



# Colombian Organized Crime and Cocaine Trafficking

## LA POLICIA NACIONAL LOS BUSCA



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Autor intelectual de actos terroristas contra la ciudadanía y crímenes contra la Policía Nacional.

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129253

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COLOMBIAN ORGANIZED CRIME

AND

COCAINE TRAFFICKING

(Revised 1991)

Fifth Revision

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## INTRODUCTION

As a result of the movie and media attention in the last few decades, the term "mafia" has become synonymous with the term "organized crime." The truth, however, is that organized crime today is comprised of many criminal groups of various ethnic origins.

The purpose of this paper is to examine the Colombian cocaine traffickers from an organized crime perspective. We will concentrate on structure, business and family relationships, and some of those networks that have been discovered to date. The focus will be on Colombian crime groups because they represent approximately 80% of the United States cocaine traffic. Geographically we will travel far from the confines of Colombia to show the impact and influence that the Colombian "Cocaine Cartel" has outside their native country.

This publication may serve as a guide to the detection, apprehension, and prosecution of cocaine traffickers as many sections contain information of value in that regard. The main intent is to provide the reader with an extensive background on the organized crime phenomenon that has produced America's out-of-control cocaine crime problem and to highlight the facets of the organization that has been the principal force behind its growth.

The term "Cartel" is used in a business context. A simple analogy would be "O.P.E.C.", the Organization of Petroleum Exporting Countries. While functioning with relative political and social independence, O.P.E.C. countries attempt to maintain a unified and coordinated effort to manipulate and control the production of oil for maximized economic gain. This done voluntarily and not without occasional dissension. The Colombian "Cartel" is basically a similar type of organization. The families and groups maintain autonomy but voluntarily work together to try to control prices, eliminate uncooperative competition, avoid duplication of effort in smuggling and distribution systems, and maximize economic benefits.

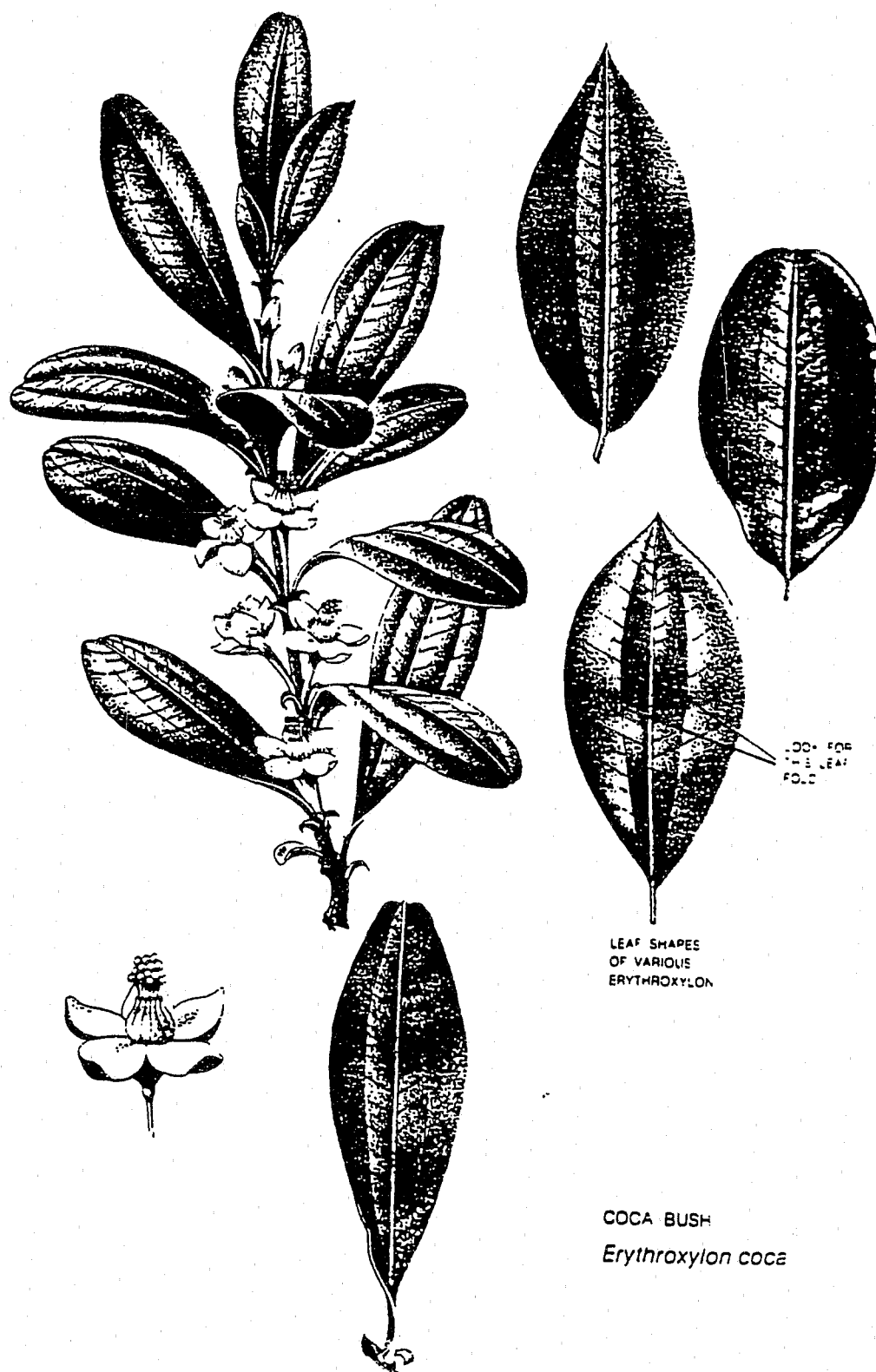


## COCA: NATURAL AND POLITICAL HISTORY

Anthropological and archeological studies have shown us that the coca bush, the natural source of cocaine, has been used by mankind for over 4,000 years. Artifacts and tombs show evidence of the widespread use of the coca leaf in prehistoric South America. The Spaniards arrived and recorded their observations concerning the use of the coca leaf by the native Indians. In 1499 Amerigo Vespucci was puzzled by "Indians chewing their cud like cows." These Indians would chew the leaves to relieve hunger pains, increase their strength and endurance, foretell the future, and as part of their religious rituals. The Spaniards initially tried to tax it, then prohibit it, but ultimately recognizing its power over the local Indians they began to pay portions of the salaries of Indian workers with coca. The Catholic church was the first in a long line of organizations to attempt to suppress cocaine use because of its association with pagan rituals. In 1567 the church fathers in Lima, Peru prohibited the use of coca as it was a "talisman of the devil" and simultaneously the King of Spain issued edicts against its use. By 1617, however, coca use by the Spanish clergy was widespread and in 1628 members of the Inquisition focused on the monks' use of this "most efficient instrument for communication with the devil." The church's lack of success in this endeavor was an omen of things to come. In May of 1988, Pope John Paul II continued the 300 year-old battle when he addressed a large crowd in Cochabamba, Bolivia on the "seductions" of drug abuse and narcotics trafficking. Today there are millions of Highland Indians routinely chewing coca to provide relief against cold, altitude, fatigue, and hunger.

The coca bush is a naturally occurring evergreen shrub that grows wild in even relatively barren and inhospitable areas. Its natural range includes the eastern foothills of the Andes mountains and upper Amazon basin. Politically this would include large areas of Peru and Bolivia and to a much lesser extent Ecuador and Colombia. A subspecies of the coca bush, known as "epadu," is found extensively inside Brazil on the Colombian border.

Cultivation and harvesting of the coca leaf.



The coca plant is grown on mountain slopes or terrace uplands that have a tropical or semi-tropical climate. Actually, the plant is grown under conditions which are little suited for other crops. These mountainous areas of South America vary in altitude from 1,000 to 6,000 feet above sea level and temperatures of 68 to 86 degrees Fahrenheit. The most suitable conditions for the development of the coca plant are clay type soils, rich in humus and iron content, situated in sheltered upland valleys and exposed to constant humidity and rain precipitation. Under ideal conditions the plant can survive for a century or more, growing steadily in strength. In the cultivation of the coca plant, the seeds are usually taken from a plant three or more years old. The seeds are placed in containers and germinated in damp sheltered nurseries. The seeds are watered heavily for five days until they begin to swell, after which they are planted in a mixture of humus, sand, and earth, in equal portions, shaded and abundantly watered. After about a week and a half, the shoots begin to appear and the germinated seeds can be transplanted within months. The sparsely leafed plant is usually 6 to 10 inches in height and is transplanted in the open since it has become resistant to most climatic variations. The young plant is usually planted in small trenches varying in density from 1 to 4 plants per square yard.

Once the young plant has been transplanted (usually in the winter time) into open fields, there is very little a cultivator does except leave the plants to themselves. Where dampness is constant and rain is regular, even irrigation is unnecessary. After approximately 1 year from the transplanting, the coca plant yields its first crop of leaves which is generally the reason the coca bush has been cultivated in the first place. The plant normally yields 4 crops of leaves per year. The coca plant is a shrub-like bush which grows from 5 to 10 feet tall with widely branched trunks containing twigs which become densely populated with leaves toward the ends. The green smooth edged leaves vary from 1 to 3 inches long and smell very similar to tea leaves. Normally, in order for the harvesting of the coca leaf to be profitable, there must be a minimum of 72,000 plants for every 10,000 square meters and the plant must last for over 20 years. Approximately 10 million coca plants produce 700,000 kilograms of coca leaf. Current plantings of coca are expanding at a rate of approximately 10% per year. The 1990 estimates of production for Peru was 115,000 tons and 130,000 tons for Bolivia.



The average coca leaf contains from 1/2 to 1% of the alkaloid cocaine although there are various factors influencing the cocaine content including atmospheric conditions, age, and condition of the plant, quality of the soil, fertilizers used, timing of cultivation and harvesting, the drying process, etc. It is estimated that one man can harvest approximately 30 kilograms of leaves in a day.

The drying process is very important and takes approximately 2 days of at least 3 hours of daily sunshine. During the process, the leaves must be turned over for even drying. If the drying is too extensive, the leaves will become too dry and lose their commercial value. In the drying process, the coca leaf loses more than 75% of its original weight.

The major obstacle (aside from the political issues) to the eradication of coca in Colombia and other Andean countries is the absence of an environmentally safe and effective herbicide. Eradication efforts to date have been primarily manual, with only minimal effect on cultivation. Manual eradication is a very slow and laborious process and has become increasingly dangerous since most coca fields are located in guerrilla-controlled territories and are accessible only by helicopter. Consequently, individuals involved in manual eradication are vulnerable to attack by traffickers, insurgents, or resentful coca farmers.

Motivated largely by its recognition of an increasing domestic drug abuse problem, the government of Colombia initiated a program in 1984 to identify a herbicide that would effectively destroy the coca bush. While herbicides were available that could eradicate the coca leaf, the Colombians sought a herbicide that would destroy both the coca leaf and the coca bush. In 1985 Colombia identified a chemical, Garlon-4, which is manufactured by Dow Chemical and appeared to meet the environmental criteria, and began experimental backpack and limited aerial application. Further eradication, however, was halted when the U.S. manufacturer of Garlon-4 refused to provide additional quantities of the herbicide. Dow Chemical had just lost a major lawsuit over the use of another of its chemical products Agent Orange and was insisting upon a letter of indemnification from the U.S. Government to protect it from future legal action. After continued negotiations with the manufacturer, as well as with

## Cocaine connections

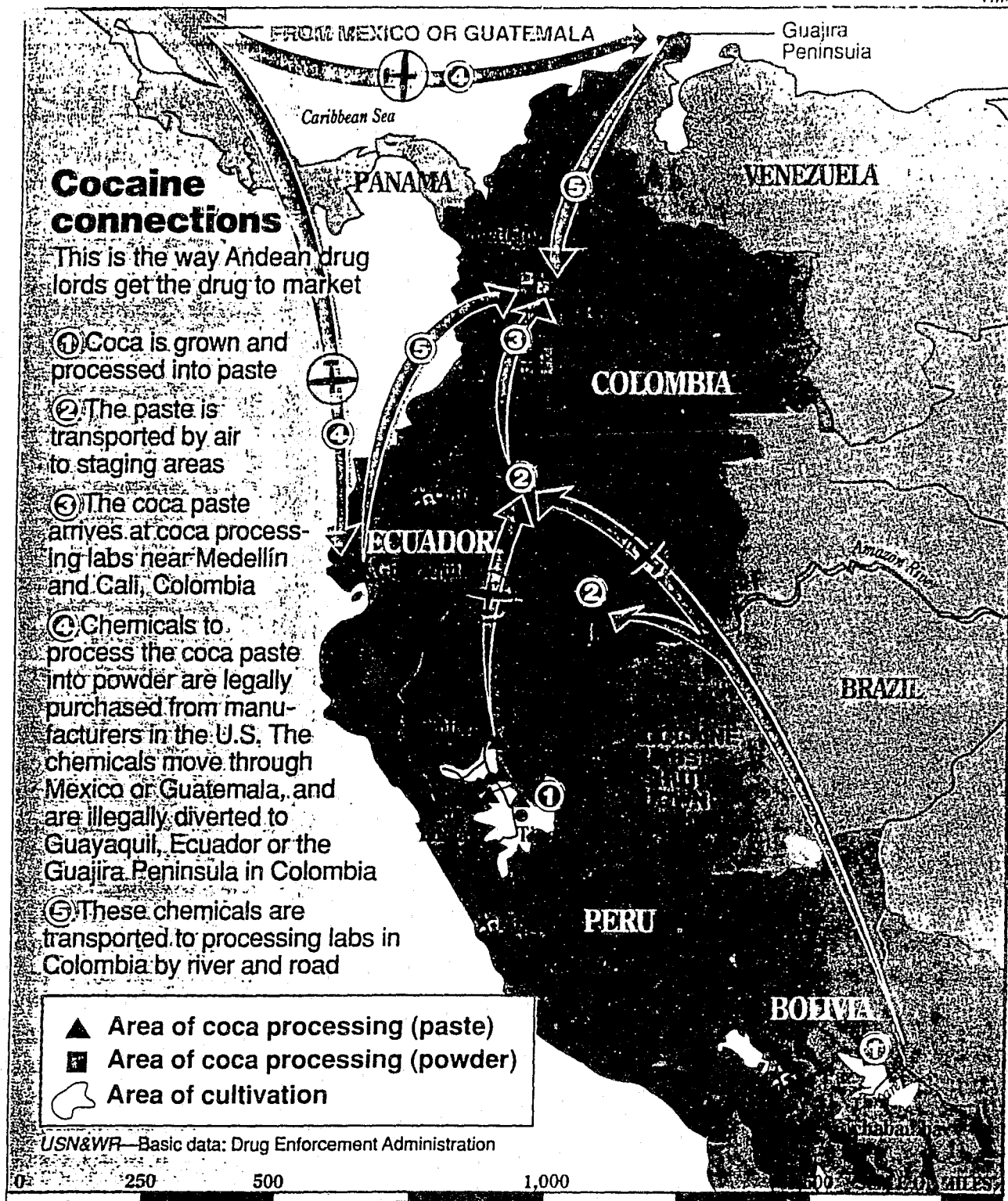
This is the way Andean drug lords get the drug to market

- ① Coca is grown and processed into paste
- ② The paste is transported by air to staging areas
- ③ The coca paste arrives at coca processing labs near Medellín and Cali, Colombia
- ④ Chemicals to process the coca paste into powder are legally purchased from manufacturers in the U.S. The chemicals move through Mexico or Guatemala, and are illegally diverted to Guayaquil, Ecuador or the Guajira Peninsula in Colombia
- ⑤ These chemicals are transported to processing labs in Colombia by river and road

- ▲ Area of coca processing (paste)
- Area of coca processing (powder)
- ☁ Area of cultivation

USN&WR—Basic data: Drug Enforcement Administration

0 250 500 1,000 500 1,000 MILES



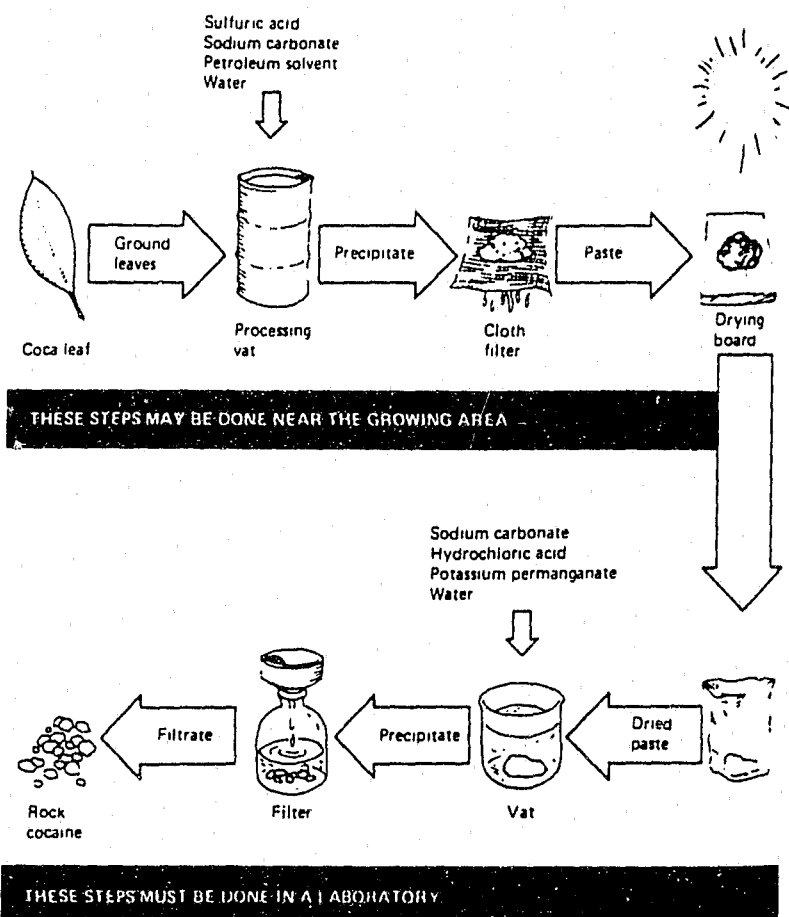
the Department of Justice and the Congress, limited amounts of the herbicide have been made available.

Eli Lilly also produces a herbicide called "Spike," which is tebuthiuron. Lilly also refuses to sell to the U.S. Government for eradication programs. Greenpeace and other groups have also lobbied heavily against any herbicide use in South American coca fields.

Recently experiments involving coca eating insects have been suggested and soundly rejected by the South American governments.

Entire Indian families have for centuries been involved in the harvesting and processing of coca. The relationship of the people in areas of Bolivia and Peru with the coca plant is deeply rooted in the social and economic structure even without the impacts of the crime families. In the early years of the history of cocaine abuse in America there developed a cottage industry in Colombia for the processing of cocaine. Coca leaves gathered in Peru or Bolivia and brought to Colombia would be put through a three part process. This conversion process results in a tremendous reduction in volume, as it requires between 200-500 kilos of coca leaves to produce one kilo of cocaine. The coca leaf would be masserated in pits (pozo pits) and placed in a container with kerosene, sulfuric acid, and an alkali which produced a coca alkaloid which is a substance containing approximately 75-80% cocaine and a number of other impurities. This alkaloid paste is referred to as coca base. The base is then processed in a "laboratory" with hydrochloric acid and other chemicals producing cocaine hydrochloride (discovered by German chemists in 1862). This is the substance we normally think of as the abused drug cocaine and is 90-100% pure depending on the quality of the processing (please see more specific processing instructions in the Appendix). The state of this "cottage industry" up until the 1960's can be compared in scope to the backwoods distilleries in the United States around Prohibition time. Today cocaine is still an economic mainstay for many of the peasants in these areas. An estimated 250,000 people are employed in Colombian cocaine activities. It is grown in areas not amenable to other cash crops and may bring six to eight times the economic return of any other activity available to these people; factors that generate significant resistance by the peasants to eradication or police actions against traffickers.

## COCA TO COCAINE: THE CHEMICAL PROCESS



**Coca:** The plant genus *Erythroxylum* which contains as many as 250 species. Coca contains at least 14 different alkaloids which constitute between 0.25 percent and 2.25 percent of the leaf weight. These Alkaloids are a combination of ecgonines, tropeines, and hygrines. The principal alkaloid of psychopharmacologic interest is cocaine, which represents an average of 86 percent of the total alkaloid content of coca.

**Coca Paste:** A crude extract of the coca leaf which contains 40 to 85 percent cocaine base along with companion coca alkaloids and varying quantities of benzoic acid, methanol, and kerosene.

**Cocaine:** Also known as 2-beta-carbomethoxy-3-beta-benzoxypyrrolidine. It is also known as the benzoyl ester of methylecgonine, cocaine alkaloid, cocaine base, cocaine free base, base, or free base. Pharmaceutical cocaine is 100 percent pure. Street preparations of cocaine free base average 95 percent with varying amounts of diluents and adulterants (primarily lidocaine).

**Cocaine Hydrochloride:** The acid salt of cocaine formed with hydrochloric acid, and also known as cocaine muriate or street cocaine. Pharmaceutical cocaine hydrochloride is 100 percent pure. Street preparations average 55 percent with varying amounts of diluents and adulterants.

Within the United States cocaine tonic had enjoyed a relative widespread usage in the late 1800's and early 1900's. In Europe it was consumed as lozenges, teas, and pates and was known as "fin mariani" and "coca des Incas." It was first regulated by the Pure Food and Drug Act of 1906 and later by the Harrison Act of 1914. Cocaine almost disappeared from the American scene by the end of World War II and did not emerge again as a social problem until the 1960's. By the late 1970's cocaine was again beginning to show itself as a major factor in the mainstream of substance abuse in America. In 1966 the total United States seizures of cocaine totaled 12 kilos; in 1969 it was 53 kilos; by 1970 it was 267 kilos.

### THE RISE OF COLOMBIAN ORGANIZED CRIME

It is important to note the social history of Colombia. The current population lived through a ten year period (1948-1958) known as "La Violencia" when nearly 300,000 people died in political turmoil. In the last century there have been over 50 civil wars with the death tolls sometimes rising into the hundreds of thousands. Current political struggles claimed over 6,000 lives during 1988. Approximately 149 "death squads" (some Cartel related, but most are right or left political groups) are known to exist. The murder rate in Colombia, even before the explosion of the cocaine trade, was five times higher than that in the United States. In 1987 it had risen to 52.8 per 100,000. In addition, Colombia has seen many waves of immigration which have included Spanish Catholics and Sephardic Jews, Palestinians, German Nazis, and other European groups. Poverty is widespread. Ten percent of the population receives 49% of the income. The poorest 20% receives only 4%. That top 10% represents most of the political power in Colombia.

In the early 1970's the only known organized international Colombian presence in the crime world was in the area of pickpocketing (although new intelligence information on Colombian gem theft groups shows a history possibly back to the early 1960's). In the Colombian town of Bogota there was an established school for pickpockets known as the "Seven Bells," so named for the bells attached to the coat pockets of the "victim" role player. Within New York City Colombians were considered to be the masters of this criminal expertise. Within Colombia, smuggling (the art of "contrabandista") of consumer goods was an institution dating back centuries centered in Medellin.

The Londono family, currently very active major violators, were smuggling gems into the United States from South America since 1975 and quickly branched out into cocaine smuggling. This combination of criminal experience and the generations of intensive violence set the stage in the late 1970's for the dramatic explosion of the "Cocaine Cartel."

