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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
January 2006 Grand Jury

UNITED STATES OF AMERICA,	)	Criminal Case No. <u>06CR2646-LAB</u>
)	
Plaintiff,	)	<u>I N D I C T M E N T</u>
	)	(Superseding)
v.)	
	)	Title 18, U.S.C., Sec. 1962(c) -
FRANCISCO JAVIER	)	Conducting the Affairs of an
ARELLANO-FELIX (1),	)	Enterprise Through Pattern of
aka El Tigrillo,	)	Racketeering Activity; Title 18,
aka Conan,	)	U.S.C., Sec. 1962(d) - Conspiracy
aka Miclo,	)	to Conduct Enterprise Affairs
aka El Senor,	)	Through a Pattern of Racketeering
aka El Apa,	)	Activity; Title 21, U.S.C.,
aka El Abuelo,	)	Secs. 952, 960, and 963 -
MANUEL ARTURO	)	Conspiracy to Import a Controlled
VILLARREAL-HEREDIA (2),	)	Substance; Title 21, U.S.C.,
aka Nalgon,	)	Secs. 959(a)(1), 960 and 963 -
aka Maestro,	)	Conspiracy to Distribute
aka Marcos,	)	a Controlled Substance Intending
aka Hector,	)	Importation; Title 21, U.S.C.,
aka Pedro,	)	Secs. 841(a)(1) and 846 -
aka A-2,	)	Conspiracy to Distribute a
aka R-5,	)	Controlled Substance; Title 21,
aka Z-1,	)	U.S.C., Secs. 848(b) and
	)	Title 18, U.S.C., 3591 -
Defendants.	)	Continuing Criminal Enterprise;
	)	Title 18, U.S.C., Secs. 1956(a)
	)	and 1956(h) - Conspiracy to
	)	Launder Monetary Instruments;
	)	Title 18, U.S.C., Sec. 2 - Aiding
	)	and Abetting; Title 21, U.S.C.,
	)	Sec. 853 and Title 18, U.S.C.,
	)	Secs. 982(a)(1), (b)(1) and
	)	1963(a) - Criminal Forfeiture;
	)	Title 18, U.S.C., Secs. 3591 and
	)	3592 - Special Findings

1 The grand jury charges:

2 Count 1

3 THE ENTERPRISE

4 1. At various times material to this indictment:

5 a. Defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
6 Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
7 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
8 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, and
9 others, known and unknown to the grand jury, including Benjamin
10 Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-Galindo, Jesus
11 Labra-Aviles, Ismael Higuera-Guerrero, Gilberto Higuera-Guerrero,
12 Efrain Perez, Jorge Aureliano Felix, Rigoberto Yanez, Armando
13 Martinez-Duarte, Everardo Arturo Paez-Martinez (all charged
14 elsewhere), and Ramon Arellano-Felix and David Barron-Corona (both now
15 deceased), were members and associates of the Arellano-Felix
16 Organization (hereinafter "AFO"), a criminal organization whose
17 members and associates engaged in: (1) the illegal trafficking of
18 narcotics, including but not limited to cocaine and marijuana; (2) the
19 laundering of drug proceeds gained from the AFO's drug trafficking
20 activities; (3) the kidnapping, torture and murder of informants,
21 rival traffickers, uncooperative law enforcement, and other perceived
22 "enemies" of the AFO; (4) the kidnapping of individuals for money;
23 (5) the "taxing" of individuals conducting criminal offenses in the
24 area of Tijuana/Mexicali, Baja California, Mexico; and (6) the
25 systematic bribing of Mexican law enforcement and military personnel.

26 b. The AFO operated principally in the cities of Tijuana
27 and Mexicali, Baja California Norte, Republic of Mexico, although the
28

1 AFO's operations extended into southern Mexico, as well as Colombia
2 and the United States.

3 c. The AFO, including its leadership, membership and
4 associates, constituted an "Enterprise," as defined by Title 18,
5 United States Code, Section 1961(4) (hereinafter "the Enterprise"),
6 that is, a group of individuals associated in fact. The Enterprise
7 constituted an ongoing organization whose members functioned as a
8 continuing unit for a common purpose of achieving the objectives of
9 the Enterprise. This enterprise was engaged in, and its activities
10 affected, interstate and foreign commerce.

11 **OBJECTIVES OF THE ENTERPRISE**

12 2. The objectives of the Enterprise included the following:

13 a. Enriching members and associates of the Enterprise
14 through the importation and distribution of illegal drugs in the
15 United States, the kidnapping of individuals in Mexico, and "taxing"
16 individuals involved in criminal conduct in the areas of Tijuana and
17 Mexicali, Baja California, Mexico.

18 b. Preserving and protecting the Enterprise's control over
19 the Tijuana and Mexicali "plaza," or drug-trafficking marketplace,
20 through the use of intimidation, threats of violence, and violence,
21 including kidnapping, torture and murder.

22 c. Keeping rival traffickers, potential informants and
23 witnesses, Mexican law enforcement, the Mexican media, and the Mexican
24 public-at-large in fear of the Enterprise, and in fear of its members
25 and associates through threats of violence and violence.

