 78. On or about October 1, 1994, defendants AVALOS, JOSE
2 SANCHEZ and PARTIDA drove from Chicago, Illinois to San
3 Antonio, Texas, in one car then switched to another car
4 with Mexican license plates in order to avoid detection
5 by law enforcement authorities when they crossed the
6 border into Mexico.

7 79. On or about October 1, 1994, defendant AVALOS travelled
8 to Mexico to meet members of the Guzman organization to
9 explain the loss of the cocaine and money in Chicago,
10 Illinois.

11 All in violation of Title 21, United States Code, Section 846.

12 Count 2

13 Continuing Criminal Enterprise

14 Beginning at a date unknown to the grand jury and continuing
15 up to and including June 23, 1995, within the Southern District of
16 California, and elsewhere, defendants ENRIQUE AVALOS-BARRIGA did
17 knowingly and intentionally engage in a continuing criminal
18 enterprise by violating various provisions of the Controlled
19 Substances Act (Title 21, United States Code, Sections 841, 846,
20 952, 960 and 963) as alleged in overt acts 1-79 of Count 1 of this
21 indictment, which offenses were part of a continuing series of
22 violations of the Controlled Substances Act, involving more than
23 150 kilograms of cocaine and were undertaken by defendants ENRIQUE
24 AVALOS-BARRIGA in concert with at least five other persons with
25 respect to whom defendant ENRIQUE AVALOS-BARRIGA occupied a
26 position of principal administrator, organizer and leader and from
27 which such continuing series of violations defendant ENRIQUE

1 AVALOS-BARRIGA obtained substantial income and resources; in
2 violation of Title 21, United States Code, Section 848(b).

3 Counts 3 - 5

4 Money Laundering

5 On or about the dates listed below, in the Southern District
6 of California, defendants ENRIQUE AVALOS-BARRIGA, aka "El Doctor,"
7 aka "El Medico," aka "Juan Jose Robles," aka "Jose Bautista," aka
8 "Don Chepe," aka "Don Vicente," aka "Flacco," JORGE RAMIREZ-
9 CORDOVA, aka "Alberto Parra-Zamora," aka "The Coach," aka "The
10 Trainer," JESUS REYNOSO-GONZALEZ, aka "Chispas," and JOSE REYNOSO-
11 GONZALEZ, aka "Pepe Reynoso," aka "The Engineer's Brother,"
12 knowingly and intentionally transported, transmitted and
13 transferred and attempted to transport, transmit and transfer,
14 monetary instruments and funds, to wit cash or cashier's checks,
15 in the amounts listed below, from a place outside the United
16 States, to wit Mexico, to a place in the United States, to wit San
17 Diego, California, with the intent to promote the carrying on of
18 specified unlawful activity, to wit dealing in narcotics or other
19 dangerous drugs punishable under the laws of the United States; in
20 violation of Title 18, United States Code, Section 1956(a)(2)(A).

21 Count 3 1/28/92 cashier's check \$324,000

22 Count 4 3/12/92 cashier's check \$300,000

23 Count 5 3/12/92 cashier's check \$400,000

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1 Count 6

2 Money Laundering

3 On or about April 23, 1993, in the Southern District of
4 California, defendants ENRIQUE AVALOS-BARRIGA, aka "El Doctor,"
5 aka "El Medico," aka "Juan Jose Robles," aka "Jose Bautista," aka
6 "Don Chepe," aka "Don Vicente," aka "Flacco," JORGE RAMIREZ-
7 CORDOVA, aka "Alberto Parra-Zamora," aka "The Coach," aka "The
8 Trainer," JESUS REYNOSO-GONZALEZ, aka "Chispas," JOSE REYNOSO-
9 GONZALEZ, aka "Pepe Reynoso," aka "The Engineer's Brother," and
10 SALVADOR REZA:

11 (1) knowingly and intentionally transported, transmitted and
12 transferred and attempted to transport, transmit and transfer,
13 monetary instruments and funds, to wit \$60,000 cash, from a place
14 outside the United States, to wit Mexico, to a place in the United
15 States, to wit San Diego, California, with the intent to promote
16 the carrying on of specified unlawful activity, to wit dealing in
17 narcotics or other dangerous drugs punishable under the laws of
18 the United States; and

19 (2) with the intent to promote the carrying on of specified
20 unlawful activity, to wit dealing in narcotics or other dangerous
21 drugs punishable under the laws of the United States, conducted
22 and attempted to conduct a financial transaction affecting
23 interstate and foreign commerce, involving \$60,000 cash
24 represented to be the proceeds of the above enumerated specified
25 unlawful activity and used to conduct or facilitate the above
26 enumerated specified unlawful activity;

1 All in violation of Title 18, United States Code, Section
2 1956(a)(2)(A) and (a)(3)(A).

3 FORFEITURE ALLEGATION

4 The allegation contained in Count 1 is realleged and by its
5 reference fully incorporated herein for the purpose of alleging
6 forfeiture to the United States of America pursuant to the
7 provisions of Title 21, United States Code, Section 853.