Traditionally organized crime has been thought to be the province of the Italian "Mafia." This view must be altered in the face of the dramatic rise of such new players as the Colombian cocaine crime families. (There are other examples of newly organized crime groups, but those will not be discussed at this time.) The LCN was estimated to be grossing 50 billion dollars per year (1986 dollars) from their strictly illegal enterprises after over 60 years of development and organization. The Colombian cocaine families or "cartels" (the Medellin Cartel being the principle crime group) were estimated to be grossing 34 billion dollars a year (now 60 billion according to Attorney General Edwin Meese on April 9, 1988) on their United States cocaine marketing alone after a mere ten years of growth. (All such dollar estimates should be regarded very skeptically, as there is not reliable mechanism for measuring the overall economic impact of any form of organized crime. These figures are presented for comparative purposes only.) By 1989 there was no doubt that by any standard of measurement the Colombian Cartels had become the predominant organized crime problem in America. This fact, coupled with their extreme propensity for violence, makes it very critical that American law enforcement view the Colombian crime families as high priority targets for their limited resources and not make the mistake of focussing an inordinate amount of time and energy on the Italian Mafia. The "Mickey Mouse Mafia" as they are known in Southern California due to their relatively ineffective attempts to recreate the criminal successes of their Eastern counterparts, is powerless in comparison.

The City of Medellin is ideally situated to be the center of the cocaine trade in Colombia. Known as the "City of Orchids" it was founded in 1616 by Sephardic Jews escaping Spanish persecution. It became a trading center and eventually grew into a principle industrial center complete with an indigenous "mafia" crime element. Even before cocaine these criminals were adept at laundering money to avoid government currency controls, black marketing of all types, kidnapping, pickpocketing, and assassination.

Colombian involvement in United States cocaine trafficking has been traced to the 1959 Castro takeover of Cuba, which resulted in a large number of drug traffickers fleeing Cuba and settling in the United States, Mexico, and Colombia. By the mid- to late 1960's, these Cubans, in concert with Colombian associates, had established a cocaine manufacturing capability in several Colombian cities.

Miami was the first "invasion site" for the Colombians. It is only 1,100 miles from Barranquilla, Colombia to Miami. Colombians mixed well in the population and then, as even now, they were not recognized as the organized crime threat that they were. By 1979 the "Dade County wars" were in full swing as the Colombians smashed their Cuban rivals and their own Colombian competitors. The biggest American organized crime threat ever seen was born.

In the early 1970's Miami based Cubans controlled the newly born coke trade in the United States. Colombians were used in minor roles as couriers for cocaine refined by Peruvian and Bolivian organizations. At the same time the Colombians had independently built an extensive smuggling network for Colombian marijuana. Medellin groups first sensed the pending explosion of the United States cocaine trade and began to take over the existing markets and supply lines.

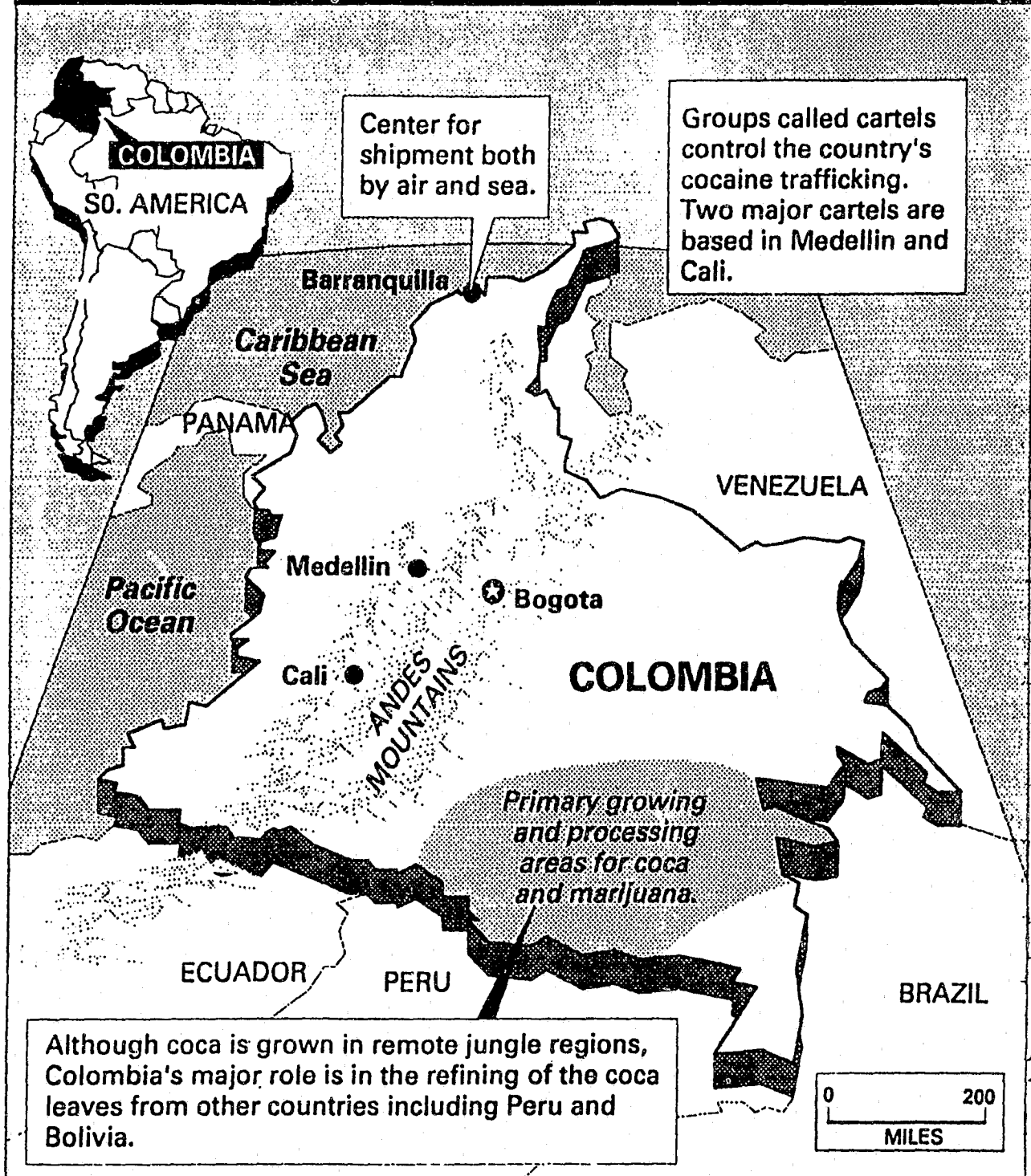
The Colombians learned to transform coca paste into cocaine from the Cubans, and were also introduced to Cuban coca paste suppliers in Bolivia and Peru. By 1978 Colombian traffickers had severed all ties with the Cuban refugees in their country and assumed the dominant role they now play in supplying cocaine to the American market. The principal player in this early phase of Colombian dominance was Carlos Lehder-Rivas, the so called "Henry Ford" of the cocaine trade. He is credited with engineering the first large scale cocaine smuggling system into the U.S. He is currently serving a "life + 135 years" sentence in a U.S. Federal Prison.

The Colombian cocaine organizations primarily operate between the United States and the Colombian/Bolivia/Peru area. (There are some activities noted in Ecuador, Panama, Argentina, Belize and other countries as well as a growing presence of processing laboratories in Brazilian Amazonia, but not nearly as significant.) Their activities are confined to cocaine production, smuggling,

and distribution as well as anything that needs to be done to facilitate any of those operations. The various groups and families that operate as the Colombian Cartel are loosely structured and relatively independent. Within the group/family they are relatively close-knit, historically using only family or associates from the same city. Crime groups from one city, such as the 20 families of the Medellin Cartel, usually are very strongly linked. The idea of a nationwide cartel is less applicable, but is a tool for viewing the Colombian organized crime picture. In contrast to many other crime organizations, women will often play important roles--often leadership roles. The groups will join together in order to coordinate different phases of cocaine production inasmuch as some groups are very specialized as we will see later on. This does not mean, however, that these groups are operating under any autocratic centralized authority. Nothing could be further from reality. They coexist and cooperate with one another just as many other legitimate businesses do when they enter into trade associations, cooperatives, or any other group that will provide economic advantage through industry-wide coordination and united action. At other times one group may lash out violently at an uncooperative competitor. One such conflict was the gangland warfare that erupted in mid-1988 between cartel factions in Cali and Medellin over control of the New York market. By late 1989 however, we saw mixed lots of coke from both cartels being warehoused in the same location. In times of stress we have seen how these cocaine groups coalesce and act with unity and direction under the consensual leadership of the primary groups. At other times the groups can become very fluid in nature as they adapt to changing circumstances, alter the nature of their involvement, or attempt to maximize their own profits through streamlining and mass production techniques. As you will see when examining specific groups, often a particular family will specialize in one area such as growing or air smuggling and personnel from that group will perform that function for other groups. During the following discussion of group structures the reader should always remain cognizant of the fact that there is constant shifting and realignment within the Cartel. There are now over 250 crime families or groups operating the coke trade from South America up through Mexico into the United States. The majority of the cocaine trafficking is controlled now by the Medellin Cartel. A 1986 Federal Grand Jury indictment alleged that from 1981 through 1985 that group brought over 58 tons of coke into the United States and is now believed to control 80% of the "wholesale" cocaine market in the United States.



## COLOMBIA'S DRUG CRISIS



Source: U.S. State Department, Drug Enforcement Administration

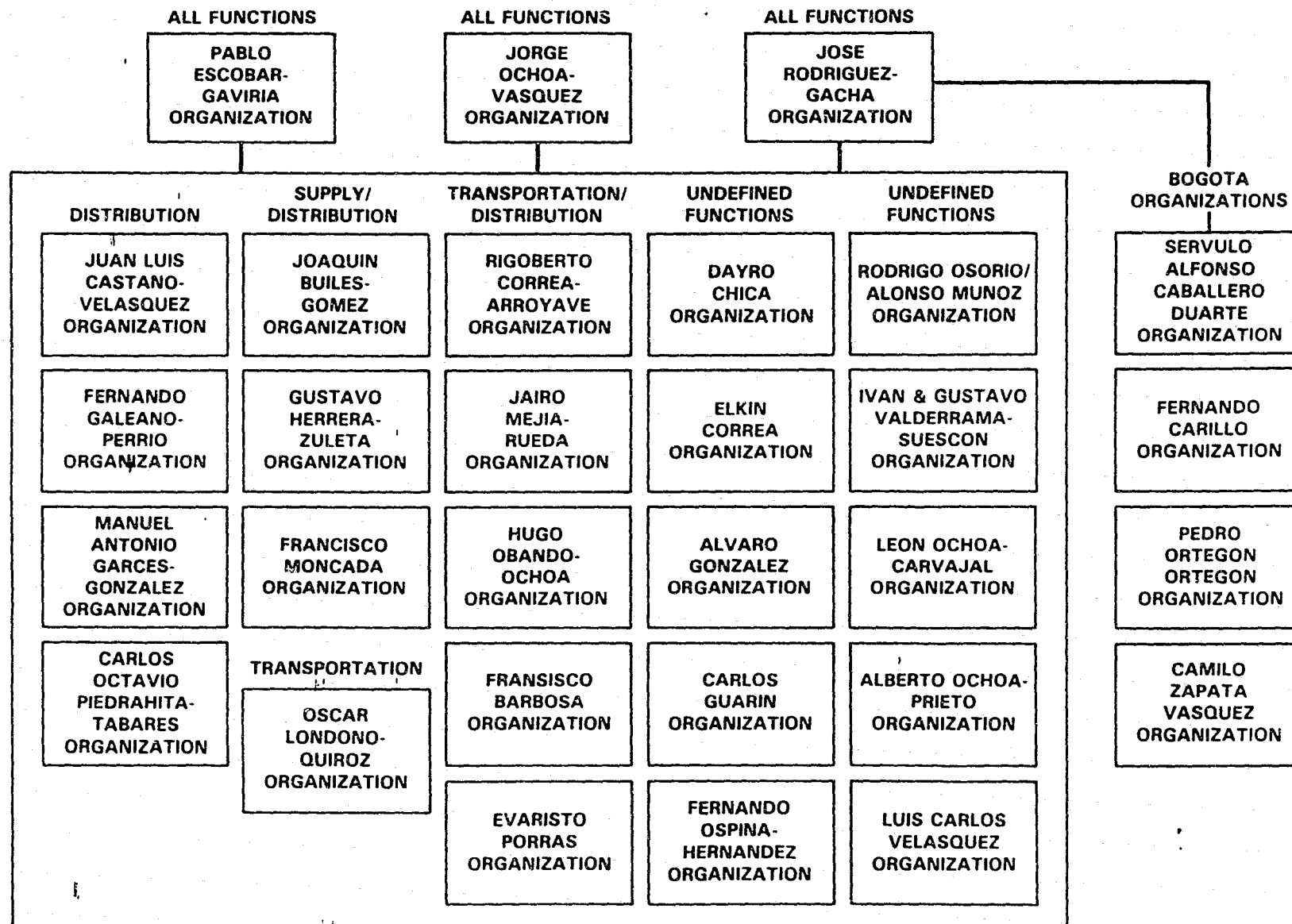
AP/Los Angeles Times

By 1989 there were two major cartels noted to be in operation. The Medellin Cartel, by far the major front runner, had major distribution operations in San Francisco, Los Angeles, San Diego, Chicago, Biloxi, Miami, West Palm Beach, Philadelphia, New York, New Haven, Boston, and areas of Arizona, New Jersey, Pennsylvania, and Massachusetts. The second biggest player is the Cali Cartel with distribution networks in San Francisco, Los Angeles, Miami, New York, Boston, and New Jersey. Two smaller cartels, the North Coast Cartel, and the smaller Bogata Cartel are scattered about the country along with many other independent operations.

The existence of a group of traffickers from Cali was first detected in the late 1970's through their operations in New York City. Since that time, they have grown much larger. The strength of this cartel is now estimated at approximately 2,500 members. The Cali cartel is smaller than the Medellin cartel. The Cali cartel is a major force in all phases of operations from production through the distribution of cocaine. The Cali-based cocaine trade has thrived in relative obscurity, drawing less attention than the Medellin cartel from both news media and law enforcement officials. Like the more savage and notorious Medellin cartel, the Cali traffickers use Colombia as a base for smuggling huge amounts of cocaine into the United States. But the Cali cartel prefers whenever possible to avoid the open violence, including assassinations of high officials, that has focused world attention on the Medellin gangsters. According to the philosophy of the Cali cartel, it is preferable to bribe than to kill. The Cali traffickers try to blend peacefully with the wealthy elite in this clean and prosperous city of 1.5 million people, seeking respect and security through investments and carefully cultivated contracts.

The leaders of the Cali cartel are Gilberto Rodriguez Orejuela, Jose Santa Cruz Londono, and Francisco Herrera. The leadership style is formal and they maintain their distance from the cocaine processing and the lower level

# THE MEDELLIN CARTEL



workers. Their style is similar to the operating procedures of traditional organized crime families.

The Medellin cartel, formed in 1981, is a loose confederation of cocaine traffickers. This cartel actually consists of approximately 200 trafficking groups which work together. The alliance of these 200 groups was established for the mutual benefit of all groups rather than through coercion, in order to coordinate different phases of cocaine production, transportation and distribution.

Intelligence information indicates the structure of the various organizations that are part of the Medellin cartel are fluid, particularly at the lower levels. Pilots, distributors, and money launderers may work for more than one group.

The leaders of this cartel are Pablo Escobar Gaviria, Jorge and Fabio Ochoa, and the late Jose Rodriguez Gacha. Gacha was killed in December, 1989, during a shoot out with Colombian security forces. Medellin leaders are directly involved in the cocaine production operations. The top leaders of the Medellin cartel regularly inspect landing strips, visit laboratories, and give instructions to personnel. As an example, in a phone conversation between Pablo Escobar and a distributor, Escobar became extremely agitated about an inventory discrepancy of a single kilo in a particular cocaine shipment.

In August, 1989, the key leaders in this cartel declared an all out war against the Colombian government. Virtually all drug related assassinations of Colombian governmental officials have been carried out at the direction of the Medellin cartel.

The North Coast cartel, which consisted primarily of marijuana traffickers during the early 1970's, provides a variety of services to some Medellin-affiliated groups and some Cali-based traffickers. The North Coast cartel is also involved in their own cocaine distribution and sometimes piggybacks onto the larger Medellin cartel cocaine shipments when it is in their economic interest to do so. The large traffickers, specifically Pablo Escobar and the late Rodriguez Gacha, offer insurance to the smaller groups or individual traffickers who are allowed to piggyback on large shipments which

# THE CALI CARTEL

ALL FUNCTIONS

JOSE  
SANTACRUZ-  
LONDONO  
ORGANIZATION

ALL FUNCTIONS

RODRIGUEZ-  
OREJUELA  
ORGANIZATION

AFRANIO  
ARIZABALETA-  
ARZAYUS  
ORGANIZATION

HERNANDO  
RESTREPO-  
OCHOA  
ORGANIZATION

GIOVANNI  
CAICEDO-  
TASCON  
ORGANIZATION

LUIS  
SANTACRUZ-  
ECHEVERRY  
ORGANIZATION

JESUS  
RIVERA-  
REYES  
ORGANIZATION

they have organized to transport to the United States. If the load is lost or seized, they will guarantee 100 percent replacement of the cocaine.

For ease in reading, unless there is a specific need to identify the particular groups, the Colombian families will be generically referred to as "The Cartel" in the balance of this document.

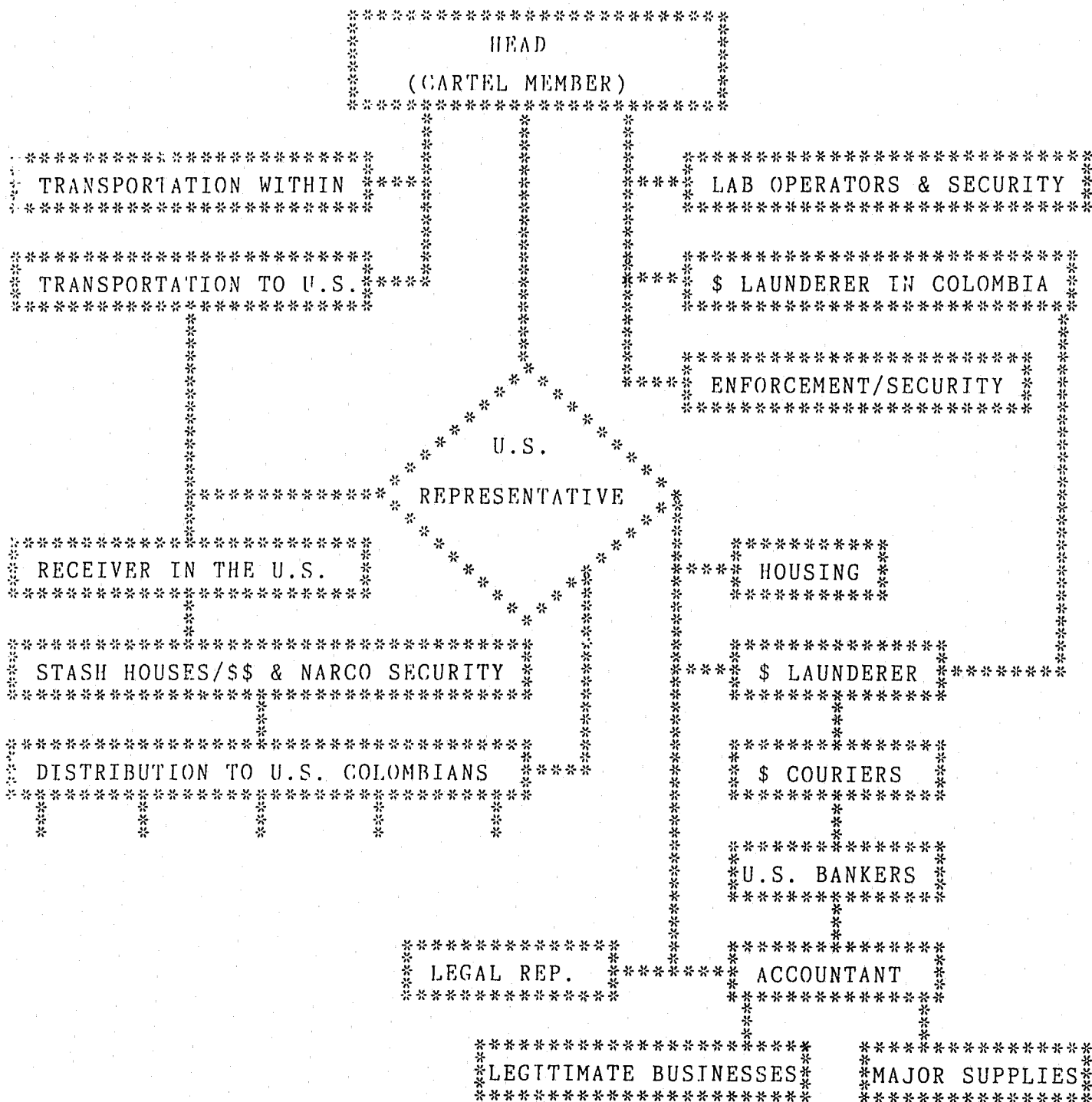
### STRUCTURE

The Cartels have the same needs as any other legitimate business. Their Colombian headquarters are staffed by investors, bankers, lawyers, logistic experts, exporters, importers, chemists, wholesalers, and retailers. Each of the major families or groups in Colombia possess these specialists organized into compartmental structures by function such as manufacturing, transportation, distribution, finance, and security with little or no contact between sections for security reasons. Now deceased convicted smuggler/federal informant Barry Seal stated that the Cartels were "as professional as any Fortune 500 Company."

When considering names of individuals involved in these groups it is important to remember the earlier mentioned migrations into Colombia. Native Colombian cocaine criminals can have names such as Nasser, Von Grieken, Gasser, Naller, Kattan, Ghitis, Jatter, and Wasserman. They can also vary dramatically in appearance for the same reasons. Native Colombians range from the Nordic to the Negroid.

The manufacturing process begins with the delivery of the cocaine base to a secure site selected to avoid detection by authorities and where the chemical odors of the production activities will not bring any attention to the operation. Knowledgeable chemists must be hired to operate the laboratory and the chemicals obtained for the processes. A 1,500 square foot home would be large enough to house a lab capable of 500 kilos per month using only one chemist and five assistants. The Cartel has experimented with mass production techniques as evidenced by the now defunct Tranquilandia lab complex which fired up in 1983. With its 14 labs, airstrip, and 80 bed dormitory, it was producing 7,000 pounds a month until its discovery and destruction a year later.