26 d. Promoting and enhancing the Enterprise and its members'
27 and associates' activities.

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1 defendant Alberto Benjamin Arellano-Felix was unable to attend, and
2 was put in charge of the Enterprise's Tijuana and Mexicali operations
3 after the arrest of Ismael Higuera-Guerrero in May of 2000.

4 b. From in or about March 2002 through August 14, 2006,
5 defendant FRANCISCO JAVIER ARELLANO-FELIX was the principal organizer
6 and top leader of the Enterprise, and had the ultimate decision-making
7 authority over all major Enterprise decisions, including the
8 organization and transportation of shipments of drugs into the United
9 States, distribution operations in the United States, and enforcement
10 activities undertaken by members of the Enterprise, including the
11 kidnapping and murder of Enterprise "enemies" and the kidnapping of
12 individuals for money.

13 c. From at least 1998 through August 2006, defendant
14 MANUEL ARTURO VILLARREAL-HEREDIA was a member of the Enterprise with
15 duties and responsibilities to the Enterprise, including the
16 transportation, importation and distribution of drugs, the collection
17 and delivery of drug proceeds and carrying out enforcement operations.

18 d. From in or about March 2002 through August 14, 2006,
19 defendant MANUEL ARTURO VILLARREAL-HEREDIA was one of defendant
20 FRANCISCO JAVIER ARELLANO-FELIX' top six underbosses, reporting
21 directly to defendant JAVIER ARELLANO-FELIX and personally overseeing
22 and commanding multiple crews of men carrying out enforcement
23 operations and drug trafficking activities on behalf of the
24 Enterprise.

25 **METHOD AND MEANS OF THE ENTERPRISE**

26 5. Defendants and other members of the Enterprise used the
27 following method and means, among others, to conduct and participate
28 in the conduct of the affairs of the Enterprise:

1 a. Defendants, along with other members of the Enterprise,
2 negotiated with Colombian cocaine suppliers to arrange for the
3 purchase and transportation of multi-ton shipments of cocaine from
4 Colombia to Mexico;

5 b. Defendants, along with other members of the Enterprise,
6 arranged for the transmission of U.S. dollars to Colombia to pay for
7 these multi-ton cocaine shipments;

8 c. Defendants, along with other members of the Enterprise,
9 also negotiated with Mexican marijuana suppliers in the interior of
10 Mexico to arrange for the purchase of multi-ton shipments of
11 marijuana;

12 d. Defendants, along with other members of the Enterprise,
13 transported large loads of cocaine and marijuana overland by convoys
14 of vehicles, or hidden in large commercial trucks, through Mexico, to
15 locations along the Mexico/California border;

16 e. Defendants, along with other members of the Enterprise,
17 smuggled cocaine and marijuana into the United States by various
18 methods, including the trunks of vehicles, secret compartments located
19 inside personal and commercial vehicles, backpackers, and small boats;

20 f. Defendants, along with other members of the Enterprise,
21 obtained vehicles to be used as load vehicles to transport drugs and
22 cash, and recruited and paid individuals to drive these vehicles;

23 g. Defendants, along with other members of the Enterprise,
24 arranged for cocaine and marijuana to be smuggled into the United
25 States, and delivered to their customers in Los Angeles, California,
26 and elsewhere in the United States;

27 h. Defendants, along with other members of the Enterprise,
28 arranged for the proceeds of their drug trafficking activities in the

1 United States to be smuggled across the U.S./Mexican border and into
2 Mexico;

3 i. Defendants, along with other members of the Enterprise,
4 systematically bribed Mexican law enforcement and military officials
5 to: (1) protect the Enterprise's leadership and drug shipments;
6 (2) inform Enterprise members of Mexican and United States law
7 enforcement activities; (3) arrest rival drug traffickers; and
8 (4) seize drug loads belonging to rival traffickers and give those
9 loads to members of the Enterprise;

10 j. Defendants, along with other members of the Enterprise,
11 discussed Enterprise affairs and business in person and over
12 communications equipment, using various codes to disguise their
13 identities and the meaning of their conversations;

14 k. Defendants, along with other members of the Enterprise,
15 obtained houses and other locations in Mexico and the United States
16 which they used to store drugs, guns, money, and armored vehicles, and
17 as bases for their operations;

18 l. Defendants, along with other members of the Enterprise,
19 operated houses known as "nests" or "caves" which were used to conduct
20 wiretaps and to monitor the communications of members of the
21 Enterprise, rival drug traffickers, and Mexican law enforcement
22 officials in order to monitor their activities and obtain information
23 useful to the Enterprise;

24 m. Defendants, along with other members of the Enterprise,
25 purchased hundreds of firearms and other equipment, in the United
26 States and elsewhere, including AK-47s, Colt .38 Supers, Uzi machine
27 guns, AR-15s, and bulletproof vests, for AFO enforcement crew members
28 to use in carrying out the enforcement activities of the Enterprise.