8 As a result of the commission of the felony offense alleged
9 in Count 1, said violation being punishable by imprisonment for
10 more than one year, and pursuant to Title 21, United States Code,
11 Section 853(a)(2), defendants JOAQUIN GUZMAN-LOERA aka "Chappo
12 Guzman," aka "El Arquitecto," ARTURO GUZMAN-LOERA, aka "Pollo
13 Guzman," HUMBERTO LOYA-CASTRO, aka "Licenciado Perez," MIGUEL
14 ANGEL MARTINEZ-MARTINEZ, aka "El Tololoche," aka "Tolo,"
15 aka "Gordo," aka "Compadre," ENRIQUE AVALOS-BARRIGA, aka "El
16 Doctor," aka "El Medico," aka "Juan Jose Robles," aka "Jose
17 Bautista," aka "Don Chepe," aka "Don Vicente," aka "Flacco,"
18 ANTONIO REYNOSO-GONZALEZ, aka "El Ingeniero," aka "El Inje," aka
19 "El Electrico," aka "El Electricista," aka "Flacco," JESUS REYNOSO-
20 GONZALEZ, aka "Chispas," JOSE REYNOSO-GONZALEZ, aka "Pepe
21 Reynoso," aka "The Engineer's Brother," LUIS FERNANDO GONZALEZ,
22 aka "La Gori," aka "Norberto Guzman," JORGE RAMIREZ-CORDOVA, aka
23 "Alberto Parra-Zamora," aka "The Coach," aka "The Trainer,"
24 SALVADOR REZA, GERALDO ANTONIO FRISBIE-CALDERON, ENRIQUE SUAREZ-
25 ESTRADA, JUAN ESTRADA, aka "Manuel Trevino-Soto," JORGE ALBERTO
26 SALLES, aka "El Pedoritto," aka "Memo Jr.," RODRIGO SUAVITA, aka
27 "Rocky," aka "Andres Mejia," ADALBERTO PARTIDA-CHAVEZ, aka "Jose
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1 Bautista," aka "Beto," aka "Enrique Del Real-Moreno," aka
2 "Vecino," [REDACTED], JOSE LUIS GUZMAN, JOSE SANCHEZ,
3 aka "El Pajarito," and FRANCISCO ERIC ROCHA shall, upon
4 conviction, forfeit to the United States all their rights, title
5 and interest in any and all property used or intended to be used
6 in any manner or part to commit or to facilitate the commission of
7 the violation alleged in Count 1 of this indictment, including,
8 but not limited to:

- 9 1. \$1,000,000 cash as referenced in Overt Act #8;
- 10 2. \$10,000 personal check as referenced in Overt Act #35;
- 11 3. \$60,000 cash as referenced in Overt Act #36;
- 12 4. 2 personal checks each in the amount of \$120,000 as
13 referenced in Overt Act #37;
- 14 5. \$40,000 check paid to Salvador Reza as referenced in
15 Overt act #38;
- 16 6. \$10,000 cash as referenced in Overt Act #40;
- 17 7. \$20,000 cash as referenced in Overt Act #41;
- 18 8. 50 tons of cocaine with a street value of approximately
19 \$700,000,000, which defendant AVALOS stated he imported into the
20 United States for the Guzman organization in a one month period in
21 1993;

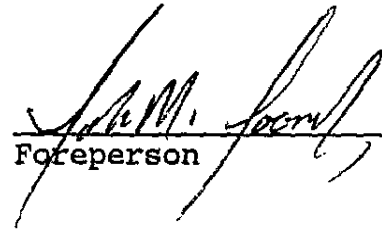
22 All in violation of Title 21, United States Code,
23 Sections 841(a)(1) and 853.

24 Pursuant to Title 21, United States Code, Section 853, as
25 incorporated by reference by Title 18, United States Code, Section
26 982(b), with respect to each defendant, and all other property of
27 the defendants, up to the value of forfeitable assets described


1 above, if by any act or omission of the defendants, said property,
2 or any portion thereof, cannot be located upon the exercise of due
3 diligence; has been transferred, sold to or deposited with a third
4 party; has been placed beyond the jurisdiction of the court; has
5 been substantially diminished in value; or has been commingled
6 with other property which cannot be divided without difficulty, in
7 which case such other property shall be substituted and forfeited
8 to the United States.

9 DATED: August 23, 1996.

11 A TRUE BILL:

12 
13 _____
14 Foreperson

15 ALAN D. BERSIN
United States Attorney

16 By: 
17 _____
18 CYNTHIA A. BASHANT
Assistant U.S. Attorney

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