# TYPICAL COLOMBIAN CARTEL MEMBER FUNCTIONAL ORGAN. CHART

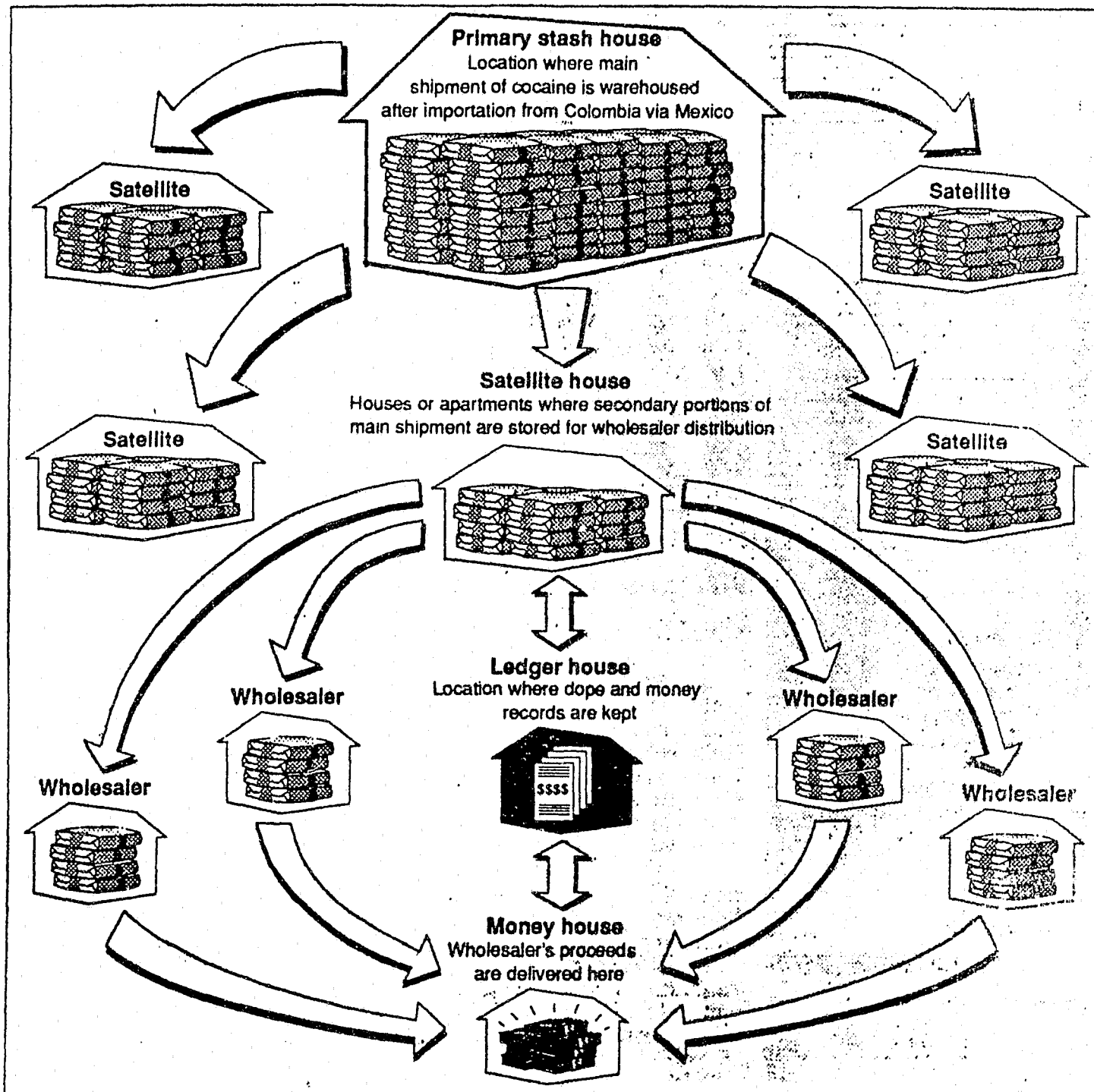


The lab component of coke production has traditionally been an area of constant change. Prior to 1982 there were few labs detected in the United States. In the mid-1980's, however, an increased level of regulation over critical chemicals in the lab process by South American countries forced increased dependence on labs outside of traditional Cartel territory. In 1986 a 55 gallon drum of ether that sold for \$400 in the United States was selling for \$10,000 on the Colombian black market. This period, 1985-1986, saw the highest level of lab seizures to date in the United States. Since that time the use of cheaper and more available alternative solvents such as methyl ethyl ketone ("mek") and acetone again made local processing desirable and United States lab seizures have declined accordingly. One lesson learned during this episode was that regulation of essential processing chemicals could have a substantial impact on cocaine production. U.S. government officials estimate that 70% of all solvents going to South America end up in coke processing. In 1989 the "Chemical Diversion and Trafficking Act" empowered the D.E.A. to restrict shipments to suspected cocaine production customers from U.S. shippers. In 1990 52 South American companies were placed on a "blocked" list; restricted from importing U.S. chemicals. Unfortunately West German firms have moved in and now supply two thirds of the chemicals used.

Attempts have been made to synthesize cocaine, but it is such a difficult and expensive process producing such poor quality product that there is little activity in this area.

Individual kilograms of cocaine are packaged in plastic bags, shaped into the traditional "brick" configuration through the use of a press, and heavily taped with plastic shipping tape and then coded with a name that usually identifies the organization that owns the cocaine, to whom that kilo is intended to be delivered, or may also identify lab and chemists. Some kilos have been observed wrapped in fiberglass and painted with resin or coated with plaster in order to avoid drug dog detection. Newly developed medical casting material has also been used. Finished cocaine is then removed to a "stash house" for storage pending shipment. During shipment kilos are sometimes rewrapped and new codes applied. Kilos should be examined for covered markings that may provide valuable information.





Harold Freeland/Herald Examiner

The transportation section generally uses aircraft (at least into Northern Mexico). Up thru the 1980's aircraft carried an estimated 60% of all cocaine brought into the United States. Less often they use seagoing vessels for international transportation to North America from Colombia, although smuggling through the use of containers is on a dramatic rise. Personal smuggling by crews and the use of exterior containers welded to the hulls beneath the water line are becoming more common. Land based transportation now plays a larger role in the Mexico-to-the-United States smuggling occurring along the California and Arizona borders. (This system was pioneered by Cuban Alberto Sicilia Falcón in the mid-1970's.)

Aircraft are normally purchased or leased in the United States by Cartel members based in the United States and outfitted with additional fuel containers (bladders) for nonstop flying. These planes tend to be conventional twin engine aircraft, but may also include larger and faster conventionals such as DC-3's and DC-8's as well as jets. Aircraft crews are usually permanent members of the group and receive from \$50,000 to \$200,000 in cash, or its wholesale equivalent in kilos, for each trip on "the trampoline." ("The trampoline" is the nickname given to the Colombia to United States route with a refueling stop in Mexico.) One Glendale based pilot, Harvey Misbin, was paid \$200,000 per load to pilot a Leer jet. His Cartel connection was through his Colombian wife, daughter of a Colombian military officer. In spite of the lucrative nature of this work there is a constant shortage of pilots to fly these trips. The mere ability to introduce a trafficker to a cooperative pilot can be worth \$5000. per contact. For this reason outsiders are occasionally employed out of necessity. There are over 400 landing strips that have just "appeared" in remote areas of Colombia to facilitate these flights. On the United States' side, the lack of sufficient radar coverage and interdiction personnel results in a success rate of over 90% for experienced smuggling pilots according to United States Customs officials. It is estimated that each day between 10 and 27 small aircraft penetrate United States air space by flying at night and at low altitudes. They then land at small unregulated airstrips, dry lake beds, and even deserted desert highways to off load drug cargos and lift off again in minutes. Overall, it is estimated that there are almost 20,000 unauthorized flights over United States borders each year. To a much lesser extent the Cartel uses individuals on commercial flights to smuggle in small quantities, but this has become less prevalent and now is usually only seen when small organizations are acting independently.

Seagoing vessels do not provide the speed and security of aircraft, but do allow for much larger quantities to be transported in large secret compartments secreted inside legitimate cargoes, in shipping containers with false walls, or in more exotic external mechanisms. Containers represent a significant enforcement challenge with 8 million arriving in the U.S. each year. Only 4% of that total gets any customs inspection. Even "source country" containers experience only a 20% inspection rate. These ships may be off-loaded off shore or in port. Many times Cuban or American organizations will play minor roles in this process. More exotic vessel smuggling involves the attachment of containers outside the hull to be removed by divers.

USCG reports vessels are towing cocaine bundles suspended by weights underwater. The weights are adjusted in order to ensure that the individual bundles do not sink to the bottom, but remain suspended under the water surface. This is similar to the towing of underwater mines. Upon possible law enforcement interdiction, tow lines attached to vessel sides are cut and the bundles are released but remain suspended underwater to be retrieved later. In 1989, according to the United States Coast Guard, the amount of cocaine seized, on ships bound for the West Coast of North America, increased from 77 pounds in 1988 to 25,310 pounds. Most of the cocaine was seized on ships in Central and South America.

Recently some very large seizures have been made as a result of the detection of stashes in legitimate cargos of commercial aircraft. As of June 1988, United States Customs had seized over 5,000 pounds of coke off of incoming Avianca flights. Quite often perishable cargos are used such as flowers, seafood, etc., so that entry can be understandably rushed with less time spent on inspection.

One unusual smuggling technique which had been believed extinct is that of "swallowing" or ingestion. In the early 1980's many cases were made against couriers who would fly into Los Angeles from Colombia with from 1/2 to 2 pounds of cocaine in their digestive system. The cocaine was contained in either condoms or the fingers of surgical gloves tied off with suture thread. The courier would ingest the "eggs" weighing several grams each in Colombia and then fly into the U.S. The courier would check into a motel and excrete the "eggs." Once cleaned up, a contact person would pick up the

cocaine and provide the courier with a return ticket and about \$1000 for their trouble. The original motel profile was developed off this activity. For reasons not yet clear, this activity has seen a resurgence throughout the U.S. in 1989 with 84 "swallowers" detected and 136 pounds of coke seized.

Various Mexican organized crime groups play a major role in the Colombia to United States smuggling routes. Mexican routes account for at least two-thirds of all cocaine brought into the United States. In many cases "sweetheart" deals have been made by the Cartel with Mexican groups for the transport, security, storage, and political protection of tons of cocaine. In some cases these costs may account for close to 50% of wholesale kilo costs. Many times various arrangements for "insurance" are offered by the Cartel.

The Mexican groups have been predominantly land based smugglers. Large trucks such as 18 wheel cargo haulers, liquified gas tankers, refrigerated produce haulers, and container trailers are commonly used. The record vehicle seizure to date occurred in 1990 when a propane tanker was seized at the San Diego-Mexican border with 3 1/2 tons of cocaine secreted in the gas filled truck. One exotic twist to the truck phenomenon was discovered in 1990 in Douglas, Arizona when a very sophisticated tunnel stretching 250 feet under the border with Mexico was discovered. The tunnel ran from an expensive home in Agui Prieta, Mexico to a cement company warehouse in Douglas (cement has become a common concealment cargo for truck and vessel smuggling). The tunnel was concealed by large hydraulic elevators that actually lifted large sections of concrete floor up to expose the tunnel entrance (see the "Slymar" section in this publication).

The financial section handles the routine accounting processes required of any large business as well as laundering of drug profits. Occasionally the actual cash is smuggled back along the same transportation routes used to move the cocaine north, but this would not normally be the case. The money laundering process will not be discussed in detail here, but will be touched on in the section of this report dealing with laundering. There is evidence that the Cartel has employed LCN experts in the creation of the more sophisticated money laundering operations. Other groups have also seen the profits to be made in providing laundering services. "La Mina," the Colombian code word for

a laundry operation at the Los Angeles Jewelry Mart, was operated by an Armenian group. Many different groups got into the money laundering field during the 1989 U.S. freeze on the Panamanian financial industry.

The enforcement section of the organization is responsible for the collection of debts, the elimination of uncooperative competition. Within the United States they are a collection of small groups that function on a national basis, called in by a group leader to deal with specific individual problems on a contract basis. They also eliminate informers and incorruptible South American law enforcement personnel. To date we have seen very little violence directly focussed on law enforcement inside the borders of the United States; however, the track record of the Cartel with their own governments and with United States officials outside of the United States would indicate that violent action against American law enforcement personnel on our home ground should be expected at some time in the future, particularly if we become more successful in the interdiction of shipments and the disruption of distribution networks than is currently the case. In addition, the alignment of the cartel with Mexican O.C. groups for smuggling purposes has brought in a new much more violent element. Mexican associates of a Colombian group in Los Angeles were found in possession of half a dozen M16 rifles with 40mm grenade launchers and a healthy supply of 40mm H.E. grenades.

#### THE "CELL" SYSTEM

There has been much discussion of the "Cell" System of organization within U.S. distribution networks. The principle is to eliminate all contact between cartel workers except between those who are actually functioning as a distribution team. Teams are coordinated by Colombian based managers thus minimizing linkages that can help create conspiracy cases. This type of system has been used for thousands of years by groups attempting to avoid detection by authorities and to minimize the damage created by informants.

There are two basic forms of cell structure. One is cartel based, that is, the cell is an extension of the "organizational chart." The members of the cell are cartel workers. The second form is the contract cell. This type is showing up much more frequently in recent years. The contract cell usually revolves around one individual who is routinely the cell manager. He is the

one who has an established track record of dependability and successful performance. He has developed the contacts with cartel people. This person will usually be contacted and offered a "contract." The contract will be for a specific operation, such as the wholesale distribution of a 1000 kilo load at a certain price. The cell or contract manager will assemble his own team of 5 or 6 key people to help him. These people represent the principle players of the cell. Often they are persons of known dependability from past activities. One Colombian informant described how he had called in people from New York and Miami to help him work a contract in Los Angeles. This type of "free agent" draft makes intelligence work-ups appear confusing because old style city/family links and traditional cartel affiliations are thrown to the wind. A contractor may work Cali coke in 1989 and Medellin coke in 1990. In either case the cell managers report to a contact in Colombia and may even be required to return to Colombia as often as 3 or 4 times a year.

It is estimated that there are approximately 300 such cells or groups in the U.S. of various sizes ranging generally in the 5 to 10 person range but occasionally as large as 50 persons. Many of the "laborer" types exist outside of the cell configuration. It is increasingly common place to see a cell employ a large cadre of housewives or senior citizen types to courier money or dope. These people may only participate in cell activities once or twice a month, thus limiting the impact of their detection. Targeting of one of these couriers may result in 3 or 4 weeks of fruitless surveillance work until they become active again.

#### JUAN RAMON MATTA-BALLISTEROS

Matta is in many respects the most interesting and possibly the most significant of the major players in the Southern California/Colombia cocaine connection. Born in 1943 in Honduras, he rose from petty theft to drug kingpin in a twenty year span. His role as an international broker and "Drug Diplomat" allowed him to become the architect of the Mexican "trampoline" system for importing cocaine into Southern California. Today he has a net worth of over \$2 billion dollars and employs over 5000 people in legitimate Honduran businesses related to tobacco farming, cattle ranching, and construction. His criminal enterprises in addition to cocaine involve an extensive luxury car auto theft organization centered in the south eastern United States. Due to

his unique nature and importance to the Southern California situation, a more detained review of his historical involvement is essential. (Matta is even linked to the Iran-Contra Affair. His airline "SETCO" transported arms and supplies for the Contras from 1983 thru 1985. By 1985-86 SETCO was being paid by U.S. State Department funds for transport services).

In the 1960's, Matta was a petty crook who gradually shifted from pickpocketing to robbery to cocaine. By 1971 he had gotten himself into U.S. federal prison in Florida for immigration law violations. He escaped from this facility the same year and began a 17 year fugitive status. Matta (El Negro) made his first cocaine related appearance in 1973 when an unsuccessful DEA undercover deal put Matta in the middle between Bolivian suppliers and Cuban coke pioneer Alberto Sicilia-Falcon. He surfaced again in 1975 as a chemist refining paste for Carlos Estrada within the Sicilia-Falcon organization (documented in the DEA Centac 12 investigation). That same year Falcon was arrested behind a 100 kilo seizure and Matta then moved on to establish a relationship with a Mexican heroin trafficker and Sinaloa State Policeman named Miguel Angel Felix-Gallardo. This partnership between Matta-Ballisteros ("El Negro") and Felix-Gallardo ("El Padrino") gave birth to the whole smuggling phenomenon known as "The Trampoline," the Colombia-Guadalajara-S.W. United States route. Using Matta's contacts in the cocaine trade and Felix's heroin and marijuana routes into the U.S., a new entry system into the U.S began to take shape that would ultimately eclipse the Caribbean routes into Florida. The entry of Mexican drug cartels into the system would change the face of cocaine smuggling (and ultimately lead to a 21 ton stash house in Sylmar, California in 1989). Matta became to the West Coast what Carlos Lehder had once been on the East Coast; the developer of the worlds greatest drug smuggling and distribution system.

By 1978 Matta was so wealthy and powerful that he financed an attempted coup d'etate in Honduras. By 1979 he and Felix were running loads into L.A. by way of Arizona landing strips and Mexican border crossings. Felix was then serving as the bodyguard for the governor of the state of Sinaloa, Mexico.

In 1981 the largest seizure in Los Angeles history was made at the Oakwoods Apartments in Van Nuys. 114 pounds of cocaine and \$2 million in cash was recovered, however ledgers showed over 2640 pounds in the system. This was one

of Matta's loads. By 1982 Matta and Felix were moving 2 1/2 tons a month into Southern California. One Bank of America account under their control showed \$20 million in activity in just one month.

In 1985 DEA Agent Enrique Camarena was murdered by members of Felix's group. Matta was believed to have been in Guadalajara at the time. Shortly after the Camarena killing, Matta was arrested in Colombia and charged with 13 drug related murders.

Matta was held in the La Picota Prison where the warden foiled an escape attempt. That warden was then assassinated. A few months later the new warden allowed Matta to spread around approximately \$2 million in cash and walk out. The new warden then quietly resigned.

Matta's coke distribution never missed a beat during his brief time in jail. By 1986 the organization was moving 4 tons a month and Matta was in Europe setting up a new marketing and distribution systems for that unsuspecting continent. He returned to Honduras to run his organization. In 1988 the Honduran government, bowing to pressure from the U.S., seized Matta and put him on a plane headed for the Dominican Republic. The Dominicans forced him on a plane bound for Puerto Rico. As the plane entered U.S. air space, U.S. Marshalls on board placed Matta under arrest. Matta was indicted for both the 1981 Van Nuys case and on 1 1600 pound seizure in Arizona in 1984. He was convicted of the 1981 case in 1989 and sentenced to life in prison without parole. He has been convicted second trial in 1991 for eleven more smuggling counts.. Matta was finally indicted for a third time in regards to his participation in the Camarena killing on January 31, 1990, along with Felix Gallardo and other high ranking Mexican justice system officials. Matta was convicted on July 26, 1990, of conspiracy in the Camarena murder. His organization and more importantly, his smuggling system, continues to function. His innovative involvement of the Mexican Cartels in Colombian cocaine distribution has added a new and threatening dynamic to the enforcement efforts in Southern California.

The Colombian Cartels provide cocaine to the voracious United States Market. Unlike the LCN, the Cartel has not attempted to branch out into other areas of criminal enterprise. Every activity routinely seen performed by



Cartel members and associates is directly related to the production and distribution of cocaine, the collection and distribution of the profits from the sales of cocaine, or things that facilitate those activities. The apparent reason for this is that no other criminal activities would appear to have as high a profit margin as does the cocaine trade. On top of that there does not yet seem to be a saturation of the consumer market for cocaine, even in the United States (not to mention the relatively untapped markets in Western Europe). Future marketing expansion efforts will be seen in the European area with preparations and the staging of sites already underway in Spain in the areas around Madrid. (Spain is also becoming the "hide out" of choice for fugitives from Colombia because of common language and historic links.) Seizures of hundreds of pounds of cocaine are now becoming common in Northern Europe, although kilo prices still range upwards to \$65,000. In 1984 Jorge Luis Ochoa, Juan Ramon Matta Ballesteros, and Gilberto Rodriguez Orejuela were observed in various European locations apparently scouting future sales and distribution areas. There are large Colombian communities in Spain and Italy, and not surprisingly those two countries lead the list in cocaine seizures. Adding to the problem is the fact that many European countries do not have conspiracy laws or do not allow "undercover" law enforcement operations. Seizures of cocaine in Europe have increased 30 times over 1980 levels. Crack cocaine made its first appearance in Europe in 1989 in the hands of English Jamaican street dealers.

Two tons of Colombian cocaine were seized by the German Federal Criminal Investigations Department after a six week investigation which began with the seizure of one ton of cocaine in October, 1990. Subsequent investigations led to the seizure of an additional 9.7 tons of cocaine. A number of Chinese were among the 22 suspects arrested. The cocaine was transported in containers by sea to Germany. This is the second significant cocaine seizure in Europe during 1990 involving Chinese with connections to South America. It is believed that the involvement of Chinese in cocaine smuggling and distribution activities will expand to the United States, as the Chinese will effectively utilize their "Chinese connection" linking Colombian producers with ethnic Chinese traffickers in the U.S.

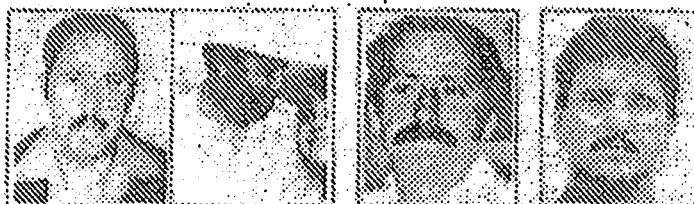
# LA POLICIA NACIONAL LOS BUSCA



**JEFE DEL CARTEL DE MEDELLIN.**

Autor intelectual de actos terroristas contra la ciudadanía y crímenes contra la Policía Nacional.

**PABLO ESCOBAR GAVIRIA  
"EL DOCTOR"**



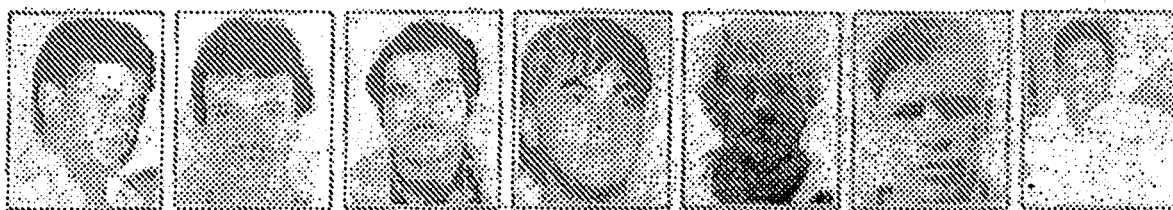
ENCARGADOS DE COORDINAR LA COMISION DE DELITOS CONTRA EL PAIS Y LA POLICIA NACIONAL.

MANEJAN EL DINERO QUE GRATIFICA A LOS CRIMINALES.

**ROBERTO ESCOBAR GAVIRIA  
"SAMUEL"**

**GUSTAVO GAVIRIA RIVERA  
"LEON"**

**JORGE LUIS OCHOA VASQUEZ  
"ADEL"**



**JHON JAIRO ARIAS TASCON  
"PININA"**

**JHON JAIRO VELASQUEZ VASQUEZ  
"POPEYE"**

**OTONIEL GONZALEZ FRANCO  
"OTTO"**

**CARLOS AGUILAR GALLEGO  
"MUGRE"**

**DAVID RICARDO PINO LOPERA  
"RICHAÑO"**

**DENY MUÑOZ MOSQUERA  
"LA OJICA"**

**BRANCE MUÑOZ MOSQUERA  
"TAYSON"**

JEFES DE BANDAS DE DELINCUENTES QUE EJECUTAN LAS ORDENES DEL CARTEL DE MEDELLIN. CONTRATAN SICARIOS Y TERRORISTAS AUTORES DE CIENTOS DE CRIMENES CONTRA LA POBLACION Y PERSONAS UNIFORMADAS.

## ¡DENUNCIELOS!

INFORMACION QUE HAGA POSIBLE LA CAPTURA SERA RECOMPENSADA  
ABSOLUTA RESERVA.

### AYUDE... ¡NO SEA LA PROXIMA VICTIMA!

Not only is the market for cocaine still in a state of growth, but a process and cost analysis shows that cocaine is cheaper to grow, harvest, and process as well as easier to smuggle into the United States than other products produced in South America, and the bottom line profits are higher. At the present time there is no economic motivation for the Cartel (or for South American governments) to do anything but supply cocaine to a demanding world.

The Colombian cocaine Cartel is no different than the Mafia in its attempts to facilitate its business arrangements through the corruption of public officials and institutions. The major difference between the two would be geographic. The LCN has focused on the corruption of American institutions because of their home base and area of operation is generally within the United States. The Cartel has done the same within South America and the Caribbean to a much greater degree, but has only touched America in specific areas such as narcotics law enforcement and customs.