1 n. Defendants, along with other members of the Enterprise,
2 obtained military and law enforcement uniforms and credentials that
3 were used by Enterprise members in furtherance of their drug
4 trafficking activities;

5 o. Defendants, along with other members of the Enterprise,
6 obtained and used false identification documents, including, but not
7 limited to driver's licenses and passports to conceal their true
8 identities;

9 p. Defendants, along with other members of the Enterprise,
10 recruited, organized, and trained groups of bodyguards and assassins
11 who would protect the Enterprise leaders and conduct assassinations
12 of Enterprise "enemies";

13 q. Defendants, along with other members of the Enterprise,
14 enforced various rules of the Enterprise, such as the prohibition
15 against cooperating with law enforcement, and would punish and murder
16 other members of the Enterprise who violated the rules in order to
17 promote discipline, punish disobedient members, and make examples of
18 those who disobeyed the rules of the Enterprise;

19 r. Defendants, along with other members of the Enterprise,
20 organized and directed the kidnapping, torture and murder of
21 Enterprise "enemies" in Mexico and the United States, including rival
22 drug traffickers, suspected cooperators, and uncooperative law
23 enforcement or military personnel.

24 s. Defendants, along with other members of the Enterprise
25 "taxed" individuals conducting criminal activities in the areas of
26 Tijuana and Mexicali, Mexico.

27 t. Defendants, along with other members of the Enterprise,
28 organized and directed the kidnapping of individuals for money.

THE RACKETEERING OFFENSE

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2 6. Beginning in or about the year 1986, and continuing up to

3 and including August 14, 2006, within the Southern District of

4 California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX,

5 aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa,

6 aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,

7 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,

8 aka Z-1, and others, known and unknown to the grand jury, including

9 Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-

10 Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto

11 Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto

12 Yanez, Armando Martinez-Duarte, Everardo Arturo Paez-Martinez (all

13 charged elsewhere), and Ramon Arellano-Felix and David Barron-Corona

14 (both now deceased); being persons employed by and associated with the

15 Enterprise, (as defined above), which Enterprise was engaged in, and

16 the activities of which affected interstate and foreign commerce, did

17 knowingly and intentionally conduct and participate, directly and

18 indirectly, in the conduct of the Enterprise's affairs through a

19 pattern of racketeering activity, as defined by Title 18, United

20 States Code, Sections 1961(1) and (5), and as described in paragraph 7

21 of this Count.

THE PATTERN OF RACKETEERING ACTIVITY

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23 7. The pattern of racketeering activity, as defined in

24 Title 18, United States Code, Sections 1961(1) and 1961(5), consisted

25 of the following acts:

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Racketeering Act No. 1

(Conspiracy To Distribute Controlled Substances With Intent To Import And Conspiracy To Import Controlled Substances)

Defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO VILLARREAL-HEREDIA committed the following acts, the commission of either one of which constitutes Racketeering Act No. 1:

(a) Beginning in or about the year 1986, and continuing up to and including August 14, 2006, within the Southern District of California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, and others including Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte, Everardo Arturo Paez-Martinez (all charged elsewhere), and Ramon Arellano-Felix and David Barron-Corona (both now deceased), did knowingly and intentionally conspire with each other, and other persons known and unknown to the grand jury, to import controlled substances, including 5 kilograms and more of cocaine, a Schedule II Controlled Substance, and 1000 kilograms and more of marijuana, a Schedule I Controlled Substance, into the United States from a place outside thereof; all in violation of Title 21, United States Code, Sections 952, 960, and 963.

(b) Beginning in or about 1986 and continuing up to and including August 14, 2006, within the Southern District of California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, and others including Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte, Everardo Arturo Paez-Martinez (all charged elsewhere), and Ramon Arellano-Felix and David Barron-Corona (both now deceased), did knowingly and intentionally conspire with each other, and other persons known and unknown to the grand jury, to distribute 5 kilograms and more of cocaine, a Schedule II Controlled Substance, and 1000 kilograms and more of marijuana, a Schedule I Controlled Substance, intending that such substances would be unlawfully imported into the United States; all in violation of Title 21, United States Code, Sections 959(a)(1), 960 and 963.

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1 part, to conceal and disguise the nature, the location, the source,
2 the ownership, and the control of the proceeds of specified
3 unlawful activity, in violation of Title 18, United States Code,
4 Sections 1956(a)(1)(A)(i) and (B)(i); and

5 (b) knowingly transport, transmit, and transfer monetary
6 instruments and funds from a place in the United States to and through
7 a place outside the United States and to a place in the United States
8 from and through a place outside the United States: (1) with the
9 intent to promote the carrying on of specified unlawful activity; and
10 (2) knowing that the monetary instruments and funds involved in the
11 transportation, transmission and transfer represent the proceeds of
12 some form of unlawful activity and knowing that such transportation,
13 transmission, and transfer was designed in whole or in part to conceal
14 and disguise the nature, the location, the source, the ownership, and
15 the control, of the proceeds of specified unlawful activity; in
16 violation of Title 18, United States Code, Sections and 1956(a)(2)(A)
17 and (B)(i).