#### CORRUPTION IN THE U.S.

The combined impact of the Cartel's efforts to subvert the American justice system and the temptations created by the massive amounts of money and drugs have produced an ever growing list of law enforcement tragedies. This limited collection of incidents is presented only to depict the scope and seriousness of the corruption issue as it related to the Colombian cocaine problem. The early incidents arose in the east in the early 1980's and spread west as the cocaine smuggling phenomenon began its westward migration. The west's long history of being relatively corruption free is now at an end. Every member of law enforcement must recognize that the Colombian impact on our world is both all-pervasive and internally dangerous. The corruptive effects of the cartel smuggling operations combined with the myopic views of many police administrators who regard narcotics enforcement as only a revenue generating activity have set the stage for disaster.

Miami-1981                Eight Metro-Dade officers charged with cooperating with drug dealers.

Miami-1982                FBI agent apprehended distributing 90 lbs of cocaine and amassing \$850,000 in profits.

Miami-1982	DEA agent charged with smuggling and public corruption.
Miami-1984	DEA agent charged with selling intelligence information to traffickers.
Boston-1985	Assistant U.S. Attorney convicted of taking bribes.
Houston-1985	Assistant U.S. Attorney convicted of offering information to drug smugglers.
Miami-1985	Several Miami P.D. officers charged with murder in the deaths of three cocaine smugglers from whom they had stolen 400 kilos of cocaine.
Florida-1987	Director of Florida's Department of Natural Resources indicted for accepting bribes from smugglers to prevent his own Florida Marine Patrol from interfering with shipments.
Los Angeles-1987	William Londono, major Colombian trafficker, bribed his way out of the Los Angeles County Jail.
San Ysidro-1987	Customs Agent convicted of corruption and accepting bribes.
Key West-1987	Deputy Chief, a lieutenant, and a sergeant of the Key West, Florida, Police Department convicted of running a protection service for smugglers.
Los Angeles-1988	L.A.P.D. officer indicted for his attempt to import 320 kilos of cocaine from Colombia.
Los Angeles-1989	Three DEA agents charged with smuggling and money laundering, one becoming one of the F.B.I. "Ten Most Wanted."
Miami-1989	Veteran DEA agent charged with bribery and drug offenses.

Miami-1989 Two veteran DEA agents charged with taking bribes.

Bisbee Arizona-1989 Two Border Patrol agents charged with possession for sales of cocaine and witness tampering.

Boston-1989 20 year DEA Veteran arrested in possession of 62 pounds of cocaine.

Los Angeles-1989 L.A. County Sheriff Narcotics "Major Violators" units dismantled in light of the discovery of widespread corruption. Seven deputies were convicted.

Miami-1989 Three Miami P.D. officers indicted for the theft of \$1 million in cash, 110 lbs of coke, and 1 ton of marijuana.

Miami-1990 Four Metro-Dade officers (including one division chief) and two former officers charged with robbing cash, marijuana, and cocaine from dealers and resell the dope for profit.

Los Angeles-1991 Six more L.A. County Sheriff Deputies and one L.A.P.D. officer are indicted.

#### USE OF VIOLENCE

Like the traditional Mafia, the "narcotraficos" of Colombia view violence as just another option in their problem solving bag of tricks. Colombia's history is a violent one. Violence has been a common and often successful response to political and social problems since the nation was born. It is no wonder then that Cartel members, already socialized in a violent society, would freely use violence with great effectiveness and with little public outcry in but a few exceptional cases. (The unrestrained use of violence finally backfired on them in 1989).

The Cartel routinely uses violence in reaction to hostile competition, informers, bad debt collections, and in reaction to government officials who actively fight the Cartel and who are not responsive to attempts to corrupt them. They use the term "Magnicidio" to describe killings designed to shock the

populace. Medellin is the main base for the recruiting and training of professional hit men known as "sicarios." At present they are hesitant to shoot it out with American police. Many informants have verified this, although it is not exactly clear why that attitude exists. One should not expect their new Mexican crime partners to be so restrained. The 1989 discovery of the training of cartel hit squads by former Israeli commandos add a new perspective to this issue.

Certainly there are many examples of internal violence inside the United States.

In the Riverside-San Bernardino area of Southern California there were over half a dozen execution style killings of Colombians in 1987. The killings are related to a search for informants within the United States-Colombian distribution system. Several of the dead are principles in Los Angeles-Glendale major violator cases. None of the dead are known to law enforcement as informants. It would appear that "weak links" were being killed in a shotgun approach to the elimination of informants.

In 1984 Cartel representatives attempted to buy four million dollars worth of surface-to-air missiles and a helicopter on the international arms market.

In 1986, Cartel hit-men machine gunned federal drug informant Barry Seal in Louisiana while he was under federal protection.

In the years of 1979 through 1982 South Florida went through a period known as the Dade County Cocaine War. Some 250 people died in what has now been analyzed to have been a ruthless, free form industry shakeout over distribution rights. In contrast to the LCN concept of killing as just "business" not to be taken personally, the "cocaine cowboys" of South Florida killed each other, each other's spouses and children, and innocent bystanders without restraint. (During this period the Dade County Morgue had to bring in refrigerated trailers to handle the body load.)

In 1989 the U.S. Marshal's service reported 143 threats by drug cartels against the U.S. judiciary.

The Cartel has also used kidnapping as a mechanism to secure payment of bad debts. Kidnapping has been a two edged sword; however, as the massive amounts of money make the traffickers themselves very desirable as targets of kidnapping for ransom. It was this very threat that brought about significant change in the Cartel organization and set the stage for one of their most violent assaults.

### "CARTEL" BIRTH"

The Cartel was very loosely organized during its growth in the 1970's, but the wave of kidnappings that were beginning to afflict the traffickers would soon alter that. On November 12, 1981, leftist guerrillas of the revolutionary group "M19" sought to finance their struggle with proceeds from yet another kidnapping of a Cartel family member, this time a young university student named Marta Ochoa- Vasques, the sister of Jorge Ochoa. This was the "last straw" for the drug bosses.

The Ochoa family called a meeting at Medellin's Intercontinental Hotel that included the top 230 drug traffickers in Colombia. In a meeting very reminiscent of the 1957 Mafia Appalachia gathering, the Cartel hammered out its first unified approach to a common problem, marking probably its true birth as an "Organization." The Cartel formed a pool of \$7.5 million to be used to combat kidnapping and formed an action group, an ad hoc committee, known as Muerta a Secuestradores (MAS) "Death to Kidnappers." In true theatrical fashion, the Cartel announced the formation of "M.A.S." on December 2, 1981, by dropping thousands of leaflets from a small plane into a crowded soccer stadium in Cali. In three months MAS killed over 100 persons believed involved with the kidnappings, assassinated a convicted kidnapper in his jail cell, and themselves kidnapped five M19 hostages. On February 17, 1982, Marta was released by M19 unharmed and without ransom payment. No member of the Cartel has ever been the victim of kidnapping since that time. Most important about this incident is the creation of the Cartel's semi-formal structure and the temporary relationship the Cartel developed with the M19 Marxist Guerrillas.

In the summer of 1985 another "summit meeting" was held in Cuzco, Peru. Attended by Colombian, Bolivian, and Peruvian traffickers, its purpose was to discuss the division of territory and to establish a formal process for settling disputes. The mediator for this meeting is reported by reliable informants as Manuel Noriega of Panama.

On November 6, 1985, M19 guerrillas in collusion with the Cartel attacked the Palace of Justice in Bogota in response to the growing threat the Colombian government had posed to the traffickers over the issue of extradition to the United States. The guerrillas took the Supreme Court hostage and engaged in a 28 hour gun battle with police. While the battle raged, M19 members systematically destroyed all records on Cartel members and the extradition proceedings. When it was all over, 95 Colombians had died including the Chief Justice and 11 of his fellow judges. Some official sources have attempted to deny any relationship between M19 and the Cartel; however, this appears to be self serving political rhetoric on the part of some Colombian diplomats and U.S. State Department bureaucrats. M19-Cartel complicity has been verified by Colombian officials. By 1987, however, the Cartel and leftist elements of all types were in open conflict as the Cartel members became ever more closely aligned with the ultra-right. An example of this connection can be found in the files of Operation Pisces in Los Angeles. One of the major U.S. based Colombian suspects, a top lieutenant for Pablo Escobar, was previously a M-19 Guerrilla. His political sensitivities obviously eventually overcome by drug profits.

The level of violence in Colombia has yet to abate. Homicide is now the leading cause of all deaths in Colombia. In just the City of Medellin, 1,700 people died in narcotic related violence in 1986. The nation wide list of murdered victims includes over 57 judges, 26 journalists, and hundreds of police and government officials. The chilling effect on government generally and more specifically law enforcement has been obvious and is a major factor (although not the only factor) in the failure of Colombia and other nations of that area to effectively assist in the repression of the cocaine trade.

In August of 1989 the all-powerful and seemingly indestructible "Narcotraficantes" of Colombia arranged for the assassination of presidential candidate Luis Carlos Galan. It was the proverbial last straw for the



Colombian government and the Colombian people. A massive series of raids and arrests by government forces escalated into what the Cartel's called "absolute and total war." Hundreds of millions in assets were confiscated, almost 200 fixed wing planes and helicopters seized, and over 11,000 suspects arrested. President Barco revived the Colombian-U.S. extradition treaty and almost immediately began to ship wanted suspects to the U.S. as U.S. arrived in return.

### SIGNIFICANT DATES IN CARTEL HISTORY

1960's	Cocaine returns to United States drug abuse scene.
Early 1970's	Pickpocketing is principle organized crime "Ten Bells" school for pickpockets in Bogota.
Late 1970's	Cocaine demand begins to explode in United States. Colombian crime groups focus on cocaine production, smuggling and Eastern United States Distribution, experiencing spectacular organizational growth in the process.
1979	Start of the Dade County Florida "Cocaine War" in which 250 murders in three years brought about Colombian distribution network consolidation, and the elimination of competition.
1979	First recognition of Cartel activity in Southern California.
1979	Roberto Suarez establishes 1,500 man private army in Bolivia, including ex-Nazi Klaus Barbie.
1980	Suarez finances 189th coup of Bolivian government and takes control of entire county for 13 months.
1981	Major smuggling operations expanded to West Coast ports of entry.
1981	Leftist Guerrillas (M19) terrorize cocaine families with frequent kidnappings for ransom.
1981	Jorge Ochoa's sister kidnapped.
November 1981	Cartel formed at meeting of 230 top cocaine producers at the Intercontinental Hotel reminiscent of Mafia Appalachia gathering of 1957.
1981	First assassination of a judge by the Cartel. Female jurist working with United States prosecutors shot on the street.
1982	Suarez offers to pay off Bolivian foreign debt of three billion dollars in exchange for immunity.
February 1982	Kidnappings end after Cartel enforces group known as "Muerta A Secuestradores" kills over 100 Leftists and kidnaps five M19 hostages, resulting in truce.
1983	Tranquilandia lab complex opened: Fourteen labs, 80 bed dorm, air strip, 7,000 pounds of cocaine per month production.
April 1984	Justice Minister Rodrigo Lara Bonilla machine gunned to death as extradition proceedings progress.

May 1984 First extradition order signed for Carlos Lehder Rivas.

July 1984 Cartel bosses Escobar, Ochoa, and Gacha accused of masterminding Lara Bonilla killing.

November 1984 Ochoa arrested in Spain on United States warrant.

January 1985 First Colombian Cartel members extradited to United States.

July 1985 Judge in Lara Bonilla murder case assassinated.

November 1985 Cartel employs former enemies, M19 Leftist Guerrillas, to attack Palace of Justice. Extradition files destroyed and 11 Supreme Court Justices killed.

1986 Cartel sends hit-men to Louisiana to kill government informant Barry Seal with automatic weapons.

1986 Seventeen thousand peasants riot in Bolivia to protest government interdiction of coca harvesting.

1986 Over 1,700 persons died in the City of Medellin, Colombia during this year alone as a result of coke trade related violence: Fifty-seven judges, twenty-six journalists, and hundreds of police and government officials.

1986 Cartel approaches United States Government with offer to halt drug dealing and to spy on South American Leftist in exchange for amnesty.

July 1986 Spain returns Ochoa to Colombia where he is ultimately released and goes into hiding.

November 1986 Former Chief of Anti-Narcotics Operation, Colonel Jaime Ramirez Gomez, is assassinated.

December 1986 Outspoken editor of El Espectador Newspaper, Guillermo Cano, is assassinated for his anti-Cartel editorials.

January 1987 Former Justice Minister and Cartel foe Enrique Parejo-Gonzalez is located by Cartel hit-men in Budapest, Hungary and shot.

February 1987 Carlos Lehder extradited to United States.

June 1987 Colombian Supreme Court voids United States-Colombian Extradition Treaty after intensive "lobbying" by Cartel.

January 1988 Attorney General Carlos Mauro Hoyos kidnapped and assassinated.

February 1988 Pablo Escobar and Panamanian leader Manuel A. Noriega indicted by United States.

April 1988 Juan Ramon Matta Ballesteros arrested in Honduras and expelled into United States custody. United States Embassy in Tegucigalpa, Honduras attacked, looted, and burned while corrupt police stand by.

March 1989 Pablo Escobar, Fabio Ochoa, and Bahamas' official indicted for murder of Justice Minister Rodrigo Lara Bonilla, murder of informant Barry Seal, and for 15 year conspiracy to import cocaine into United States through the Bahamas.

August 1989 Presidential candidate Senator Luis Carlos Galan assassinated by Medellin Cartel beginning massive Colombian crack down. Extradition Treaty with U.S. reinstated. "Total War" declared by cartel.

December 1989	Gonzalo Ridriguez Gacha killed in shoot out with Colombian police.
December 1989	Colombian police intelligence headquarters bombed by cartel.
December 1989	Cartel terrorists bomb an Avianca passenger airliner killing 111 passengers.
January 1991	The Ochoa's surrender to Colombian authorities in exchange for a guarantee that they will not be extradited to the U.S.

In addition to the corruption and tremendous amount of violence that the cocaine trade has brought to Colombia and parts of the United States, there are other impacts on society. We will not discuss the debilitating effects of cocaine abuse specifically, but rather focus on the impact that the criminal conspiracies have had upon the social systems they have invaded.

### SOCIAL IMPACT

The cocaine Cartel and its business have severely affected Colombia's economy. The massive influx of United States dollars has distorted the local economy causing the prices of essential commodities such as housing, transportation, and food to rise dramatically, often beyond the means of the law abiding population. When a large deal has been consummated dollars become so prevalent that they can be bought on the street for less than the official exchange rate, an unheard of phenomena in Latin America. Medellin is surrounded by million dollar villas and haciendas with swimming pools, satellite television, and garages full of Mercedes. On weekend evenings there is an event in Medellin known as "La Marcha de Los Mercedes" to the locals where hundreds of polished Mercedes literally caravan into town for "night clubbing." In a country where the per capita income is still rated in the hundreds of dollars per year, it is an impressive corrupting spectacle for the have-nots to model.

The Cartel has also bought itself a place in the hearts of the poor with various civic projects financed with Cartel coke money. Housing for 4,000 poor families was built with Cartel money. Local charities receive healthy support. Pablo Escobar even bought himself a newspaper that now almost daily extols his virtue as a patron of the poor and disadvantaged. After a recent earthquake, Escobar was seen on prime time television distributing handfuls of cash to quake victims. Cartel members have built stadiums and bull rings that offer

free admission to the general public. Cartel families own most of the professional soccer teams in Colombia.

In one respect the cocaine mobsters do aid the economies of the involved countries. While vast amounts of profits never reach South America, those dollars that do end back in the country are the backbone of the black market for currency. The strength of that market limits the need of the government to print money and thus helps to limit overall inflation. Other earnings find their way back in the form of smuggled contraband luxury goods which reduces the level of "official" imports and thus favorably impacting the balance of international payments. On the negative side this situation limits the development of local manufacturing capacity and artificially produces an economic stability that is very vulnerable to change. One Colombian bank failed after one drug boss withdrew only his personal deposits (in the tens of millions) and moved them elsewhere.

Cocaine cannot be blamed in entirety for this situation. Colombian law has been very tough currency regulations for years. Colombians cannot keep foreign bank accounts and are limited to taking \$5,000 a year out of the country. For years all Colombians have turned to the black market for dollars to travel with or as investments against the inflation of the peso.

Cocaine has also robbed the soul of the export business in the countries of Colombia, Bolivia, and Peru. Cocaine has eclipsed traditional hard currency generating exports and supplanted more stable forms of productivity. Cocaine exports amount to three times more value than all other exports in Bolivia. (In 1986 17,000 peasants rioted against 200 members of an anti-narcotics strike force that was "depressing" the coca market.) Their tin and natural gas exports have dropped by 70%. Peru brings in twice as much from cocaine as it does from its biggest other export, copper. In Colombia a farmer can make about \$3.50 a day growing traditional crops, or he can switch to cocaine and make \$25 a day.

These economic considerations not only make it very difficult to manage a country's economy, but place some very significant impediments in the path of the efforts to eradicate the cocaine trade. Politicians responsible for enforcement and foreign relations must remain sensitive to the political realities of coca based economies to stay in office or, worse yet, stay alive.

Of a more personal nature is the development of a severe cocaine abuse phenomenon within Colombia. Centuries of chewing the coca leaf did little more than wreak some periodontal havoc. In 1982 a massive experiment to expand the coca plantations within Colombia was begun in an attempt to lessen dependence on Peruvian and Bolivian plantations. The Cartel soon discovered that the Colombian climate and soil was not able to produce high quality coca needed to replace the other sources. Never missing an economic trick, the Cartel shortened the base production process and distributed a new product from the inferior coca, a yellowy paste, "pasta bastica," that is wrapped in tobacco or marijuana and smoked. The residue of toxic chemicals from kerosene, acid, and other contaminants found in the paste is much more dangerous than the cocaine it contains. It is called "basuco" in Colombia, "kete" in Peru, and "pitillo" in Bolivia. It sells for \$.30 United States currency for each cigarette. This has created a massive drug abuse problem with youths and young professionals.

On the diplomatic side, drug money paid to bribe politicians worldwide now ranks as a United States security concern second only to the Soviet Union, according to a CIA study. Huge sums of cash are being used to purchase immunity for Cartel operations and even subvert entire governments and promote terrorism.

Very recently environmental concerns have also arisen. One study done in Peru's Huallaga Valley indicates that since 1970, millions of gallons of sulfuric acid, acetone, petroleum products, and other toxics have been dumped into the Amazon River's feeder streams resulting in serious threat to that aquatic resource. Another study shows that 10% of Peru's Amazon Forest region has been deforested to allow coca production with resulting erosion and flooding as well as contamination by growers' indiscriminate use of herbicides to control weeds.

Eradication efforts have long been hailed as the best "supply side" weapon against coke, but more than \$85 million in aid to Colombia and Bolivia for anti-drug campaigns has not been effective in reducing cocaine and marijuana production, and it is doubtful that continued spending will prove successful in the near future, according to a 1988 report by the General Accounting Office. Cooperative efforts between United States and South American agencies have resulted in eradication of thousands of acres of coca and marijuana plants but

at the same time tens of thousands of new fields were planted. Drug traffickers "will replant, often expanding the crop, when serious eradication and interdiction campaigns threaten their profits," A G.A.O. report stated.

### FACILITATORS

The facilitator has been a common component in Colombian operations for many years. A generic definition of their role is that they provide certain basic common services that make it easier for the distributors to function without detection and make it harder for law enforcement to develop conspiracy linages and intelligence. Facilitators come in many forms. They may be real estate agents, car dealership sales persons, cellular phone/pager dealers, even attorneys. The consummate example is George Bosch as detailed in the Glendale section of this report. He was principally a real estate facilitator who arranged housing for stashes and workers. Another woman was discovered working for a car dealership as a senior sales person. She would accept and approve dummy credit applications and sales forms for minimum down car sales. Colombians would get cars with untraceable registration, untraceable sales records, for low down payments, and that could be abandoned at low cost if detected or seized. Another woman opened a store front pager business and then proceeded to supply pagers to Colombians without any documentation on the user. These are just a few examples of what facilitation is all about.

On the back side we have a cadre of "dope" attorneys. The vast majority of attorneys representing major violator types of Colombians perform a variation of the facilitator role. Many are on retainer to the cartels and often their allegiance and services are provided to the cartel and not to the individual client they supposedly represent. Their facilitating role comes after the arrests are made. They gather all possible materials during the "discovery" phase of the trial such as police reports, search warrant affidavits, transcripts, etc., and forward them to Colombia for correlation and analysis. Often one suspect on a large conspiracy case will deliberately not flee or plead out so that the case will be forced into trial and maximum information revealed to the defense. The rest of the defendants will have jumped bond or pled guilty for reduced sentences.

## MONEY LAUNDERING

This section is intended only to provide a brief overview of the basic process by which the Cartels retrieve their enormous cash profits from the United States. In addition, the ability of American law enforcement to conduct complex financial investigations that provide crucial information about the movement of drug profits has been the heart of many major asset seizures and to the targeting of major groups through money laundering fronts. For these two reasons it is important to understand this process.

Laundering occurs through three basic mechanisms. First, money is often merely smuggled out of the United States using the same smuggling mechanisms employed to bring in narcotics. Second is the conversion of cash into assets such as autos, real estate, jewelry, stocks, etc. Third, and the focus of the rest of this description, is the use of the United States banking industry to change dirty cash into clean credits in foreign accounts.

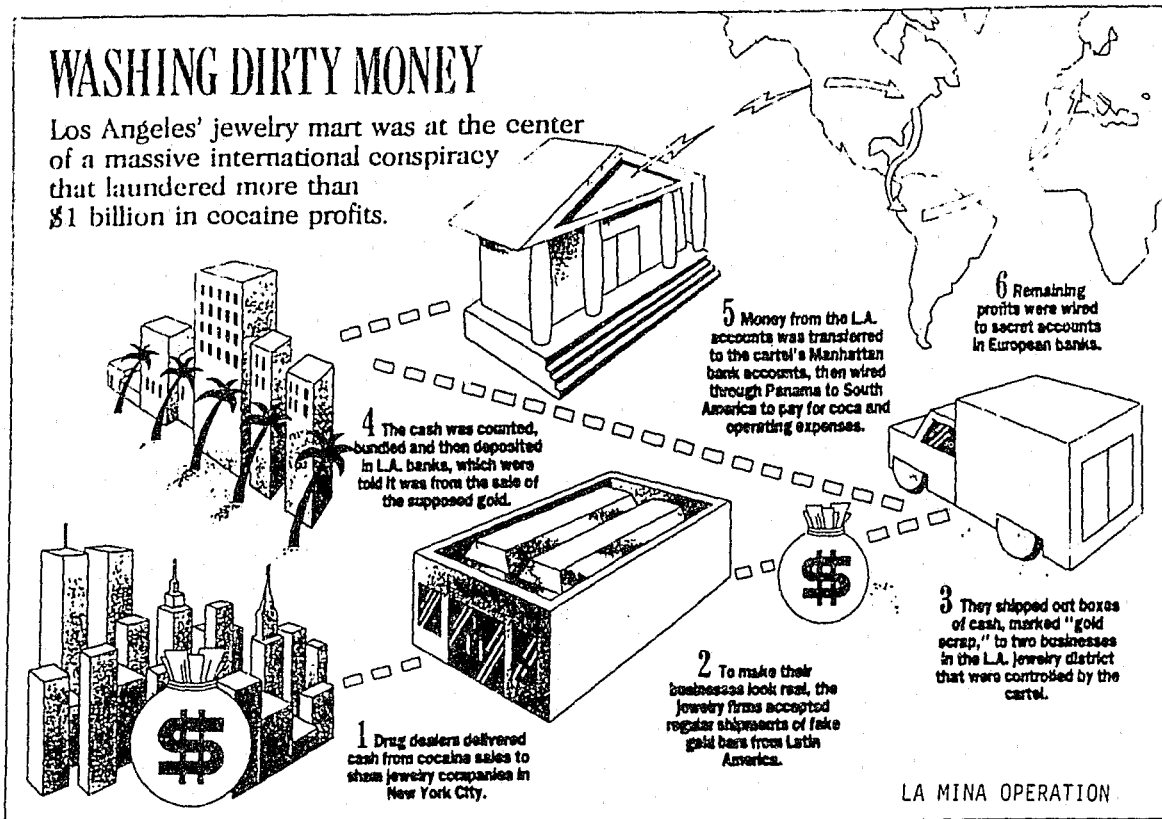
This infusion of cash into the banking system can have massive impact on the country. The Federal Reserve Board reported that the Los Angeles area grossed a \$3.8 billion cash surplus in 1988, up from \$165 million in 1985. In contrast, Miami has dropped from a surplus of \$6 billion in 1985 to \$4.8 billion in 1988. On the opposite side of the coin, it is estimated that \$125 billion in U.S. currency is "missing," that is, it is outside the legitimate commerce and banking system; forming an enormous tax-free underground economy.

Money laundering within the financial system can be as simple as merely having persons deposit money into accounts in amounts below currency reporting levels ("smurfing"), or buying stacks of money orders from various locations for later deposit, all the way up to collusion with officers of major financial institutions to move millions on a daily basis. Over \$615 billion in cash is wire transferred each day in the U.S.

The recently concluded "Polar Cap" case is a good illustrative example of this last and most important type. Various businesses, particularly two wholesale jewelry companies in Los Angeles, would take in millions of dollars and represent the funds as having been generated by "gold and jewelry transactions." The money was then wired from here-to-there, ending up in the

## WASHING DIRTY MONEY

Los Angeles' jewelry mart was at the center of a massive international conspiracy that laundered more than \$1 billion in cocaine profits.

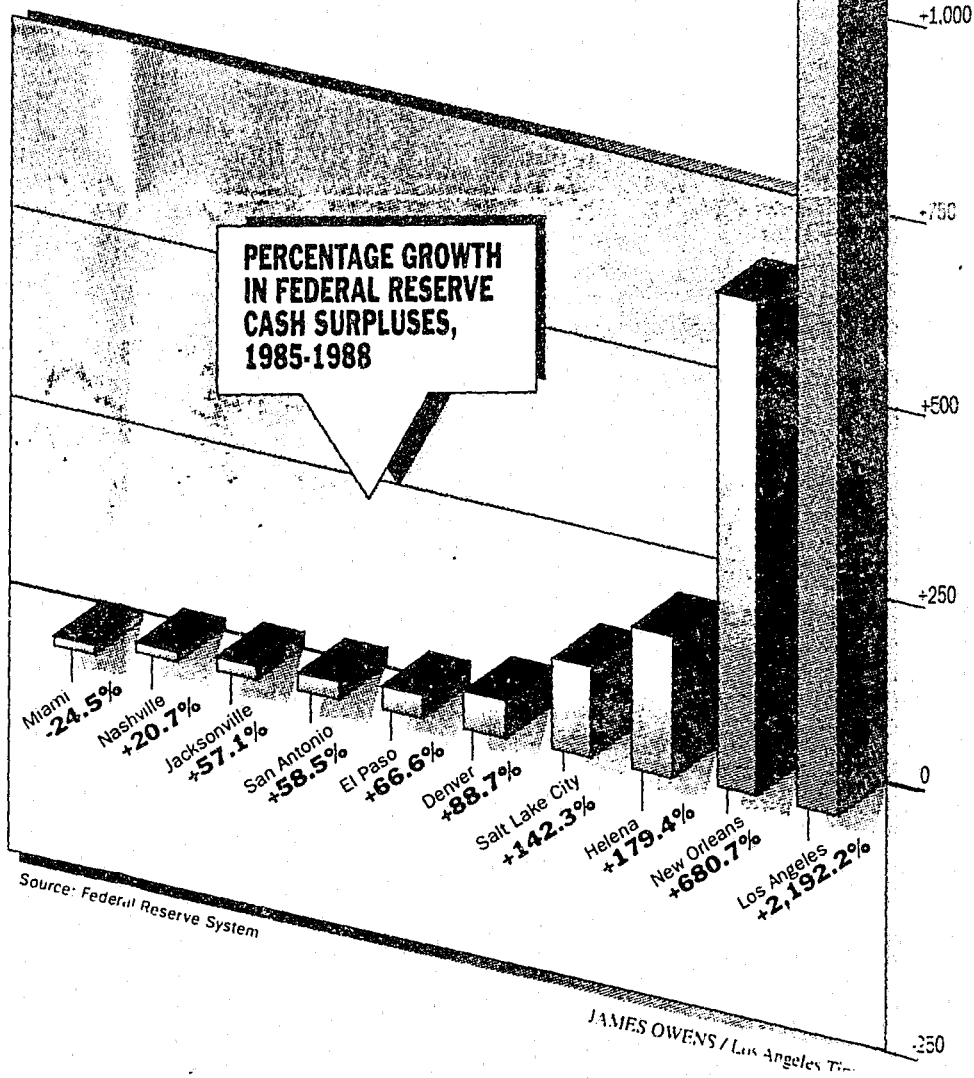


Illustrated by Jiro Matsuda

LOS ANGELES TIMES MAGAZINE, FEBRUARY 18, 1991

## CASH:

Fed Branch Is the Greenest Spot in L.A.





Panamanian Branch of the Banco de Occidente, a subsidiary of a Colombian bank of the same name (see diagram) and then to Colombia and the drug lords. This whole process was facilitated by a Colombian who worked as a broker for the Cartels, negotiating laundry services and bringing in the customers to the operation.

The latest and largest example of the laundering phenomenon was exposed in the summer of 1989. While it is the largest scheme ever uncovered it still is estimated that all exposed money laundering operations represent only 2% of the illicit cash flow. This example, the "LA Mina" or "The Mine" case, typifies the complex transactions and multicultural aspects of the business today.

Panama has historically been the center of this laundering activity with its cooperative laws and sympathetic leader. In fact, in 1989 General Manuel Noriega opened his own bank, the Banco Institucional Patria, so as to be able to participate directly in the lucrative laundering.

As Panama was removed from the center of this activity, many other countries and groups began to play roles in the laundering. This is one area where there does not seem to be any ethnic grouping or exclusion. During the freeze on Panamanian banks during the 1988 "stand off" with Noriega, many other groups found the opportunity to get in on the action. Middle Eastern and Arab interests dived in quickly and have remained in the business ever since. Armenian groups became very active as well.

The following countries have arisen to play major roles in the laundering mechanism:

Hong Kong - Hot money capital of the east. Ferdinand Marcos funnelled most of his cash through this financial center.

Nauru - A tiny atoll in the South Pacific with a few thousand residents. It is an independent republic with a growing off-shore banking operation.

Vanuatu - Another South Pacific island nation with almost 800 tax-exempt companies and 100 tax-exempt banks.

For now, the story of Sam Gilbert is, in many ways, a story of intrigue as told by a diverse chorus of characters. They include federal investigators who explored Sam Gilbert's dealings from Los Angeles to Liechtenstein; the legendary UCLA basketball coach who was stung by Gilbert's fatherly intentions to his players; the son who ran his construction business; the lawyer who gave his eulogy; the bankers, the dentist and the coin dealer who helped him launder money in Los Angeles, and the courier who disguised a shipment of cash as a biopsy sample for an ailing dog.

According to federal authorities, the elder Gilbert was the "West Coast architect" for a scheme that funneled \$12 million from Miami to Los Angeles through the tiny Central European nation of Liechtenstein and the British Virgin Islands.

For his efforts, he collected a commission on the laundered money and a \$2-million fee to finance and build the Bicycle Club, according to court documents and interviews.

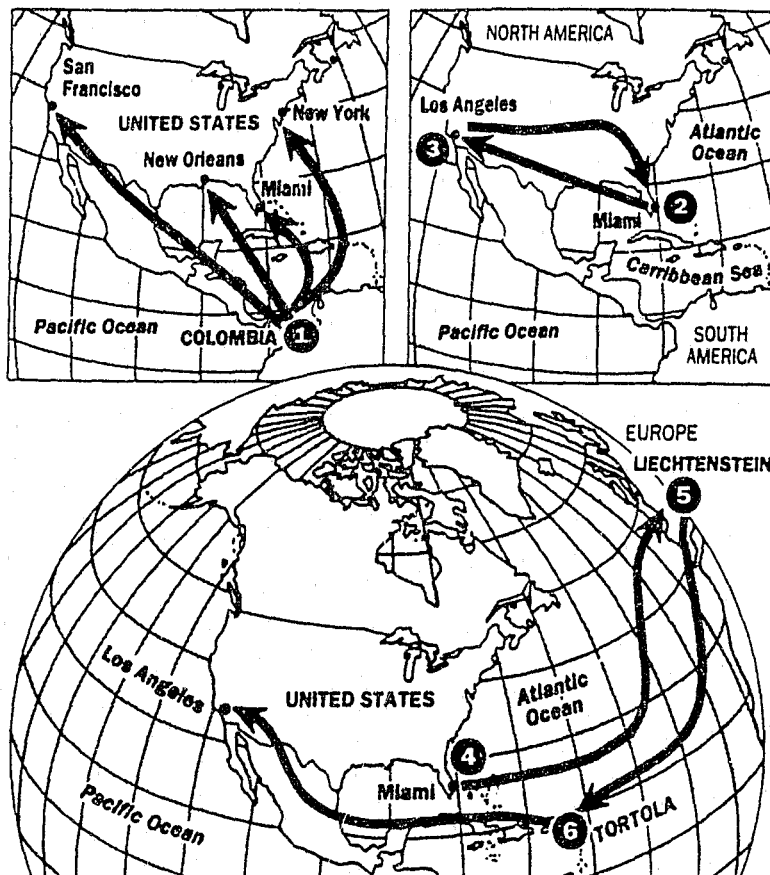
But federal agents could never nail "Papa G," as he was affectionately called by UCLA players. They indicted him on charges of conspiracy, racketeering and money-laundering on Nov. 25, 1987—three days after he died of heart failure in his Pacific Palisades home.

While no one was left to defend his reputation in a South Florida courthouse, longtime friends insist that Gilbert would not have associated with dope dealers. Why, they asked, would a man who successfully built a career as an inventor and who was a wealthy developer engage in illegal activities at retirement age?

"The last thing in the world Sam would have been involved in was drugs," said Hubert R. Sommers, the attorney who represented Gilbert for the last two decades. "No one is here to say that no, Sam wasn't involved. I hope everyone remembers Sam was not convicted of anything."

## MONEY-LAUNDERING CYCLE

Maps trace the flow of cash in the money-laundering cycle that led federal authorities to seize the Bicycle Club, which they said was built with drug money.



VICTOR KOTOWITZ Los Angeles Times

1. Between 1982 and 1986, the drug-smuggling Kramer organization imports 500,000 pounds of marijuana from Colombia to Miami, New York, New Orleans and San Francisco.

2. From Southern Florida, a large share of the drug sales profits—about \$12 million—is flown to Los Angeles and turned over to Sam Gilbert.

3. In Los Angeles, the Gilbert enterprise converts the cash into checks with the help of local businessmen, including a dentist, a coin dealer and a banker. From Los Angeles, the checks are shipped to Miami to verify the amount is the same as money sent.

4. From Miami, the checks are sent to Liechtenstein and put into an account listed as BTR Trust.

5. From Liechtenstein, money is wired to Tortola in the Virgin Islands and put into an account known as the Troon Mortgage Account.

6. From Tortola, the money is wired to Los Angeles to finance a \$12 million construction "loan" to build the Bicycle Club.

Source: U.S. Attorney's Office, Southern District of Florida

Toronto Canada - Loose banking rules and a lack of cash transaction reporting has made this an up-and-coming spot. Over 45,000 Colombians live in Toronto. Large currency exchange operations have arisen to cater to dope money that is easily smuggled thru Canada's open borders.

Cayman Islands - A British colony with secret ownership of corporations still honored.

Neitherlands Antilles - The "Netherlands Sandwich" originator. In this scenario a dummy Dutch corporation is established and run through an Antilles trust company. The owner of the trust company is kept secret. The Dutch corporation then "loans" money to the secret owner of the trust, money that was originally deposited by the same secret trust owner in the Dutch bank in the first place. Now the money is in the U.S. as a legitimate loan from a respected international institution.

Montevideo Uruguay - Hassle free transfer point for electronic money movement into Colombia.

Nassau, Bahamas - Home of shell companies who charge large fees for "paper" services, thus creating losses to offset tax liabilities.

Isle Of Man - Another tax shelter home for shell corporations.

Luxembourg - Home of a "Secret Deposit" banking industry that is replacing the Swiss now that the Swiss are cooperating with investigators.

Liechtenstein - Another "Secret Deposit" country.

Austria - Unregulated banking attracts laundry operations.

Casinos in the U.S. and around the world also represent a major laundry mechanism. Runners buy chips for cash and then later redeem the chips for checks which can then be legitimately deposited.

Even in the U.S. it is estimated that \$100 billion is laundered in the banking system. In 1989 over 6 million currency transaction reports were made. Governmental review of those reports runs weeks if not months behind the actual transaction.

Use of laundering operations as a mechanism to target major violators has been a very successful tactic in the Los Angeles area. It probably ranks as the next best source of target information besides actually having an inside informant. Specific operational details of this type of targeting will not be discussed here.

### COLOMBIAN COKE - INNER CITY CRACK

Perhaps the most damaging aspect of the spread of cocaine in the U.S. has been the rise of crack cocaine and the role that inner city black street gangs have played in its distribution. While there is little evidence that the black groups are distributing crack as an organized gang function, there is a very high frequency of gang affiliation on the part of crack distributor.

Coinciding with the mass arrival of Colombian drug dealers in the Los Angeles area in the past few years was a virtual revolution in the nationwide marketing of cocaine by black drug dealers initially operating in South-Central Los Angeles. Although freebase cocaine, at first obtained by a highly volatile chemical conversion process using ether, was briefly popular among some white users, it never became widespread. In the black community, however, a much simpler conversion process that used common baking soda resulted in the creation of the smokeable free base form of coke known as "crack."

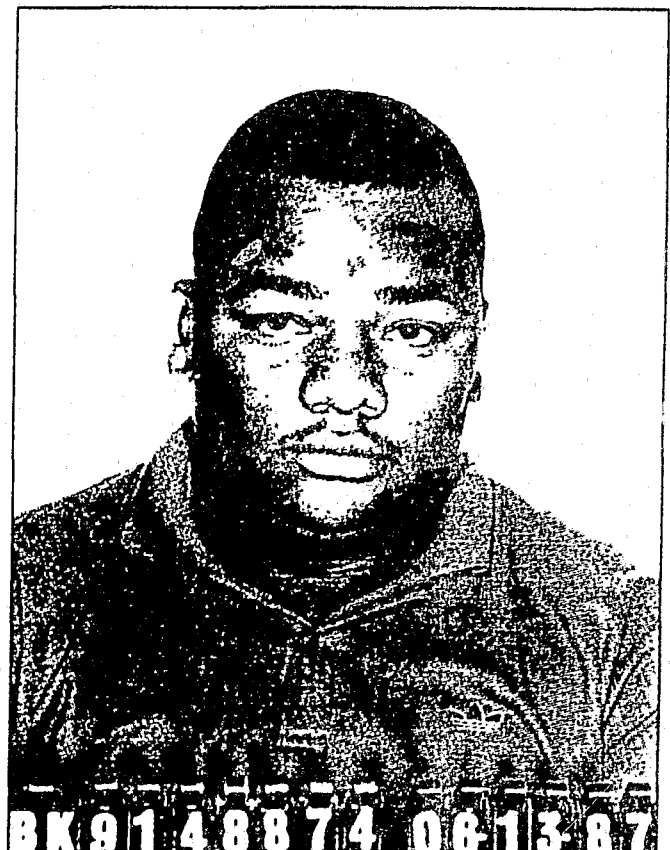
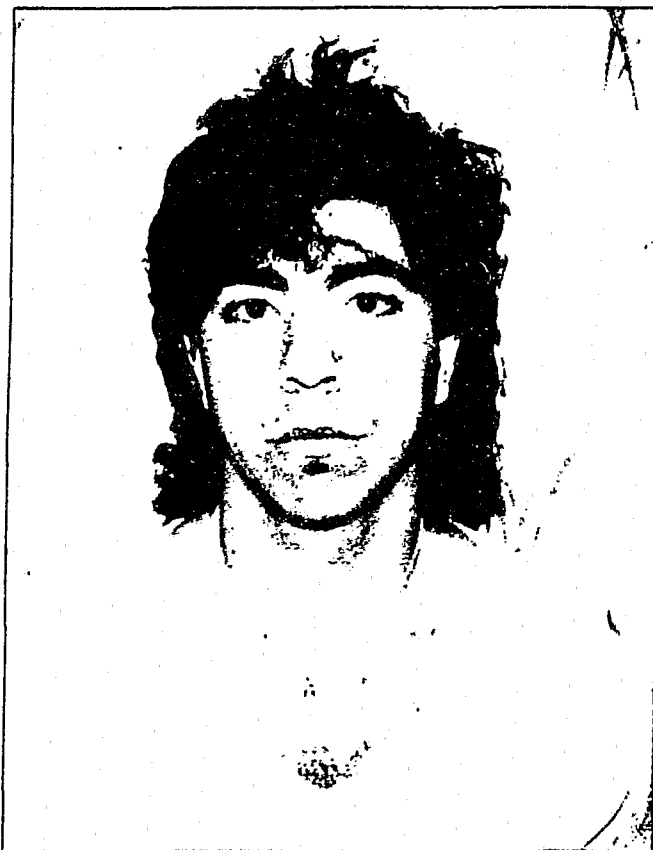
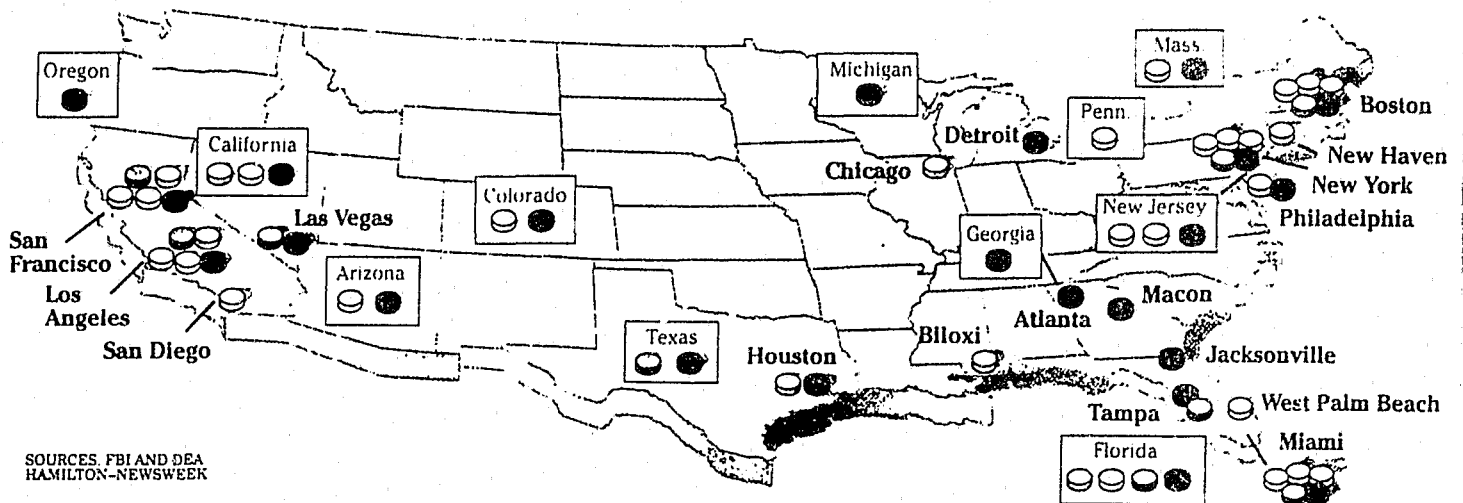
A new generation of cocaine users, those who could not afford \$100 for a gram of cocaine hydrochloride powder but who could scrape up \$20 or less for a rock of crack, was created almost overnight. Although many white users turned to crack, it became most popular among inner-city blacks. In the impoverished neighborhoods of South-Central Los Angeles cocaine offered a sudden new opportunity for instant wealth and opportunity embraced by the city's gangs. The gangs' involvement and their turf battles over the drug trade set the stage for the rise of a new class of prison-toughened black coke dealers, already accustomed to violence and much quicker to resort to deadly force than their

# The Cartels in America

**F**ederal authorities have identified Colombian drug organizations in 16 states. (They can pinpoint some cities where specific cartels operate; the boxes on this map indicate statewide cartel operations.) Miami, Los Angeles, New York and Houston are the major distribution centers for cocaine.

## Active Cartels

- |            |               |
|------------|---------------|
| ○ Medellín | ○ North Coast |
| ○ Cali     | ● Other       |
| ○ Bogotá   |               |



Links between Colombian and black dealers have fueled the local cocaine boom. Deals made by Mario Ernesto Villabona Alvarado, left, and Brian (Waterhead Bo) Bennett, made Bennett a millionaire, police allege.

white predecessors. They had the connections necessary to do business with the city's gangs and the sophistication to move outside the inner city to set up new black drug networks that quickly stretched from Los Angeles to black areas across the nation.

Federal and local drug officials estimate that crack dealing in South Central alone is now a \$5-million-a-week business, and there are more than a dozen black drug dealers in the city distributing 200 kilos to 300 kilos of Colombian cocaine a month. The key to their dramatic ascendancy was the establishment of direct links with Colombians. One theory of some narcotics agents is that the blacks and Colombians connected in the nation's prison system. Others take the view, however, that Colombians actively sought out black dealers trying to cash in on the growing demand for crack cocaine in the black community.

One recent case that most clearly shows the Colombian connection involved in the November arrest of a former South-Central street "gangster" named Brian (Waterhead B0) Bennett.

Bennett, just 24, had risen from inner-city poverty to millionaire status in just two years after meeting a Colombian drug dealer named Mario Ernesto Villabona Alvarado, a member of Colombia's Cali cartel, the chief rival to Escobar's group. The two organized a drug ring based in Los Angeles that distributed more than a ton of crack a week from Los Angeles to Detroit.

Bennett and Villabona-Alvarado, a suspected member of the Cali cartel who owned a men's shoe store in Tarzana, shipped crack to customers in Detroit, Memphis, Springfield, MO, and Washington, D.C. The two men dispatched loads of up to 200 kilograms of cocaine in rented truck and recreational vehicles, and smaller amounts in the suitcases of couriers flying on commercial airlines. Villabona and Bennett ran a sophisticated organization, replete with its own mortgage company. The organization owned several check cashing outlets and other businesses throughout the Los Angeles area, all of which served as fronts for drug dealing and money laundering. The investigation began with a tip from Danish police that Bennett was touring Europe with a suspected Colombian dealer and his wife. Bennett and his supplier arranged cocaine shipments from

Colombia to Los Angeles with telephone calls made from Denmark and Italy. Both were convicted in 1990 and sentenced to life in prison.