18 All in violation of Title 18, United States Code, Section 1956(h).

19 Racketeering Act No. 4
20 (Possession With Intent To Distribute Cocaine)

21 Defendant FRANCISCO JAVIER ARELLANO-FELIX committed the following
22 acts, the commission of any one of which alone constitutes
23 Racketeering Act No. 4:

24 (a) On or about July 31, 1991, in Los Angeles, California,
25 defendant FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally
26 possessed with intent to distribute 5 kilograms and more, to wit:
27 approximately 599 kilograms (1,317.80 pounds) of cocaine, a
28 Schedule II Controlled Substance; in violation of Title 21, United
States Code, Section 841(a)(1), and Title 18, United States Code,
Section 2.

(b) On or about July 31, 1991, in Tustin, California, defendant
FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally possessed
with intent to distribute 5 kilograms and more, to wit: approximately
232 kilograms (510.40 pounds) of cocaine, a Schedule II Controlled
Substance; in violation of Title 21, United States Code,
Section 841(a)(1), and Title 18, United States Code, Section 2.

(c) On or about August 6, 1991, in Fontana, California,
defendant FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally
possessed with intent to distribute 5 kilograms and more, to wit:
approximately 400 kilograms (880 pounds) of cocaine, a Schedule II
Controlled Substance; in violation of Title 21, United States Code,
Section 841(a)(1), and Title 18, United States Code, Section 2.

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1 (d) On or about August 6, 1991, in Fontana, California,
2 defendant FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally
3 possessed with intent to distribute 5 kilograms and more, to wit:
4 approximately 611 kilograms (1,346.40 pounds) of cocaine, a
Schedule II Controlled Substance; in violation of Title 21, United
States Code, Section 841(a)(1), and Title 18, United States Code,
Section 2.

5 Racketeering Act No. 5
6 (Possession With Intent To Distribute Cocaine)

7 On or about October 9, 1991, in Fontana, California, defendant
8 FRANCISCO JAVIER ARELLANO-FELIX knowingly and intentionally possessed
9 with intent to distribute 5 kilograms and more, to wit: approximately
10 2,298 kilograms (5,055.60 pounds) of cocaine, a Schedule II Controlled
Substance; in violation of Title 21, United States Code,
Section 841(a)(1), and Title 18, United States Code, Section 2.

11 Racketeering Act No. 6
12 (Importation And Possession With Intent To Distribute Cocaine)

13 Defendant FRANCISCO JAVIER ARELLANO-FELIX committed the following
14 acts, the commission of either one of which constitutes Racketeering
15 Act No. 6:

16 (a) On or about July 7, 1995, in San Diego, California, within
17 the Southern District of California, defendant FRANCISCO JAVIER
18 ARELLANO-FELIX did knowingly and intentionally import 5 kilograms and
19 more, to wit: approximately 240 kilograms (528 pounds) of cocaine, a
Schedule II Controlled Substance, into the United States from a place
outside thereof; in violation of Title 21, United States Code,
Sections 952 and 960, and Title 18, United States Code, Section 2.

20 (b) On or about July 11, 1995, in San Diego, California, within
21 the Southern District of California, defendant FRANCISCO JAVIER
22 ARELLANO-FELIX knowingly and intentionally possessed with intent to
23 distribute 5 kilograms and more, to wit: approximately 240 kilograms
(528 pounds) of cocaine, a Schedule II Controlled Substance; in
violation of Title 21, United States Code, Section 841(a)(1), and
Title 18, United States Code, Section 2.

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1 Racketeering Act No. 7

(Importation and Possession With Intent to Distribute Marijuana)

2 Defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO
3 VILLARREAL-HEREDIA committed the following acts, the commission of
4 either one of which constitutes Racketeering Act No. 7:

5 (a) On or about April 18, 2000, within the Southern District of
6 California, defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL
7 ARTURO VILLARREAL-HEREDIA did knowingly and intentionally import
8 100 kilograms and more, to wit: approximately 908.18 kilograms
9 (1,998 pounds) of marijuana, a Schedule I Controlled Substance, into
the United States from a place outside thereof; in violation of
Title 21, United States Code, Sections 952 and 960, and Title 18,
United States Code, Section 2.

10 (b) On or about April 18, 2000, within the Southern District of
11 California, defendants FRANCISCO JAVIER ARELLANO-FELIX and MANUEL
12 ARTURO VILLARREAL-HEREDIA did knowingly and intentionally possess with
13 intent to distribute 100 kilograms and more, to wit: approximately
908.18 kilograms (1,998 pounds) of marijuana, a Schedule I Controlled
Substance, in violation of Title 21, United States Code,
Section 841(a)(1), and Title 18, United States Code, Section 2.

14 All in violation of Title 18, United States Code, Section 1962(c).

15 Count 2

16 THE RACKETEERING CONSPIRACY

17 1. Paragraphs 1-5 and paragraph 7 of Count 1 of this Indictment
18 are realleged and incorporated by reference as though fully set out
19 herein.