In Los Angeles, the major dealers like Bennett sell smaller quantities to mid-level dealers like the Bryant Organization, a \$1 million-a-month drug syndicate that has dominated drug sales in the northeast San Fernando Valley for more than a decade. Jeffrey Bryant, who police say heads up the Bryant organization, was convicted in 1986 of maintaining a heavily fortified rock house in Pacoima, one of three he owned and operated. The Bryant Organization has been linked to the Black Guerrilla Family (BGF), a violent group that operates in the state prison system. Although there have been significant exceptions, most street-gang members in Los Angeles - the Crips, Bloods, Bryants and their myriad offshoots - are involved in the drug trade as mid-level dealers. Mid-level dealers sell in quantities ranging from a half-ounce to several kilograms without the elaborate security precautions practiced by the Colombians.

#### ENFORCEMENT: THE SOUTHERN CALIFORNIA RESPONSE

This section is intended to provide a look at enforcement techniques and philosophies through the perspective of one relatively small municipality that was unknowingly infiltrated by Cartel networks and whose narcotics enforcement officers one day suddenly discovered the worst problem yet experienced in combatting drug related crime. The history of how this occurred, its recognition, and the response to it are illustrative of many different concerns that are applicable in any jurisdiction facing this problem, particularly in new locations for Cartel activity. For that reason we shall now look at the City of Glendale Police Department and its history of involvement with the Colombian major violator.

Glendale is an incorporated city of 34 square miles of both flat land and rolling hillsides buried within the urban sprawl of the greater Los Angeles Metropolitan Area. It has a residential population of approximately 192,000 and an estimated daytime population of close to 250,000. It is an area of extensive residential development, some of it quite exclusive. There is a thriving business community including one of the largest financial centers in the Los Angeles area and one of the largest retail mall complexes in the United States.

In the early 1980's, after the nation had finally realized the scope of the cocaine problem, the President of the United States declared war on the cocaine smugglers operating in the Miami, Florida area. The South Florida Task Force, in conjunction with local law enforcement agencies, struck an active posture in their battle against cocaine trafficking, and the principal participants, the Colombians. This effort focussed on reducing the violence that was creating a crisis atmosphere in Miami to the detriment of long-term investigations that potentially could have eliminated many of the smuggling organizations. Flagrant street violence was reduced, however, the price of cocaine dropped dramatically from approximately \$60,000 per kilo in Miami when the task force began in 1982, to approximately \$12,000 in 1988, in spite of arrests and seizures in ever-growing numbers. It was considered axiomatic that this action would displace some of the smuggling activity and that some of these traffickers in cocaine would relocate their operation, and that the Los Angeles Metropolitan area was the new hub of their activities. Three years later, it was clearly evident that Southern California was the area of relocation for the Colombians' operation. With this relocation came the same crime problems and social issues experienced in Florida.

The Los Angeles area has seen an explosive growth of cash and cocaine seizures. By 1987, 82% of all the cocaine seized in California and 22% of all the cocaine seized in the entire United States were confiscated by Los Angeles area law enforcement. By 1988 an estimated 450,000 pounds of coke per year was flowing through the area. Los Angeles has become a transshipping point to Alaska, Hawaii, Nevada, Washington, Oregon, Canada, Australia, New Zealand, Japan, and Korea and by 1989 was recognized as the primary point of entry for the entire country. The entire Colombian distribution infrastructure in the United States has been estimated at over 100,000 suspects, the bulk of which are in the New York, Miami, and Los Angeles areas. In 1990 over 38,000 illegal immigrants from Colombia were legitimized under the INS Amnesty Program. Over 80,000 Colombians reside in Southern California with big concentrations in the cities of Pasadena and Long Beach. In the Los Angeles area alone in 1988 90,000 suspects were arrested on drug charges, over \$100 million in cash seized, and 15 tons of cocaine confiscated. By 1989 over 6,000 active Colombian organized crime suspects were believed to be operating in the Los Angeles Metropolitan area in over 1,000 self contained "cells"; insulated distribution groups. Shockingly revised estimates in 1990 put the total coke



trade in the U.S. at 550 tons per year. Total 1989 seizures amounted to 81 tons.

In August 1979, LAPD Narcotics Division initiated an investigation into the Los Angeles Colombian community to identify those individuals responsible for the growing importation of major quantities of cocaine into the Southern California area. The investigative approach consisted of researching existing files of local, state and federal agencies on previous investigations, surveillance of known violators and the identification of new targets. The first local intelligence report was generated as an investigative tool for enforcement efforts directed at Colombians. This report was drafted by LAPD Detectives Lang and Castleberry in March of 1980 and excerpts are included here.

The magnitude of the early influence of Colombians can best be illustrated by an event that occurred October 17, 1979. A male Colombian, who refused to identify himself, entered the Armored Transport Company of Los Angeles and requested that 17 sealed bags, weighing approximately 150 pounds, be shipped to a bank in Miami. The male, later identified as Francisco Puerta, stated the packages contained valuables with a worth of \$3.2 million. Suspicious employees contacted State Bureau of Narcotics Enforcement agents who, after obtaining search warrants, opened the packages which were found to contain \$3,185,090 in U.S. currency.

Subsequent investigation by DEA and U.S. Customs personnel on Francisco Puerta resulted in the identification of three bank accounts through which \$56 million had been shipped to the Banco Internacional de Panama within a twelve month period. It was determined that this group of Colombians had established at least two shell corporations whose sole purpose was to transfer money to South America.

The first LAPD investigation directed exclusively at Colombian Nationals was on the Gran Colombian Shipping lines in 1976. This investigation ultimately was absorbed into the nationwide DEA investigation under Centac 18. Briefly, the Gran Colombian Lines consisted of approximately five freighters which were transporting multiple kilos of cocaine and quantities of Colombian marijuana to United States ports, including New York, New Jersey, Florida,

Texas and the Pacific Coast. Many individuals from this investigation were still in the Los Angeles area and continued to engage in narcotics trafficking long after this time.

Looking back, the first identifiable incident involving a Glendale Colombian and cocaine, surfaced in Glendale on September 2, 1980. Eric Cadena, age 8, was reported missing by his parents. The Glendale Police Department, confronted with what they believed was a simple missing juvenile case, utilized all of the procedures commonly practiced in attempting to locate the missing boy, but were unsuccessful. Four hours later, Eric Cadena inexplicably surfaced nearly five miles from home, unmolested, and without explanation as to what had transpired.

Three years later, recently developed intelligence sources revealed that Eric Cadena had been abducted by a group of Colombians and held for ransom because Eric's father, a Colombian national, failed to pay his cocaine bill. The father, Hugo Cadena, is now dead, assassinated as a "snitch" years later.

Blissfully ignorant of the developing problems, Glendale Police continued to believe that there was no major drug trafficking activity in the area. Then, on December 16, 1980, the Glendale Police Department identified a large scale Colombian cocaine smuggler and sales organization operating throughout the greater Los Angeles area, with a substantial operating system in the City of Glendale. A sophisticated cocaine laboratory was uncovered in affluent Chevy Chase Canyon, a hillside area of secluded homes in the \$300,000 to \$800,000 range. This cocaine laboratory was located in a rented house in the 4000 block of Karen Lynn Drive. This laboratory was operated under the direction of Colombian nationals and had been targeted for a robbery by a rival narcotic organization. Subsequent to this Karen Lynn discovery, the Glendale Police Department Vice-Narcotics Bureau undertook an intensive investigation of Colombian narcotic activity in and around the City of Glendale to determine the depth of the problem and mechanisms for repression and elimination. The true depth of the problem was soon clearly illustrated by a series of killings in the next few months that, coupled with increased observations of cocaine trafficking, indicated that Glendale had become a hub in the soon to be uncovered smuggling and distribution networks established by the Colombians and associates in Southern California.

Oscar Orozco and Julian Perez

On February 6, 1981, a murder and attempt murder occurred at the Glen Capri Motel, 6700 San Fernando Road. The murder was a professional killing related to a cocaine transaction. All parties except the suspect, Roberto Lopez, who was eventually captured, were Colombians. The murder took place at a motel which had been used previously for cocaine transactions by the same individuals. All parties had numerous ties to Glendale, including involvement in another cocaine murder in Glendale. (Lopez was eventually apprehended and convicted of 187 P.C. in April of 1988.)

Harold Burgess and Bradford Ambler

On March 9, 1981, Harold Burgess and Bradford Ambler arrived at 4258 Willalee in La Crescenta to conduct a cocaine transaction with James Haberlin who resided at that residence. Burgess was carrying a briefcase with cocaine and was armed with a pistol. Upon Burgess' Ambler's arrival at the front door of the residence, Haberlin confronted them and began shooting, killing Burgess and wounding Bradford.

Carlos Limas, Jr., Anthony Barajas, and John Walters

On April 24, 1981, a gun battle took place at the Figueroa Auto Center at 6000 Figueroa in Highland Park, just outside the City of Glendale. A total of 80 bullets were recovered from the garage. The deceased body of Carlos Limas, Jr. was found inside the garage. Two more persons were reported to have been killed, although the body of Anthony Barajas was never found. It is reported that Barajas' body was buried somewhere in the Mojave Desert and John Walters' body was found buried in San Bernardino County.

Manuel Llamas

Llamas was negotiating a cocaine transaction in his residence at 353 West Lexington, Glendale, with another male on April 20, 1981, when two men entered the back door of his residence and shot Llamas in the back, killing him. Llamas was Colombian and had been dealing cocaine in Glendale for approximately one year before his death. He is believed to have been murdered by the same Roberto Lopez mentioned

earlier. It is quite common for experienced hit-men to be used by multiple organizations. Lopez was a Marielito.

Enrique Herrera

Herrera was shot and killed to death on December 2, 1981 at Beswick and Calada in Los Angeles, over a cocaine deal. Herrera was Colombian and lived in Glendale.

The events of 1980 and 1981 convinced the Glendale Police Department that a serious and coordinated enforcement effort was required. For this reason the Glendale Police Department Vice-Narcotics Bureau began working in conjunction with the Drug Enforcement Administration (DEA), U.S. Customs, Burbank Police Department, Los Angeles Police Department, Los Angeles Sheriff's Department, and the Los Angeles County District Attorney's Office.

In November of 1981, the DEA seized 114 pounds of high grade cocaine and two million dollars in U.S. currency from the Oakwood Garden Apartments in Van Nuys, California. This seizure and the intelligence information obtained at this location, became a foundation for future enforcement tactics in the Los Angeles-Glendale area.

From the Oakwood Garden Apartment raid, numerous Colombian smugglers and traffickers, including Juan Ramon Matta Ballesteros, were positively identified through sales ledgers and photographs. Several dozen of these individuals identified from this 114 pound seizure were documented as residents of the City of Glendale. These individuals were principals of the organization who dealt in multi-kilo quantities and who could, at a moments notice, arrange the delivery and sale of millions of dollars in cocaine.

The Glendale Police Department Vice-Narcotics Bureau shortly thereafter initiated and conducted several major large scale investigations of the three largest cocaine organizations operating in the Los Angeles area. The organizations, or families, were identified as the Loperas, the Marins, and the Ochoas. The investigation led to the identification of numerous other smaller but equally powerful family organizations, predominantly Colombian and some Cuban, operating in the Glendale and Burbank area.

It was during these investigations that a new and unique form of cocaine smuggling was discovered, "Body Packing," Couriers from Colombia would ingest balloons, condoms, or the fingers of surgical gloves filled with cocaine. Once in this country, the courier would pass the balloons and withdraw the cocaine.

Glendale area hotels and motels became a popular location for these couriers and investigative activity increased. In response the Glendale Police Department developed the Colombian Hotel Profile. (See Appendix). This profile was disseminated to local hotels, the airport, and other law enforcement agencies as a tool for locating and identifying drug smugglers.

Because the success of the profile and the need for larger bulk shipments this form of smuggling became rather uncommon as the smugglers adjust to law enforcement investigative techniques. The crash of an Avianca jet in New York in 1990 brought renewed interest in this technique as one Colombian victim was found to be a "body packer." The Glendale Police Department Vice-Narcotics Bureau continues to use the profile and have adapted it for real estate brokers to use as well. (See Appendix.)

The Glendale-Burbank area has experienced an influx of Colombian and Cuban population. An informant close to several of the established organizations indicated that there have been many new arrivals from Florida, due in part to the law enforcement pressure there. The new arrivals, from Colombia and some from Cuba, have gained control of the cocaine trafficking in this area.

One example of a local family based organization is the Marin family. The following overview and organizational chart describes a typical, if there is such a thing, local distribution operation controlled and directed from Colombia.

The Marin organization was first identified as a major Colombia distribution network, in January of 1981. At that time LAPD identified Diego Jose Marin as the head of the family, directing the activities of six to eight brothers and male cousins in the San Fernando Valley area.

In October of 1981, Diego Marin was arrested in Van Nuys with 112 pounds of cocaine and two million dollars in U.S. currency.

At that time, two other Marins surfaced as major violators, Jose Leonardo Marin and Fernando Josquin Marin. These two step-brothers worked side by side with a third male Colombian by the name of Oscar Salazar. In the fall of 1981, the Glendale Police Department Narcotics Unit, with the assistance of the Los Angeles Police Department, Major Violators Unit, undertook a surveillance of Leonardo and Fernando Marin.

The Marins, during this time, were operating a sophisticated cocaine smuggling ring in Glendale, utilizing local motels and Colombian couriers using body transportation by means of internal ingestion. Subsequently, Leonardo, Fernando and Salazar were arrested along with seven other individuals for conspiracy to distribute approximately 12 pounds of cocaine. The case filed with the District Attorney's Office was dismissed by Judge Montes, Superior Court N/E "H," for technical warrant errors.

Since their release, the Marins grew in size and strength, absorbing the cocaine market, vacated by the incarceration of the Lopera family, another similar but unrelated organization. The Glendale Police Department, leading the presidential narcotic task force, arrested Jose Leonardo Marin and Dario DeCesare for possession of eight pounds of cocaine with intent to distribute in 1984. DeCesare was targeted for this operation after a 36 pound seizure of cocaine in a Glendale hotel room in July of 1983.

Dario DeCesare represented a relatively uncommon involvement of a Sicilian in the cocaine trade at that time. DeCesare is an old time heroin importer from Chicago that associated himself with the Marin family as his source of supply. As in other such examples we have seen, this LCN representative was only allowed in at the lower levels of the wholesale distribution network.

Leonardo and Fernando Marin are currently in Federal custody. Olivia Marin is now running the Marin organization. Oscar Salazar is dead. DeCesare has been released and has surfaced in new investigations of a similar nature. He continued to be involved in cocaine trafficking until his arrest by the DEA in Los Angeles with 12 kilos in 1989.

The key question at this point is "Why Glendale?" There are two basic reasons why Glendale became a hub of Colombian activity (there are over 1,100

address entries in the DEA NADDIS, Narcotic And Dangerous Drug Intelligence System, computer system). The first and most important reason really revolves around one man, George Bosch Sr., and to a lesser extent his son, George Jr. Bosch can be described as a Colombian facilitator. In 1975 he quietly opened a business in Central Glendale, "P.A.A.S. Center" at 1129 E. Broadway. Bosch was a licensed private investigator. He opened a multi-purpose storefront operation which provided private investigation service, private mail "drop box" service, secretarial service, shipping and mail forwarding service, accounting, immigration processing consultation assistance and documentation, and social security documentation. All of these services were ostensibly legitimate professional services offered to the general public. In reality Bosch was on retainer to Cartel bosses and using his operation to facilitate the establishment of cocaine distribution networks. His primary activities included providing Colombians with phony identification, vehicle registrations, passports, social security cards, etc., which were all run through his "drop box" mail service thus limiting law enforcement's ability to trace individuals and vehicles. He also rented, leased, and sublet property for the distributors. Bosch would find the required secluded hillside home in the affluent Verdugo or San Rafael residential areas, provide the owner with his asking rent of \$2,000 to \$5,000 a month in cash, and then the house would be used by the distribution network with little or no paper trail to tie them to the location. The house would usually be used as a stash house for cash or cocaine, or as a "safe house" for couriers and other line level workers. Because Bosch was based in Glendale, he performed his tasks for the Cartel diligently, but in the easiest way possible. He was not about to drive an hour in traffic to other equally suitable hillside areas in the Los Angeles area when he could use his local contacts and close proximity to Glendale's hillside residential area with much greater ease. In addition, many Colombians found Glendale's rolling brush covered hillsides and exclusive homes reasonably reminiscent of their own hometown in Colombia.

By 1980 George Bosch was beginning to be a prominent figure in the Los Angeles Sheriff's Department's expanding focus on Colombians. His business cards were showing up in almost every case, and his smiling face became more and more common among the seized photos of social events held by Colombian suspects. Finally in 1984, after almost ten years of facilitating the "Colombian invasion" of Glendale, George Bosch was implicated in a 250 pound

cocaine seizure by LASD in Glendale. In November 1985, both father and son were federally indicted for conspiracy. The damage, however, had already been done. George Bosch's name appeared in the affidavits for over 100 search warrants following the LASD seizure.

In addition, undoubtedly the small town image of Glendale, with its highly efficient and service oriented police force, was also attractive. Glendale Police Department provided some of the best protection for the smugglers' neighborhoods available in Southern California coupled with, unfortunately, a complete lack of awareness and sophistication in dealing with anything beyond the level of an ounce dealer. Glendale's lack of emphasis on major violators and apparent inability to focus extensive resources against the sophisticated operation of the Cartel's Californian representatives made the city even more attractive. Glendale is also something of a hub for ground transportation, with four freeways traversing the city including California's major north-south state highway, the Golden State Freeway, Highway 5. Glendale is also close to the Burbank Airport and has a relatively large capacity of hotel and motel rooms. For these many reasons, the town which was once known as the "bedroom of Hollywood" became a major center for smuggling and distribution operations in the Los Angeles area. Unfortunately Bosch and his clients underestimated the ability of the city to respond to the threat once it finally came to light. Glendale would soon enjoy as big a reputation for its interdiction and suppression of major cocaine distribution networks as it once did as a center for those operations. Glendale search warrant affidavits have surfaced in Colombia and Glendale seizures reported in Medellin and Bogota newspapers.

As 1984 drew to close, the magnitude of the major cocaine operations in the city and the problems that it had flooded them with demanded a rethinking of the law enforcement response. A new approach was required to combat the problem and restore peace and tranquility to the city that NBC News once termed "the cocaine capital of the West Coast."

The major violator team began its specialized operations in April of 1985 with a concentration on air-ground coordinated surveillance techniques, reverse stings, informant development, and the targeting of networks as opposed to individuals. Fully half the work being done is handled by the task force approach. Of the 60 or so local agencies working in the Los Angeles area only



a half a dozen are capable of mounting the kind of stand alone investigative effort and surveillance activity required for the major violator investigation of Colombians. Colombians present special difficulties because of their sophisticated use of pagers and cellular phones (classic wire tapping techniques used so successfully against LCN organizations are not productive), their unsurpassed counter surveillance techniques, and their organizational structure. The most successful mechanism to date for identifying targets has been the money laundering scam. Upon the identification of a suitable informant an undercover government laundry will be set up and money accepted from the Colombians, much of which initially will actually be sent through to Cartel accounts. Without disturbing the money laundering network, surveillance teams work the network and identify sources of the cash who are then targeted for intensive investigation and surveillance. Glendale was one of the ten agencies that formed the Los Angeles task force for DEA's Pisces operation which used this same technique.

"Operation Pisces," still perhaps the most successful undercover operation in U.S. History, was a two year investigation centering around money launderers Hugo Obando Ochoa and Jesus Anibal Zapata. During 1986 and 1987 over \$49 million in cash and over 7 tons of cocaine were seized and 220 suspects arrested. Of even more significance however, was the first ever inside look at the Columbian smuggling and distribution system structure and procedures.

The net result of this change in enforcement has been very positive. Since the formation of the major violator team Glendale has worked 93 major cases resulting in arrests of 409 Colombian "Class One" or "Major" violators, the seizure of 6,638 lbs of cocaine, 22 vehicles, and \$13,282,409 in cash. (These statistics reflect Glendale arrests and seizures through December 31, 1989, and do not reflect arrests and seizures made during joint operations with other agencies.)

As a result of these efforts there has been a significant reduction in Cartel related crimes and a dramatic decline in the numbers of cocaine smugglers and distributors making use of Glendale locations. As one might expect, what has occurred is that the activity has been displaced more than it has been eliminated. Some areas of Los Angeles, and many other cities that have not focused on the Colombians, are now experiencing an expanding presence

of the Cartel. For these reasons Glendale continues to operate both independently and in joint projects with other departments throughout the Southern California area. Any community which decides to take a proactive stance against such a threat must adopt measures such as these. A single department acting alone and with traditional narcotics enforcement strategies cannot overcome the edge gained by the Cartel's organization, nationwide coordination, and the tremendous experience that they have gained while dealing with United States law enforcement.

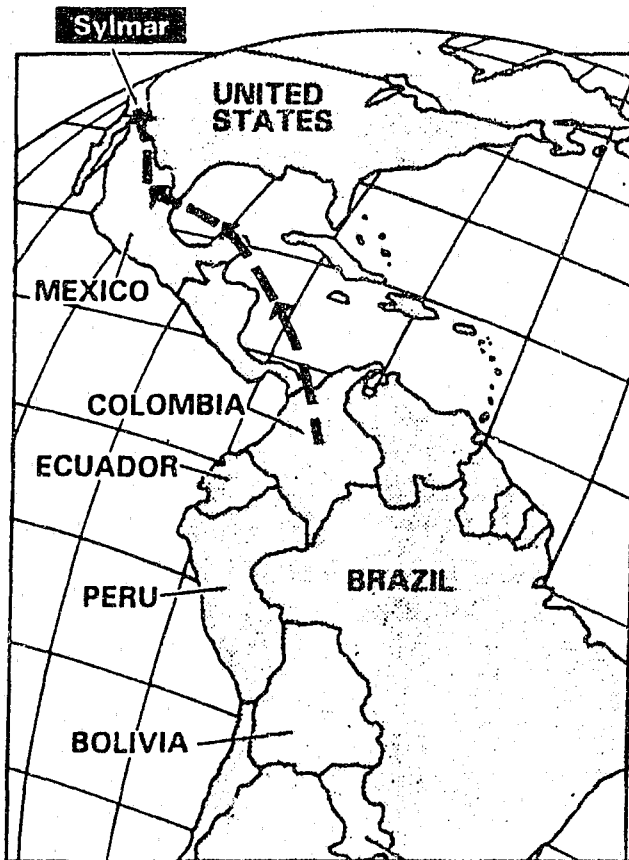
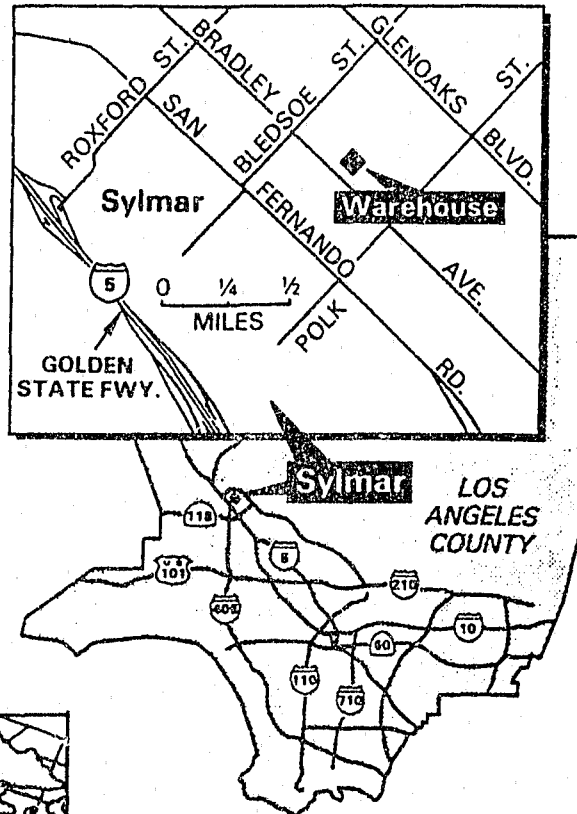
### SYLMAR

On Friday, September 29, 1989, what has been described as the largest narcotics seizure ever made took place at a nondescript warehouse in the community of Sylmar in the northeastern San Fernando Valley of Los Angeles. Over 21 tons of cocaine, valued at over \$6 billion dollars on the street, along with \$12 million dollars in cash were found in a warehouse run by Mexican suspects involved in the Colombia-Mexico-U.S. "Trampoline" route ending all arguments about where the primary port of entry for cocaine in the U.S. is not located.

The case began with a citizen's report of suspicious activity at a warehouse used for storage of imported Mexican ceramics and paintings. Surveillance activity produced observations of a classic car switch and apprehensions took place and 20 kilos were discovered. Routine follow-up warrants on two affiliated locations, one the now famous warehouse, led to the unexpected discovery of the worlds largest cocaine stash. Also located were detailed records linking both the Cali and Medellin cartels to distribution networks in the southwest U.S. A tractor trailer rig located at the warehouse location matched the classic "truck profile" and a secret compartment was found in the trailer that was capable of holding 1000 or more kilos. The ledgers, computer files, and other records reflected movement of 60 tons per year and \$80 million in cash through the warehouse during its two years of operation, dwarfing previous estimates of cocaine trafficking in the Los Angeles area. The Sylmar cocaine operation was largely orchestrated by the Medellin cartel which shipped the drugs into Mexico by plane. Once there, a Mexican drug kingpin, Rafael Munoz Talavera, took over the overland transporting of the cocaine into the United States. Munoz is in a Juarez jail and has been charged

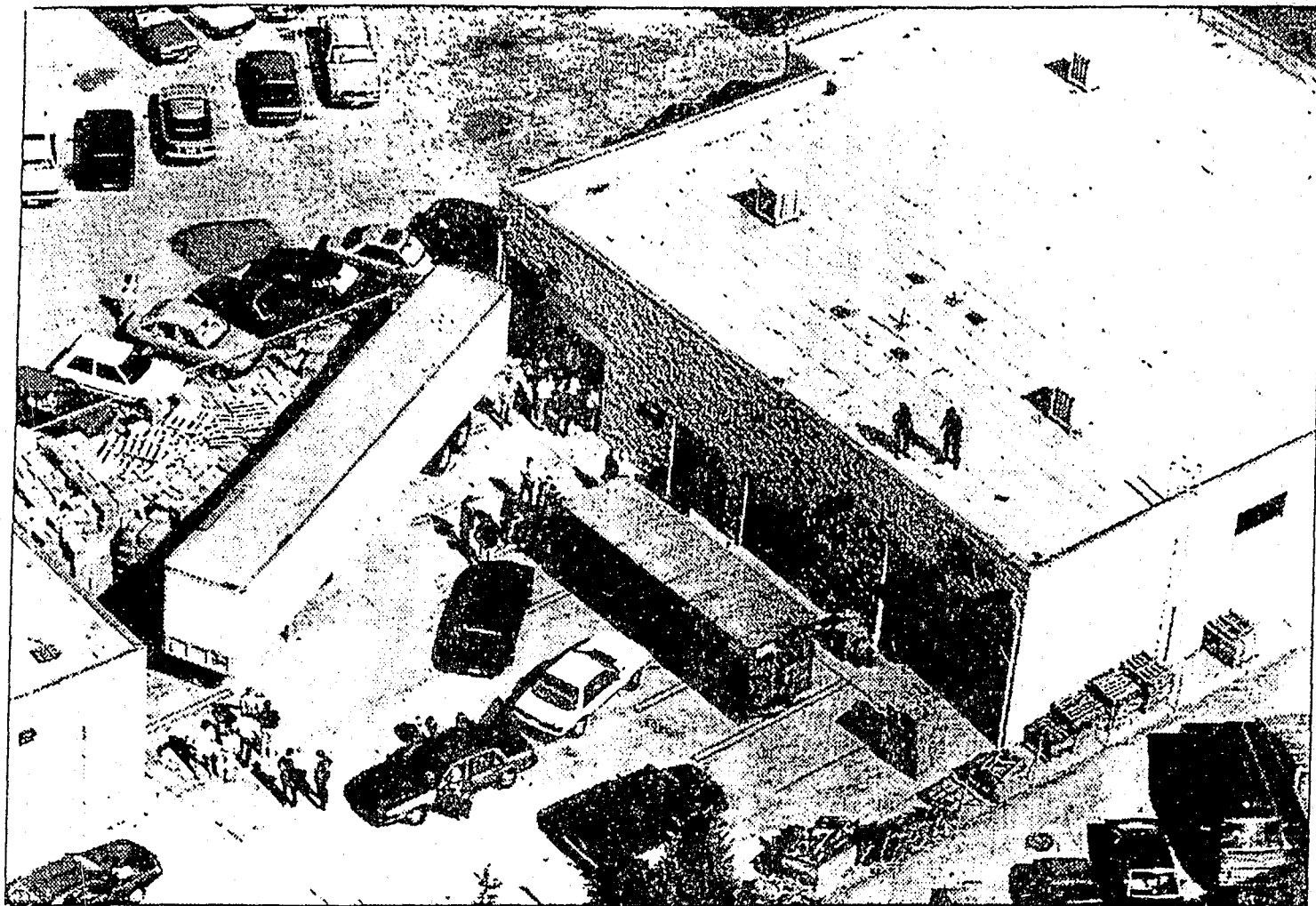
## THE 'TRAMPOLINE'

Federal drug agents seized 20 tons of cocaine with a street value of \$6.7 billion Friday at a warehouse in Sylmar, and officials called it the biggest drug haul in history. In addition to the drugs and cash, agents seized financial records, customer lists and a large truck-trailer that was parked at the warehouse's entrance. No weapons were found.



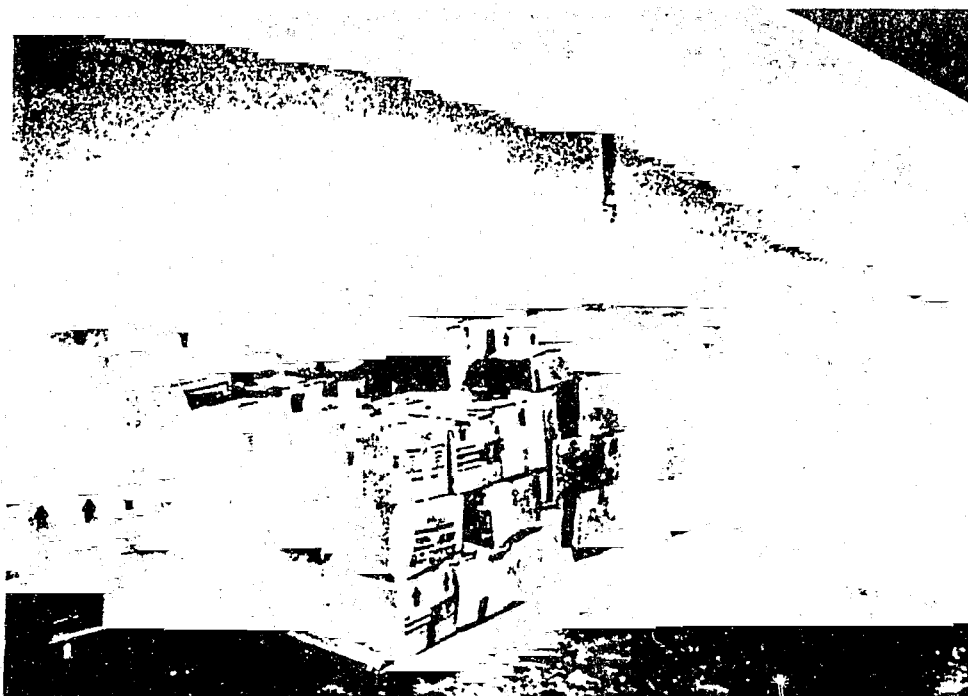
The cocaine cache discovered in the Sylmar warehouse had already traveled about 3,500 miles along a route authorities call "The Trampoline," because the drugs "bounce" from Colombia and Mexico into the United States. From Colombia, the drugs apparently traveled by plane to airstrips in northern Mexico. Authorities do not know whether the cocaine was loaded directly onto trucks heading for the U.S. border. But once the drivers crossed into El Paso, they probably drove straight to Los Angeles.

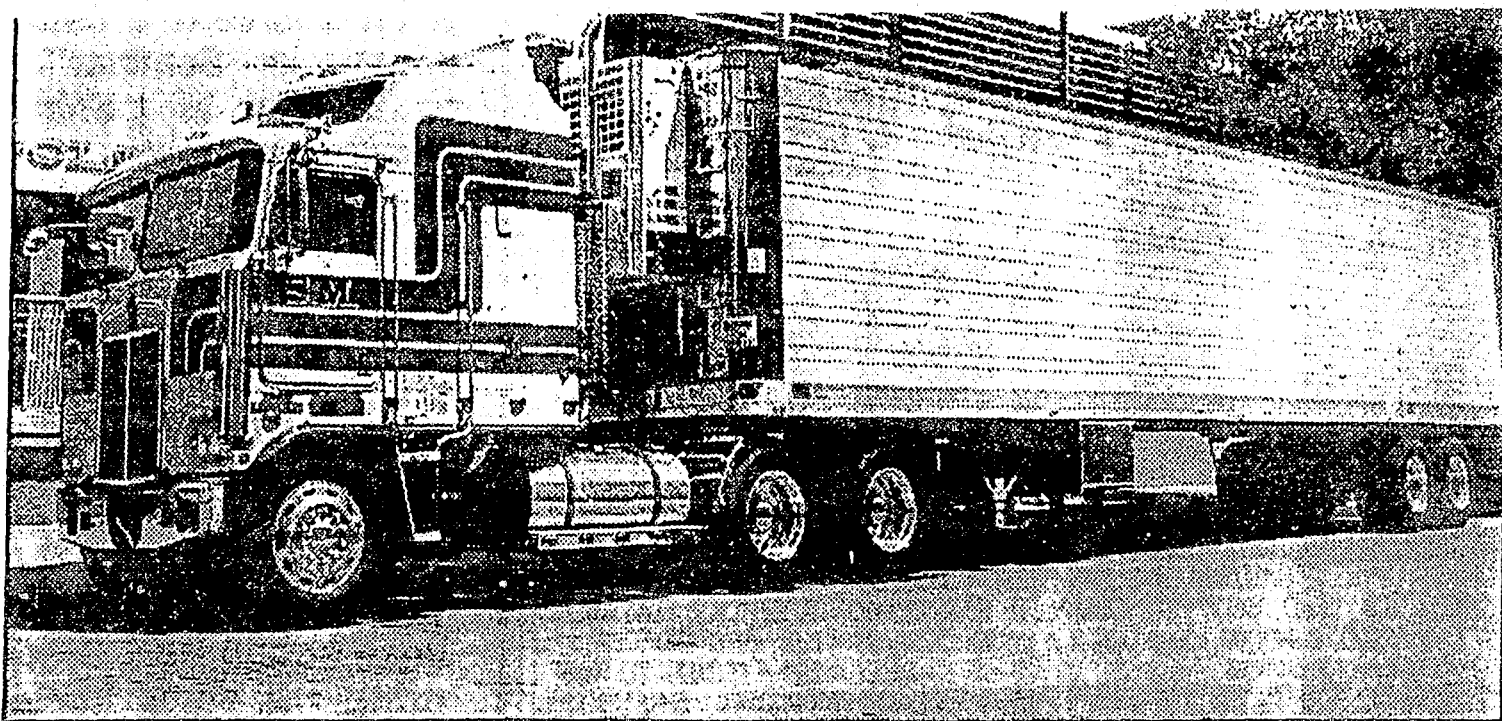
Los Angeles Times



MARIANNA DIAMOS

Warehouse in Sylmar where 20 tons of cocaine, valued at \$6 billion, was seized by law officers.





Mike Mullen/Herald Examiner

**Semi truck and trailer parked outside Glendale police station was involved in large drug seizure.**

#### 18 WHEEL TRUCK PROFILE

The truck profile is one of the newest tools developed by narcotics enforcement and one of the more promising. Three significant cases in 1989 highlighted the truck profile; a 726 lb case in Los Angeles by the Glendale Police Department, the 21 ton Sylmar case by a DEA task force, and a 900 lb case in New Jersey by a DEA/U.S. Customs operation. The combined intelligence from these cases has produced profile described below:

##### Truck Profile:

1. 18 wheel tractor-trailer rig in excellent condition, sleeper cab.
2. Refrigerated trailer designed for interstate hauling of perishable cargo, occasional hidden compartments.
3. Owner operated-independent.
4. Sub-plated to southern states.
5. Logs reflect 3 day east coast/west coast trips.
6. Cocaine concealed by perishable cargos to impede searching.
7. Drivers: 2 Colombian or Cuban males.

##### Motel-Truck Profile:

1. "Motel Six" type trucker motel.
2. Stay more than 1 night.
3. Refrigerator unit not in use on trailer.
4. Stays during week, leaves on weekends.
5. Repeat customer.
6. Other motel profile elements.

by Mexican authorities with cocaine trafficking, conspiracy, and firearms violations. The defendants worked under Munoz, hiding their contraband cargo inside big-rig trucks and driving across the border into El Paso and then along the interstate highway system to Los Angeles.

The stock pile of cocaine and cash was not only unexpected but puzzling. Colombian drug cells have long had operational policies about maximum quantities allowed at a single location, usually 1000 kilos and no more than \$1 million in cash. One Colombian informant could not believe that it was possible until he was told that the warehouse was under the control of Mexican cartel people at which point he laughed and commented about "those crazy Mexicans."

Follow-up investigation eventually revealed that El Paso, Texas had been the point of entry for shipments to the warehouse. It is believed that tractor trailers with secret compartments were bringing loads of Mexican bric-a-brac across the border from Juarez with the help of a compromised border official and staging their hidden coke shipments in warehouses in El Paso prior to shipment to L.A.

The significance of the Sylmar case is its impact on estimates of the size of the cocaine smuggling operations, its traumatic reaffirmation that the west coast is now the center of cocaine distribution, and its spotlighting of the 18 wheel truck profile as an important law enforcement tool.

Sylmar has also been the site of an additional spectacular seizure in 1990. Two miles away from the warehouse described earlier, a residence was discovered containing over \$15 million dollars in Colombian coke profits packaged for shipment.

#### THE MEXICAN COMPONENT

While the involvement of Mexican traffickers has been alluded to earlier, an examination of the role Mexico has come to play in the overall smuggling and distribution of Colombian cocaine is important. Mexico is noteworthy as a geographic transshipment point, for its own organized crime groups in partnership with the Colombians, and for its all pervasive government corruption.

The corruption would appear to be the principal reason why the "trampoline" smuggling system has expanded so rapidly. As just one example, in reviewing the 1989 indictment for the murder of D.E.A. Agent Enrique Camarena we are confronted with what appears as more of a "Who's Who" of Mexican law enforcement instead of just a list of defendants;

Miguel Angel Felix-Gallardo: Former Sinaloa State Police Officer and bodyguard to the governor.

Miguel Ibarra-Herrera: Director of the Mexican Federal Judicial Police.

Ruben Zuno-Arce: Brother-in-law of former Mexican President Luis Echeverria-Alvarez.

Miguel Aldana-Ibarra: Director of Interpol in Mexico.

Armando Pavon-Reyez: Comandante with the Mexican Federal Judicial Police and senior officer in charge of the original Camarena investigation.

Sergio Espino-Verdin: Comandante with the Directorate of Federal Security.

Juan Jose Bernabe-Ramirez: Jalisco State Judicial Police Officer.

Raul Lopez-Alvarez: Jalisco State Judicial Police Officer.

Juan Gilberto Hernandez-Parra: Mexican Federal Judicial Police Agent.

It is examples such as this that require Mexican organized crime to be viewed almost as a shadow of the existing government and not at all as a persecuted band of criminals fighting for their survival against concerted law enforcement efforts to destroy them. Not only has the record of bribery and inaction been extensively documented, there is also much evidence to show active participation by law enforcement and other government officials either as members of organized crime groups or as investors in drug production operations.

Historically, Mexico has produced large quantities of marijuana and heroin that has been smuggled into the United States. There has been a large infrastructure of narcotics trafficking groups in Mexico for many years, trafficking marijuana, heroin, and other contraband. As a result, it has become a major transshipment route for much of the cocaine smuggled into the United States from Colombia.

Mexican trafficking groups are frequently organized around family members who act as the core of their trafficking organization. For a number of years, Mexican drug traffickers were the middlemen and controlled the shipments of cocaine through Mexico. In recent years, Colombian traffickers have taken over the control of the transshipment routes and use the Mexicans for transportation, storage, and security. This allows the Colombians to have better control over the transshipment process.

In April, 1989, Felix Gallardo, a major Mexican cocaine trafficker with assets of \$1 billion, was arrested by Mexical Police. United States and Mexican officials believed that he operated a multi-billion dollar drug operation, the Padrino organization, employing 3,000 people. Information recovered after his arrest revealed that Gallardo and his partner, Juan Ramon Matta Ballesteros, controlled a major cocaine smuggling organization that was bringing approximately 4 tons of cocaine a month into this country through Mexico. Using Ballesteros' contacts in the cocaine trade and Gallardo's drug routes into the United States, a new cocaine route into the United States was formed. On the back side, Gallardo was smuggling cash back across the border into Mexico by vehicle with loads never less than \$5 million.

Ballesteros was believed to be the principle architect and the main liaison for the Colombian-Mexican pipeline for cocaine. It was this group of Mexican traffickers, the Padrino organization, operating from Guadalajara, that was responsible for the murder of DEA Agent Enrique Camarena in 1985. Both Ballesteros and Gallardo have recently been indicted on charges of conspiracy to commit violent crimes in aid of racketeering and conspiracy to kidnap a federal agent relating to the murder of Camarena.

Cocaine smuggling into Mexico by general aviation aircraft has continued at a high rate. Review of aircraft flights presumably transporting cocaine

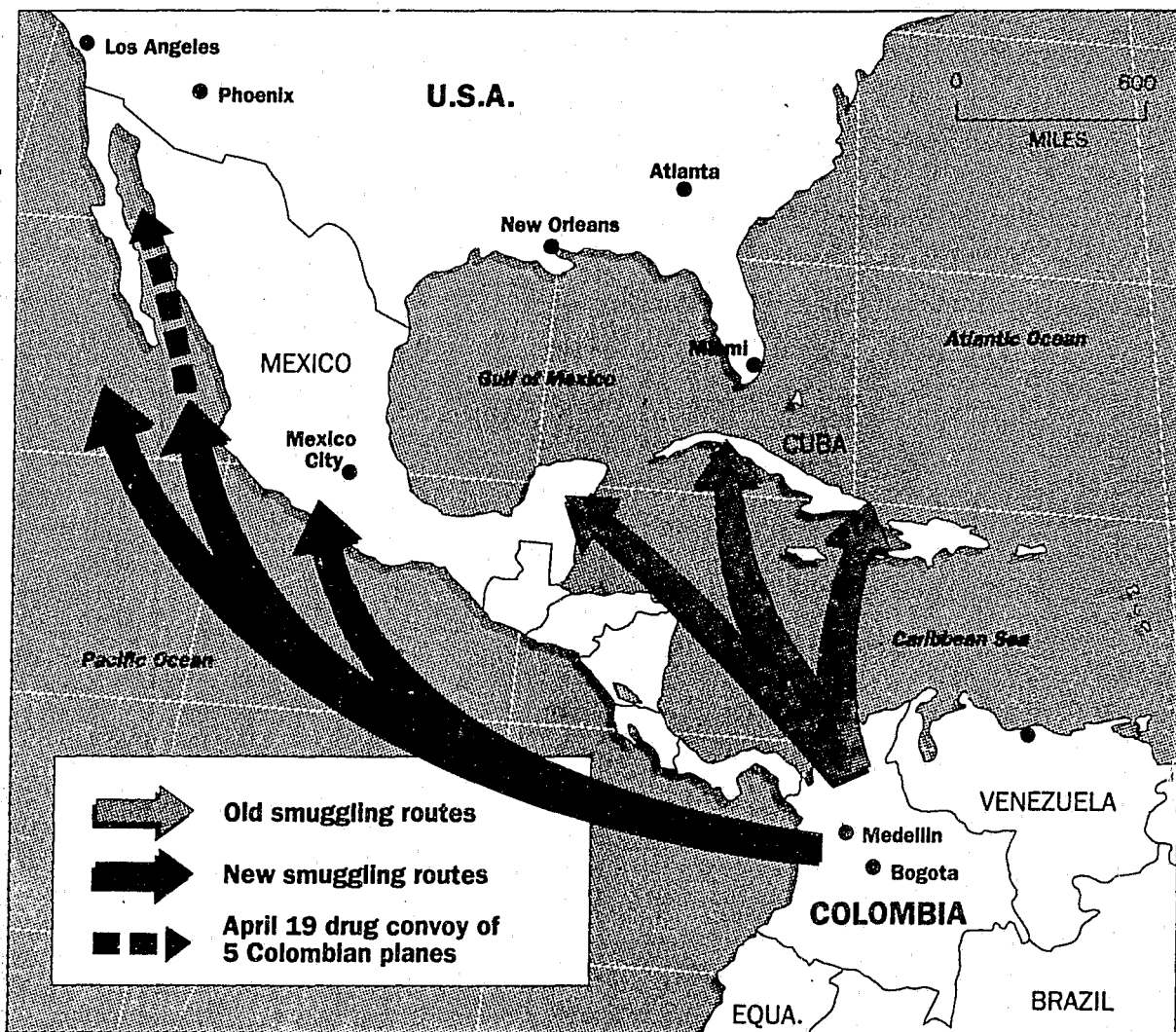


## COCAINE: THE WESTWARD SHIFT

Cocaine smugglers have begun shifting much of their trade westward to the Pacific in an attempt to exploit American vulnerabilities along the West Coast, military and law enforcement officials say.

U.S. Air Force radar operators were stunned in mid-April when their screens showed an unprecedented five-plane convoy of Colombian drug planes taking off to the west and heading over the ocean on the way to Mexican landing sites within striking distance of the U.S. border.

While military AWACS aircraft are permanently based in Puerto Rico to combat Caribbean smuggling, the military was not prepared for the Pacific Coast activity.



Source: U.S. Department of Defense

ANDERS RAMBERG / Los Angeles Times

into Mexico and Central America in the first nine months of 1990 shows that 193 aircraft shipped an estimated 125 metric tons of cocaine destined for the U.S. During the first 15 days of October, an additional 75 aircraft are believed to have made the trip. Earlier in 1990, it was believed that twin engine Aerocommander King Aircraft were flying the cocaine from Colombia directly to northern Mexico locations. From there the cocaine is moved across the U.S.-Mexico border by land transport. The traditionally favored off-load areas have been the northern Mexican states of Sonora, Coahuila, Chihuahua, and Tamaulipas. These aircraft continue to fly to northern border states, but not as close to the border itself as they used to.

Recently, unusually heavy multi-aircraft flight activity of smaller single engine aircraft has been noticed, primarily south of the Arizona border. Combination of several factors involving these aircraft are used to define them as drug smuggling suspects: Fly at low altitude and speed without transponder operational, spend unusually short period of time on the ground (minutes) before returning in direction of arrival, more than one aircraft flying together, and flying into area previously known to be involved in drug smuggling activity. Rather than the 500 to 700 kilo payload of the twin engine aircraft transporting the cocaine from Colombia, these single engine aircraft could carry from 300 to 400 payloads.