20 2. Beginning in or about the year 1986, and continuing up to
21 and including August 14, 2006, within the Southern District of
22 California and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX,
23 aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa,
24 aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
25 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
26 aka Z-1, and Benjamin Arellano-Felix, Eduardo Arellano-Felix, Manuel
27 Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero, Gilberto
28 Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix, Rigoberto

1 Yanez, Armando Martinez-Duarte, Everardo Arturo Paez-Martinez (all
2 charged elsewhere), and Ramon Arellano-Felix and David Barron-Corona
3 (both now deceased); and others known and unknown to the grand jury,
4 being employed by and associated with the Enterprise, as defined in
5 Count 1 of this Indictment, which Enterprise was engaged in, and the
6 activities of which affected interstate and foreign commerce, did
7 knowingly and intentionally conspire with each other, and other
8 persons, to violate Section 1962(c) of Title 18, United States Code,
9 that is, to conduct and participate, directly and indirectly, in the
10 conduct of the Enterprise's affairs through a pattern of racketeering
11 activity, as defined in by Title 18, United States Code,
12 Sections 1961(1) and (5), consisting of the racketeering acts
13 contained in paragraph 7 of Count 1.

14 3. It was further a part of the conspiracy that the defendants
15 agreed that a conspirator would commit at least two acts of
16 racketeering activity in the conduct of the affairs of the Enterprise.

17 **OVERT ACTS**

18 4. In furtherance of said conspiracy and to effect the objects
19 thereof, the following Overt Acts, among others, were committed within
20 the Southern District of California and elsewhere:

21 **Overt Act No. 1**
22 (The Murder of Armando Lopez)

23 In or about 1989, in Tijuana, Mexico, co-conspirator Ramon
24 Arellano-Felix (now deceased), shot and killed Armando Lopez, a member
of the Joaquin Guzman-Loera Organization and AFO rival.

25 **Overt Act No. 2**
(The Murder Of Guillermo Castaneda-Lopez)

26 On or about October 23, 1991, in San Diego, California, at the
27 direction of co-conspirators Alberto Benjamin and Eduardo Arellano-
28 Felix (charged elsewhere), members of an AFO Enterprise enforcement
crew murdered Guillermo Castaneda-Lopez.

1 Overt Act No. 3

(AFO's First Failed Attempt to Kill Joaquin Guzman-Loera)

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3 In later 1991, early 1992, in Tijuana, Mexico, co-conspirators
4 Alberto Benjamin and Eduardo Arellano-Felix (charged elsewhere), and
5 conspirator Ramon Arellano-Felix (now deceased), planned an ultimately
6 unsuccessful attempt to kill Guzman-Loera.

7 Overt Act No. 4

(AFO's Second Failed Attempt To Kill Joaquin Guzman-Loera)

8
9 In or about the summer of 1992, in Tijuana, Mexico, co-
10 conspirators Alberto Benjamin Arellano-Felix and Ismael Higuera-
11 Guerrero arranged a meeting in Mexico City, Mexico at which they
12 planned to kill Guzman-Loera.

13 Overt Act No. 5

14 (AFO Defend Guzman-Loera Attack At Christine's Discotheque
15 In Puerto Vallarta, Mexico)

16
17 On or about November 8, 1992, in Puerto Vallarta, Mexico,
18 defendant FRANCISCO JAVIER ARELLANO-FELIX and co-conspirators Ismael
19 and Gilberto Higuera-Guerrero (charged elsewhere), and numerous other
20 members of the AFO Enterprise, including co-conspirators Ramon
21 Arellano-Felix and David Barron-Corona (both now deceased), fought off
22 an assassination attempt by members of the Guzman-Loera Organization,
23 during which several individuals were shot and killed.

24 Overt Act No. 6

(The Murder Of Oscar Roberto Ceballos-Corrales)

25
26 On or about March 11, 1993, in Hollenbeck, California, at the
27 direction of conspirator David Barron-Corona (now deceased), members
28 of an AFO Enterprise enforcement crew murdered Oscar Roberto Ceballos-
Corrales in retaliation for the attack on AFO Enterprise members at
Christine's Discotheque on November 8, 1992.

Overt Act No. 7

(The Murder Of Juvenal Gomez-Buenrostro)

On or about March 16, 1993, in Chula Vista, California, at the
direction of co-conspirator Alberto Benjamin Arellano-Felix and Ismael
Higuera-Guerrero (charged elsewhere), and co-conspirator Ramon
Arellano-Felix (now deceased), members of an AFO Enterprise
enforcement crew murdered Juvenal Gomez-Buenrostro.

Overt Act No. 8

(AFO Leadership Plans Third Assassination Attempt On Guzman-Loera)

In or about May, 1993, in Tijuana, Mexico, defendant FRANCISCO
JAVIER ARELLANO-FELIX and co-conspirators Alberto Benjamin and Eduardo
Arellano-Felix, and Ismael Higuera-Guerrero, and co-conspirators Ramon
Arellano-Felix and David Barron-Corona (both now deceased), planned
a third assassination attempt on AFO rival Joaquin Guzman-Loera.

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Overt Act No. 9
(Alberto Benjamin Arellano-Felix Goes Into Hiding)

In or about May 1993, in Mexico, co-conspirator Alberto Benjamin Arellano-Felix went into hiding.

Overt Act No. 10
(Francisco Javier and Ramon Arellano-Felix Go Into Hiding)

In or about May 1993, in the United States, defendant FRANCISCO JAVIER ARELLANO-FELIX and Ramon Arellano-Felix went into hiding.

Overt Act No. 11
(Plot To Murder Fernando Gutierrez)

In or about December 1996, in Tijuana, Mexico, defendant FRANCISCO JAVIER ARELLANO-FELIX and co-conspirators Alberto Benjamin and Eduardo (charged elsewhere), and co-conspirators Ramon Arellano-Felix and David Barron-Corona (both now deceased), agreed that Fernando Gutierrez would be murdered for failing to repay a debt, and plotted his murder.

Overt Act No. 12
(Murder Of Fernando Gutierrez)

On or about December 11, 1996, in Coronado, California, at the direction of defendant FRANCISCO JAVIER ARELLANO-FELIX and co-conspirators Alberto Benjamin and Eduardo Arellano-Felix (both charged elsewhere), and co-conspirator Ramon Arellano-Felix (now deceased), members of an AFO Enterprise enforcement crew murdered Fernando Gutierrez.

Overt Act No. 13
(Attempted Murder Of Ramiro Ramirez)

On or about March 7, 1997, in Chula Vista, California, at the direction of co-conspirators Alberto Benjamin Arellano-Felix and Ismael Higuera-Guerrero (both charged elsewhere), and co-conspirators Ramon Arellano-Felix and David Barron-Corona (both now deceased), members of an AFO Enterprise enforcement crew attempted to murder Ramiro Ramirez.

Overt Act No. 14
(Kidnapping Of Victim-1)

On or about January 18, 2002, in Tijuana, Mexico, defendant MANUEL ARTURO VILLARREAL-HEREDIA and other members of an AFO Enterprise enforcement crew working under his command kidnapped Victim-1.

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1 Overt Act No. 22

2 (The Kidnapping Of Three Police Officers And One Civilian)

3 On or about June 20, 2006, in Rosarito Beach, Mexico, at the
4 direction of MANUEL ARTURO VILLARREAL-HEREDIA, members of an AFO
5 Enterprise enforcement crew kidnapped three Rosarito Beach police
6 officers, Ismael Arellano-Torres, Jesus Hernandez-Ballesteros and
7 Benjamin Fabian-Ventura, and one civilian, Fernando Avila.

8 Overt Act No. 23

9 (The Murder Of Three Police Officers And One Civilian)

10 On or about June 20, 2006, in Tijuana Mexico, defendant FRANCISCO
11 JAVIER ARELLANO-FELIX approved, and defendant MANUEL ARTURO
12 VILLARREAL-HEREDIA directed, members of an AFO Enterprise enforcement
13 crew to murder three police officers, Ismael Arellano-Torres, Jesus
14 Hernandez-Ballesteros and Benjamin Fabian-Ventura, and one civilian,
15 Fernando Avila.

16 Overt Act No. 24

17 (The Beheading Of Three Police Officers And One Civilian)

18 On or about June 20, 2006, in Tijuana, Mexico, defendants
19 FRANCISCO JAVIER ARELLANO-FELIX and MANUEL ARTURO VILLARREAL-HEREDIA
20 authorized members of an AFO Enterprise enforcement crew to behead the
21 above-murdered police officers and civilian.

22 All in violation of Title 18, United States Code, Sections 1962(c)
23 and 1962(d).

24 Count 3

25 CONSPIRACY TO IMPORT CONTROLLED SUBSTANCES

26 1. Paragraphs 1 through 5 and paragraph 7 of Count 1 of this
27 indictment are realleged and hereby incorporated by reference in this
28 count as though fully set forth herein.

1 Beginning in or about the 1986, and continuing up to and
including August 14, 2006, within the Southern District of California
and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, El Abuelo,
and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, together
with co-conspirators Alberto Benjamin Arellano-Felix, Eduardo

1 Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael
2 Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge
3 Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte, Everardo
4 Arturo Paez-Martinez (all charged elsewhere), and Ramon Arellano-Felix
5 and David Barron-Corona (both now deceased), and others known and
6 unknown, did knowingly and intentionally conspire with each other,
7 and other persons known and unknown to the grand jury, to import
8 5 kilograms and more of cocaine, a Schedule II Controlled Substance,
9 and 1000 kilograms and more of marijuana, a Schedule I Controlled
10 Substance, into the United States from a place outside thereof;
11 all in violation of Title 21, United States Code, Sections 952, 960,
12 and 963.