Reportedly the Cali cartel has, at present, some 15,000 kilos of cocaine stored at an unknown location in Mexico. The cartel may attempt delivery to the U.S. in the near future, possibly by air. An underworld rumor has some or all of this load in certain villages near Juarez, Mexico.

There are reports of cocaine base being smuggled into Mexico from South America for processing in laboratories in Mexico during 1988. In April, 1988, a cocaine processing laboratory and 50 kilos of cocaine were seized by Mexican authorities in the state of Guanajuato. In November, 1988, a non-operational laboratory was seized in Sonora, Mexico. These operations were small. However, if the suppression of cocaine processing in Colombia continues, there is speculation that traffickers could use Mexico for alternative cocaine laboratory processing sites.

## COUNTER SURVEILLANCE

One very significant feature of Colombian distribution groups is their use of counter surveillance techniques. These techniques are as sophisticated as any ever encountered by law enforcement in the past. Of primary interest is mobile or vehicle counter surveillance. It has two basic facets: First, look at everybody and every car to see if anyone is seen twice over a period of time. Second, drive in so erratic or unusual a manner that only someone attempting to follow you would repeat those maneuvers. Erratic driving takes many forms: driving faster or slower than the flow of traffic, stopping on the freeway shoulder or midblock on a city street, exiting a freeway from other than the slow lane, u-turns in midblock, entering cul-de-sacs and parking, etc, etc. Suspects have been seen stopping and getting out of their car to look up at the sky to see if they can detect aerial surveillance. Often a second vehicle will be deployed to hang back approximately 100 yards and see who may be attempting to follow. Additional suspects deployed on foot will surround a meet location to see surveillance team attempt to set up on the location as the primary suspect arrives.

Some groups have gone so far as to stage phony dope deals with classic car switches and empty suitcases in an apparent attempt to draw out surveilling officers who think they have just made their case. One suspect was observed to spend two hours driving within an approximate 6 block area, utilizing all of the tricks listed above in a maximum attempt to avoid leading investigations to her house. Many times less sophisticated new players can be observed performing counter surveillance maneuvers by rote without any apparent understanding as to why they are doing them.

As a general rule most Colombians can be profiled by the fact that they will only engage in counter surveillance driving when they are actively engaged in coke dealing. For this reason counter surveillance driving has become a routine aspect of search warrant affidavits in Southern California.

## INFORMANTS

Colombian informants were almost non-existent in the early 1980's. By the late 1980's however, a significant change was noted by law enforcement. More

and more of the Colombians that were apprehended were younger, less experienced, less committed, less loyal, and completely unwilling to "hang tough" and do the time. (Greatly enhanced sentences in California also contributed to a change of heart. What had been a maximum 5 year sentence in the early days now loomed as a possible 20 year term). The much touted "code of silence" began to breakdown and by 1987, rolling over Colombian informants became a reality. Most informants work off cases but another growing group have recognized that there is big money to be made by burning their former associates. Yet another group of "Americanized" Colombians now inform on unfaithful lovers or relatives who are considered to be endangering the family.

Most of the big "Colombian" attorneys will not allow their clients to work out deals to inform for reduced sentences. This is because much of their business results from referrals within cartel groups and the related fact that many of these lawyers really serve the needs and desires of the cartels, not those of their clients. Many times this creates a delicate situation. The Colombian informants' attorney should never be involved in any informant operation.

The following pages contain an appendix with some successfully used enforcement aids. They are presented for the reader's consideration and as examples of how the Cartel's organization and predictability can be used against it.

## APPENDIX

### COCAINE CONVERSION

1 Hectar 2.47 acres) will hold 2,500 coca bushes.

1 Coca bush will produce 1.2 Kilos of coca leaf.  
(The bush can be picked three times per year.)

200 Kilograms of leaves produce 1 Kilogram of base.

2.5 Kilograms of paste produce 1 Kilogram of base.

1 Kilo of base produces 1 Kilogram of Cocane HCL.

#### **Extraction of Cocaine Paste From Coca Leaf**

**Step 1:** A. Place coca leaves in pit. Cover leaves with Calcium Hydroxide (Lime) powder.  
B. Add Kerosene and macerate.  
C. Let solution sit for 6 hours to 2 days.

**Step 2:** A. Filter Kerosene through cloth.  
B. Discard pulp.

**Step 3:** A. Add Sulfuric Acid to water.  
B. Dilute solution of sulfuric acid is then added to Kerosene.  
C. Add Calcium Hydroxide (Lime) or Calcium Carbonate (Limestone) to Kerosene mixture.  
D. The Cocaine Paste will precipitate out. This Cocaine Paste will be from 30% to 90% pure.

#### **Conversion From Paste To Base (Cocaine)**

For every 600 grams of cocaine paste use 100 grams or ml of sulfuric acid ( $H_2SO_4$ ).

**Step 1:** A. Add a dilute solution of sulfuric acid (in water) to cocaine paste. Cocaine paste will dissolve.  
B. Filter solution through cloth.

**Step 2:** A. A solution of Potassium Permanganate is slowly added to the paste solution to oxidize impurities. (The permanganate is used to decolorize.)  
Let stand for 4 to 6 hours.  
B. Again filter solution.

**Step 3:** A. To the solution of paste, sodium bicarbonate or Ammonium Hydroxide (ammonia & water) is added.  
B. The precipitate (Cocaine base) is filtered and dried. This cocaine base should be 90% to 95% pure.

### **Cocaine Base To Cocaine Hydrochloride**

- Step 1:**
- A. Dissolve each Kilogram of cocaine base in 5 gallons of ether.
  - B. Filter solution through cloth.  
Discard impurities trapped on filter paper.
  - C. Add Hydrochloric Acid to Acetone.  
For every 303 grams of cocaine left in solution add 100 mls of HCL.
  - D. Pour HCL mixed with acetone into the ether solution (which contains the cocaine). The cocaine hydrochloride will precipitate out.
  - E. Filter the precipitate out. Dry precipitate is cocaine HCL. This cocaine will be from 98% to 100% pure.

### **Cocaine Hydrochloride to "Rock"**

- Step 1:**
- A. Dissolve 1 gram of coke in approximately 50 ml of water in glass container.
  - B. Add approximately 1/4 gram of baking soda.
  - C. Heat and reflux
  - D. Add cold water
  - E. Reheat
  - F. When "Rocks" form on bottom, pour off liquid and dry.

### **Cocaine Hydrochloride to "Crack"**

- Step 1:**
- A. Mix 1 gram coke with 1/4 gram yeast and 1/4 gram sodium bicarbonate.
  - B. Dissolve in water to "mushy" consistency.
  - C. Heat moderately.
  - D. Turn and stir until the mixture "rises." Yeast action signals conversion complete.

## COLOMBIAN DRUG VIOLATORS INVESTIGATIVE CONSIDERATIONS

### SEARCHES AND EVIDENCE

All Financial Records of Any Type/Bank and Deposit Box Search Warrants

Ledgers and Records/Nicknames - "Pay & Owe" - Often codes are used.

Pagers/Cellular Phones/Answering Machines/Garage Door Opener Transmitters

Telephone Books/Codes

Photos: Personal activities, Associates, Other Locations, Vehicles

Safe Deposit Keys

Utility Bills/Alternate Locations - There is always more than one location.

Personal Computer Systems

Passports

Cash: Record Packaging Method, K9 for Narcotic "HIT" - Coins for extensive pay phone use.

"Cedulas": National Registration Papers - Colombia

"Caleta": Slang term used to denote a stash location. Seen in ledgers, etc.

Impound All Vehicles - Compartment search, use hoist, drill, etc.

Maintain & Operate Pagers and Cellular Phones For Additional Intelligence,  
Possible Reverse Cases

False ID's - Look for common drop box locations, dates and places of issue.

Interview All Aliens

Kilos: Fingerprint and photo, note kilo packing codes and method of taping.

Consent Searches - Often obtained due to Colombian's respect for authority.

Houses - Compartments, Attics, Outdoor Underground Vaults - do not  
underestimate innovative use of secret storage areas of almost any kind.

Warehouses/Safes/Self Storage Rentals/International Shipping Containers/  
Imported Goods

Fingerprint: Kilos/Ledgers/Vehicles/Insides of Compartments and Containers

Speed is Essence - Continue with warrants, reverses, etc., until all  
possibilities exhausted - 24 hour operation.



COLOMBIAN NARCOTIC VIOLATOR: GENERAL DISTRIBUTOR PROFILE

1. Cash payments.
2. Excessive purchases - often consumer goods for family in Colombia. (May even become involved in shoplift burglary in spite of cash on person.)
3. Abandons property, if detected or suspects detection.
4. Well dressed - excessive gold jewelry, Florida/Caribbean styles.
5. Automatic type weapons, MACH 10, 11 (9mm, .45 calibre). Usually not carried during day-to-day distribution and not often used against police.
6. Spanish speaking or bilingual.
7. Clannish/family involvement, same city origin.
8. Pager (digital-display using codes), cellular phones.
9. May routinely display counter-surveillance driving techniques.
10. Multiple ID's - Florida, New York, California. May also have Colombian ID on person.
11. Secluded two-story residence with attached garage, high rent, automatic garage door opener.
12. Chronic use of pay phones, coin pouch full of quarters.
13. Kilos/money often in plastic grocery bags or packaged as gifts.
14. Children may be born in United States, in schools.
15. Illegal Alien (most).
16. Duffle bags for cash - often purchased new at surplus or sporting goods store prior to money movement.
17. Vehicles generally are family mid-size 4-door, with strong engine--Celebrity, Pontiac 6000, Toyota Cressida, V.W. Jetta, Toyota 4 Runner, etc.
18. Use of packing boxes from moving company or truck rental for multi-kilo transportation/storage.
19. No visible means of support - "jewelry business"/"student."
20. ID and vehicles come back to private post office boxes.
21. Uses public storage facilities.

U.S. LAB PROFILE

Located on secluded agricultural property, but close to major highway.

Rental trucks commonly observed.

Sudden influxes of Hispanics into traditionally non-Hispanic areas.

Sudden and substantial increases in use of electricity.

High volume of toll calls.

Renovation of buildings including substantial electrical work.

Cash payments for all expenses including construction, rental/purchase of property.

Courtesy: DEA

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# GLENDALÉ POLICE NARCOTIC INFORMATION BULLETIN

JUNE, 1987

## COLOMBIAN COCAINE TRAFFICKING ORGANIZATIONS

### INTRODUCTION

When the term "Organized Crime" is used in law enforcement circles, visions of the traditional Mafioso families, complete with gangland executions and piles of money gained from illegal activities come to mind. For decades, law enforcement has been fighting at numerous fronts to keep a lid on traditional organized crime in the United States.

However, the late 1970's brought on the seedlings of a new style of "organized criminal". When a joint Mexico-United States eradication effort of marijuana crops in Mexico severely crippled the flow of that drug into the United States, new sources had to be found. Among these new sources was cannabis smuggled from the country of Colombia, either through Florida or across the border through Mexico. With the demand for cocaine in the United States, the focus of the Colombian trafficking shifted from the smelly, bulky weed to the more profitable "coca". From the fledgling days of body carrying ounces through Customs, cocaine traffickers today command a network of locations, cars, and soldiers, connected by the modern technology of pagers and cellular phones, and funded by millions of dollars, furnished by the American consumer. A new "organized crime" has come to America.

## CONFIDENTIAL

Even Glendale has not been immune to the impact of the Colombian cocaine traffickers. With its low crime rate, a visible Hispanic community, and its accessibility to the Los Angeles area via freeways, a high concentration of Colombian nationals have blended into the Glendale area, often times funded by drug dollars. Because of this, it is an almost certainty that an invisible rivers of cash and cocaine flow through this city on a daily basis, bringing with it trouble for law enforcement. An example of this was a 1985 execution of a drug dealer on South Verdugo (shot 14 times in the back with a silenced machine gun) that eventually led the Narcotics Bureau to the seizure of 812 pounds of cocaine. Because of the enormity of this problem, the Department established the Major Violators Detail of the Narcotics Bureau in 1985 whose focus was the "big dealer". Since the detail's inception, this has meant almost exclusively tracking the Colombian cocaine trafficker.

One of the most important tools of the Major Violators Detail is the bits and pieces of information on Colombian traffickers which come from a myriad of sources: citizens, informants, other law enforcement agencies. The Major Violators Detail believes that the everyday activities and contacts by the members of the Glendale Police Department holds a great potential for intelligence information related to traffickers in this area. Just like every other group, the traffickers are victims of crimes, arrested for other crimes, and parties to accidents and come into contact with the police. This training bulletin is intended to inform officers of the indicators which seem to consistently appear with Colombian cocaine traffickers. Although it is entirely possible that a person may match a number of these indicators and be a law abiding citizen, the Major Violators Detail has made numerous narcotics seizures from tips received by people who recognized these indicators and informed the police. With this bulletin, the Narcotics Bureau is asking for the assistance of Department personnel by notifying the Major Violators Detail when persons who meet these indicators are encountered.

### TRAFFICKER PROFILE

- 1) No guidelines as to sex or age
- 2) Live, travelling from, or originally from Colombia or other South American cocaine producing countries such as Peru, Bolivia, Ecuador
- 3) Often times will speak little or no English

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- 4) Are well dressed (designer jeans, "Guyabera" shirts, tasteful gold jewelry)
- 5) Driver license will have a recent original issuance date (indicating newly arrived in this country) or showing previous license from Colombia, Florida, or New York
- 6) Address on license will be PO box or private mail box drop (made to look like legitimate address Ex: 249 N. Brand Blvd. #301 would be USA Mail Boxes Etc., box 301)
- 7) In possession of a large amount of United States currency
- 8) Will have little in way of credit history (lacking credit cards)
- 9) Will state occupation as self-employed, often in import/export business, jewelry sales, or car sales
- 10) Will have electronic digital pagers or cellular telephones (example of companies: Mobilcomm, Ultratelecom)

## HOUSES

### SINGLE-FAMILY RESIDENCES (Often the trafficker's family's residence)

- 1) Middle to upper income single family home in quiet residential area, having an attached garage
- 2) Often times, home is located on cul-de-sac
- 3) May have numerous latin visitors carrying shopping bags or packages to and from the residence
- 4) May have different vehicles entering attached garage, the garage door closing and then opening a short time later to allow the vehicle to leave
- 5) Will not associate with neighbors
- 6) If realtor is contacted, will have paid for location with cash or substantial cash down payment or be paying a high rent in cash
- 7) If the residence is very sparsely furnished (i.e. mattresses on floor, bare living room except for TV and couch, etc.), may be stash house

### APARTMENT, CONDOMINIUM, TOWNHOUSE (Often residence for subordinates or stash locations for money or cocaine)

- 1) Modern complex, having a ground level garage which has direct access to the apartment or having a concealed carport/parking area

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- 2) Many of the same factors for a residence apply to apartments, condominiums, or townhouses

### **VEHICLES**

- 1) Top of line Japanese import sedans such as Toyota Camry, Nissan Maxima, Toyota Cressida or medium size American sedans such as Ford Thunderbird, Buick, Oldsmobile Cutlass
- 2) Mini van vehicles such as Ford Aerostar, Dodge Caravan, Plymouth Voyager, or Toyota Van
- 3) 4X4 vehicles such as Ford Bronco, Chevy Blazer
- 4) Will often have mobile cellular phones and antennas
- 5) Vehicle will have no legal owner (paid off in cash)
- 6) Registration address listed may be privately owned mail box to appear as "legitimate"
- 7) May be outfitted with hidden compartments under dash, under trunk, etc.)
- 8) Vehicle may be rental car (Hertz, Avis, etc.)

### **STAYING AT HOTEL/MOTEL** (POSSIBLE DRUG TRANSACTION LOCATION)

- 1) Stays in room constantly, displaying "Do Not Disturb" sign constantly
- 2) Will use nearby pay phone rather than use room phone
- 3) Pays for room day to day in cash
- 4) Will have large amount of cash on person
- 5) Does not appear to have a reason for hotel/motel stay (such as business or vacation)
- 6) Usually have little to no luggage
- 7) Will refuse maid service
- 8) May have recent plane tickets to and/or from Colombia, Florida

### **SHOPLIFT-BURGLARY SUSPECTS**

It is very common for Colombian traffickers and their family members to engage in shoplifting activities (despite having hundreds of dollars on them). This includes being involved in elaborate shoplift-burglary groups. A number of known traffickers and their family members have been arrested at the Galleria and other businesses in Glendale.

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## CONCLUSION

This training bulletin is not intended as hard and fast rules for identifying dope dealers, nor do they constitute probable cause for police actions by themselves. Rather, it is meant as an overview of indicators exhibited by large scale traffickers which should alert officers to "snoop" a little further. There have been a number of incidents where trained patrol officers have recognized the existence of these indicators and by notifying the Narcotics Bureau or extending their investigations, have been correct in their identification of the persons as traffickers. It is the belief of the Major Violators Detail that these traffickers are encountered on a daily basis but go unrecognized or unnoticed. It is hoped that these indicators will help Department personnel in recognizing potential traffickers and encourage the relaying of obtained intelligence information to the Narcotics Bureau's Major Violators Detail. If a person meeting these indicators is encountered in a custody situation, please attempt to contact a narcotics officer of this as soon as possible.

If you have any questions, feel free to contact the Vice-Narcotics Bureau's Major Violators Detail in person or at extension 4920.

### SPECIAL NOTE

The information contained in this bulletin is critical to the investigation of major narcotics traffickers and is intended for **LAW ENFORCEMENT PERSONNEL ONLY**. The Vice-Narcotics Bureau asks that special care be exercised as to who this bulletin is shown to or where it is left. It is the Narcotics Bureau's belief that if knowledge of this bulletin were widespread in the cocaine trafficking community, it would cause traffickers to alter their actions to avoid being recognized by law enforcement. Copies of versions of this bulletin produced by other agencies have been found in Colombian trafficking stash houses. Your cooperation is greatly appreciated.

# CONFIDENTIAL

# 1990 Saw Several Blows Struck in Drug War

■ **Narcotics:** U.S. prosecutors in L.A. won important convictions. But they and others say the problem remains immense.

By HENRY WEINSTEIN  
TIMES STAFF WRITER

In another sign that Los Angeles may have eclipsed Miami as the nation's drug capital, the number of narcotics traffickers convicted in federal court here reached a record level last year, and prosecutors predict a similar level in 1991.

The U.S. attorney's office in Los Angeles said 261 narcotics indictments were lodged during the fiscal year ending Sept. 30, leading to 209 convictions. At the same time, federal and local drug investigators working cooperatively seized \$73.5 million in cash along with \$19.2 million in property, including houses, planes and boats they said were used in narcotics operations or bought with drug profits. Defendants in drug cases forfeited \$4 million in cash and \$5.8 million worth of property.

"We had an enormously successful year . . . a bumper crop of felons," said Assistant U.S. Atty. James P. Walsh Jr., who was chief of the office's major narcotics unit until last month, when he became chief of the organized crime section.

The volume of drug trials at the federal courthouse was so substantial that at one point last year, U.S. District Judge Consuelo B. Marshall conducted two of them in tandem—one from 8:30 a.m. to 1 p.m. and the other from 2 p.m. to 6 p.m. daily.

Walsh said some of the most significant narcotics cases in the nation last year were tried in Los Angeles.

Perhaps the biggest was the conviction of three men from California and Texas who ran a multi-ton cocaine ring that was broken when authorities seized 21 tons of cocaine in Sylmar in September, 1989. The seizure was the largest in world history.

Among the other successful prosecutions:

■ Four Los Angeles men and an Argen-

tine were convicted of laundering \$350 million in drug money through the downtown Los Angeles jewelry district, the largest money-laundering case in U.S. history.

■ Nearly a dozen Los Angeles men and women were convicted of participating in an international drug ring that generated millions in profits and established clear links between traffickers in South-Central Los Angeles and Colombia.

■ An Oregon man was convicted of operating a massive drug importing scheme in which more than 11 tons of marijuana was seized in the Gulf of Thailand.

■ Four Vietnamese men were convicted of attempting to smuggle 140 pounds of pure "China white" heroin worth about \$100 million into Long Beach Harbor, hidden in litchi nut containers.

■ Three Mexican men and a Honduran businessman were convicted of involvement in the 1985 murder of U.S. Drug Enforcement Administration Agent Enrique Camarena in Guadalajara, Mexico.

■ Seven Los Angeles County sheriff's deputies were convicted of conspiring to steal more than \$1.4 million of drug proceeds they confiscated from suspects.

Walsh called the Sylmar case "mind boggling," in part because the defendants were middlemen who only transported and stored cocaine. None of the major drug organizations that supplied the cocaine or distributed it on the street have yet been prosecuted. Still, he said, the seizure caused the wholesale price of cocaine in Los Angeles to jump from \$13,000 a kilogram to \$30,000.

Despite the seizure, Los Angeles police say the cocaine supply remains plentiful.

The U.S. attorney's office said it obtained convictions against more than 90% of those indicted on drug charges. Still, the office suffered a few setbacks.

For example, prosecutors dropped charges against four of the 17 people originally indicted in the jewelry district money-laundering case, and five of the other defendants were acquitted.

Please see **DRUGS, B10**

# DRUGS

## Continued from B1

In the Sylmar case, the jury was unable to reach a verdict on three of the six defendants. The government plans to retry them.

David Kenner, a veteran Los Angeles defense attorney, acknowledged that the government had won significant cases last year, but he was skeptical about whether this was a sign that progress was being made in the drug war.

"Busting a lot of people and confiscating a lot of kilos doesn't solve the problem," Kenner said. "This is a demand side problem, not a supply side problem."

Deputy Chief Glenn Levant, until recently the LAPD's drug czar, said numerous arrests are a sign of progress.

Levant noted that there were 60,000 arrests of narcotics dealers and users in the city last year.

Enforcement efforts are likely to intensify this year because of additional funding from Washington, according to Assistant U.S. Atty. William F. Fahey, who recently succeeded Walsh as head of the office's major narcotics unit.

Los Angeles is one of five cities that has been designated as a High Intensity Drug Trafficking Area by the Congress. The five cities will split \$50 million for work on major cases, each of which will pool personnel from the U.S. attorney's office, Drug Enforcement Administration, FBI, Internal Revenue Service, Customs Service and local law enforcement agencies.

Fahey said the U.S. attorney's drug unit has 25 attorneys, a number that will grow to 40 by the end of the year. "That will put us second only to Miami in terms of senior prosecutors devoted to narcotics," he said.

Fahey said the new unit will use computers, telephone wiretaps and infiltration of gangs as part of its effort.

"We still have a helluva battle in front of us," said John Zienter, special agent in charge of the DEA's Los Angeles office.

Some of that battle will be played out in federal court.

Already on trial is former DEA Agent Darnell Garcia, who is accused of stealing drugs from the agency's evidence locker in Los Angeles and selling them.

Among the pending trials in 1991 is one involving three American

men and a Colombian who were indicted for conspiring to launder \$17 million in drug proceeds from a ring based in Sylmar; eight Nigerians charged with conspiring to import heroin from Nigeria through Zurich and Frankfurt, and three Florida men accused with conspiring to distribute over four tons of cocaine.

In addition, 13 Los Angeles men and women have been charged with distributing cocaine and PCP nationwide and laundering money. During this investigation, state and federal agents seized more than \$3.2 million in cash, six houses, three businesses, 19 cars, \$250,000 in jewelry and numerous firearms as well as drugs.

Also awaiting trials are a Bolivian businessman considered that country's drug kingpin, five Los Angeles County sheriff's deputies and an LAPD officer charged with stealing money and property from drug suspects, and a DEA supervisory agent charged with theft of money from a drug defendant.

Prosecutors hope to try Humberto Alvarez Machain, a Guadalajara doctor who faces charges in connection with DEA Agent Camarena's murder.

# DRUGS

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