13 Count 4

14 CONSPIRACY TO DISTRIBUTE CONTROLLED SUBSTANCES
15 WITH INTENT TO IMPORT

16 1. Paragraphs 1 through 5 and paragraph 7 of Count 1 of this
17 indictment are realleged and hereby incorporated by reference in this
18 count as though fully set forth herein.

19 2. Beginning in or about 1986 and continuing up to and
20 including August 14, 2006, within the Southern District of California
21 and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
22 Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
23 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
24 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, together
25 with co-conspirators Alberto Benjamin Arellano-Felix, Eduardo
26 Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael
27 Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge
28 Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte, Everardo

1 Arturo Paez-Martinez (all charged elsewhere), and Ramon Arellano-Felix
2 and David Barron-Corona (both now deceased), and others known and
3 unknown, did knowingly and intentionally conspire with each other and
4 with other persons, known and unknown to the grand jury, to distribute
5 5 kilograms and more of cocaine, a Schedule II Controlled Substance,
6 and 1000 kilograms and more of marijuana, a Schedule I Controlled
7 Substance, intending that such substances would be unlawfully imported
8 into the United States; all in violation of Title 21, United States
9 Code, Sections 959(a)(1), 960, and 963.

10 Count 5

11 CONSPIRACY TO DISTRIBUTE CONTROLLED SUBSTANCES

12 1. Paragraphs 1 through 5 and paragraph 7 of Count 1 of this
13 indictment are realleged and hereby incorporated by reference in this
14 count as though fully set forth herein.

15 2. Beginning in or about 1986 and continuing up to and
16 including August 14, 2006, within the Southern District of California
17 and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
18 Tigrillo, aka Conan, aka Miclo, aka El Senor, El Apa, El Abuelo, and
19 MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro, aka Marcos,
20 aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, together with co-
21 conspirators Alberto Benjamin Arellano-Felix, Eduardo Arellano-Felix,
22 Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael Higuera-Guerrero,
23 Gilberto Higuera-Guerrero, Efrain Perez, Jorge Aureliano Felix,
24 Rigoberto Yanez, Armando Martinez-Duarte, Everardo Arturo Paez-
25 Martinez (all charged elsewhere), and Ramon Arellano-Felix and David
26 Barron-Corona (both now deceased), and others known and unknown, did
27 knowingly and intentionally conspire with each other, and other
28

1 persons known and unknown to the grand jury, to distribute 5 kilograms
2 and more of cocaine, a Schedule II Controlled Substance, and
3 1000 kilograms and more of marijuana, a Schedule I Controlled
4 Substance; in violation of Title 21, United States Code,
5 Sections 841(a)(1) and 846.

6 **Count 6**

7 **OPERATING A CONTINUING CRIMINAL ENTERPRISE**

8 Beginning in or about 1986 and continuing up to and including
9 August 14, 2006, within the Southern District of California, and
10 elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
11 Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
12 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
13 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, and
14 others known and unknown, did knowingly and intentionally engage in
15 a continuing criminal enterprise by violating various felony
16 provisions of the Controlled Substance Act (Title 21, United States
17 Code, Sections 801, et seq.), punishable under Title 21, United States
18 Code, Sections 841(b)(1)(A) or 960(b)(1)(A), including but not limited
19 to Title 21, United States Code, Sections 841(a)(1), 846, 952, 959,
20 960, and 963, as alleged in Counts 3, 4, and 5, of this Indictment
21 (said Counts being incorporated herein by reference).

22 The above-noted Controlled Substance Act violations were a part
23 of a continuing series of violations of said Act, were undertaken by
24 defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El Tigrillo, aka
25 Conan, aka Miclo, aka El Senor, aka El Apa, aka El Abuelo, and MANUEL
26 ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro, aka Marcos,
27 aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, in concert with five
28 or more other persons with respect to whom defendants FRANCISCO JAVIER

1 ARELLANO-FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Apa,
2 aka El Senor, aka El Apa, aka El Abuelo, and MANUEL ARTURO VILLARREAL-
3 HEREDIA, aka Nalgon, aka Maestro, aka Marcos, aka Hector, aka Pedro,
4 aka A-2, aka R-5, aka Z-1, were one of several principal
5 administrators, organizers, or leaders; and from which such continuing
6 series of violations defendants FRANCISCO JAVIER ARELLANO-FELIX, aka
7 El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
8 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
9 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, obtained
10 substantial income and resources.

11 It is further alleged that the continuing criminal enterprise:

12 (a) involved more than 300 kilograms of cocaine; and

13 (b) received more than \$20,000,000 in gross receipts during a
14 12-month period of its existence for the manufacture, importation or
15 distribution of cocaine and marijuana;

16 All in violation of Title 21, United States Code, Sections 848(b) and
17 Title 18, United States Code, Section 3591(b)(1).

18 Count 7

19 THE MONEY LAUNDERING CONSPIRACY

20 1. Paragraphs 1 through 5 and paragraph 7 of Count 1 of this
21 indictment are realleged and hereby incorporated by reference in this
22 count as though fully set forth herein.

23 2. Beginning in or about 1986 and continuing up to and
24 including August 14, 2006, within the Southern District of California
25 and elsewhere, defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
26 Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
27 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
28 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, together

1 with co-conspirators Alberto Benjamin Arellano-Felix, Eduardo
2 Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-Aviles, Ismael
3 Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain Perez, Jorge
4 Aureliano Felix, Rigoberto Yanez, Armando Martinez-Duarte, Everardo
5 Arturo Paez-Martinez (all charged elsewhere), and Ramon Arellano-Felix
6 and David Barron-Corona (both now deceased), and others known and
7 unknown, did knowingly and intentionally conspire and agree with each
8 other, and together with co-conspirators Alberto Benjamin Arellano-
9 Felix, Eduardo Arellano-Felix, Manuel Aguirre-Galindo, Jesus Labra-
10 Aviles, Ismael Higuera-Guerrero, Gilberto Higuera-Guerrero, Efrain
11 Perez, Jorge Aureliano Felix, Rigoberto Yanez, Armando Martinez-
12 Duarte, Everardo Arturo Paez-Martinez (all charged elsewhere), and
13 Ramon Arellano-Felix and David Barron-Corona (both now deceased), and
14 others known and unknown, to the grand jury, to:

15 (a) conduct a financial transaction affecting interstate and
16 foreign commerce, knowing that the property involved in the financial
17 transaction represented the proceeds of some form of unlawful
18 activity, which in fact involved the proceeds of specified unlawful
19 activity, that is, the felonious manufacture, importation, receiving,
20 concealment, buying, selling and otherwise dealing in a controlled
21 substance, punishable under the laws of the United States: (1) with
22 the intent to promote the carrying on of specified unlawful activity;
23 and (2) knowing that the transaction was designed, in whole or in
24 part, to conceal and disguise the nature, the location, the source,
25 the ownership, and the control, of the proceeds of specified unlawful
26 activity; in violation of Title 18, United States Code,
27 Sections 1956(a)(1)(A)(i) and (B)(i); and

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1 (b) knowingly transport, transmit, and transfer monetary
2 instruments and funds from a place in the United States to and through
3 a place outside the United States and to a place in the United States
4 from and through a place outside the United States: (1) with the
5 intent to promote the carrying on of specified unlawful activity; and
6 (2) knowing that the monetary instruments or funds involved in the
7 transportation, transmission and transfer represent the proceeds of
8 some form of unlawful activity and knowing that such transportation,
9 transmission, and transfer was designed in whole or in part to conceal
10 and disguise the nature, the location, the source, the ownership, and
11 the control, of the proceeds of specified unlawful activity; in
12 violation of Title 18, United States Code, Sections 1956(a)(2)(A)
13 and (B)(i).

14 All in violation of Title 18, United States Code, Section 1956(h).

15 **FORFEITURE ALLEGATION**

16 1. The allegations contained in Counts 1 and 2 are realleged
17 and by reference are fully incorporated herein for the purpose of
18 alleging forfeiture to the United States of America, pursuant to the
19 provisions of Title 18, United States Code, Section 1963(a).

20 2. As a result of the commission of the felony offense alleged
21 in Count 1 and/or 2, said violation being punishable by imprisonment
22 for more than one year, and pursuant to Title 18, United States Code,
23 Section 1962(a), defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El
24 Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El
25 Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro,
26 aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1, shall
27 forfeit to the United States: all interest the defendants acquired or
28 maintained in violation of Section 1962; any and all interest in,

1 security of, claim against, and property and contractual right of any
2 kind affording a source of influence over, any and all enterprises the
3 defendants established, operated, controlled, conducted, and
4 participated in the conduct of, in violation of Section 1962; and any
5 property constituting, or derived from, any proceeds the defendants
6 obtained, directly or indirectly, from racketeering activity in
7 violation of Section 1962, including but not limited to, \$62,900,000
8 in U.S. currency, and a 2001 43' Riviera yacht, "Dock Holiday",
9 RJH43156A101, registered in Delaware under the name of M-Y Junior,
10 Inc..

11 3. The allegations contained in Counts 3 through 6 are
12 realleged and by their reference fully incorporated herein for the
13 purpose of alleging forfeiture to the United States of America
14 pursuant to the provisions of Title 21, United States Code,
15 Section 853.

16 4. As a result of the commission of the felony offenses alleged
17 in Counts 3 through 6, said violations being punishable by
18 imprisonment for more than one year, and pursuant to Title 21, United
19 States Code, Section 853(a)(1), defendants FRANCISCO JAVIER ARELLANO-
20 FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El
21 Apa, aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
22 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
23 aka Z-1, shall upon conviction, forfeit to the United States all their
24 rights, title and interest in any and all property constituting or
25 derived from proceeds obtained directly or indirectly as the result
26 of said violations, including but not limited to: \$62,900,000 in U.S.
27 currency and a 2001 43' Riviera yacht, "Dock Holiday", RJH43156A101,
28 registered in Delaware under the name of M-Y Junior, Inc.

1 5. As a result of the commission of the felony offense alleged
2 in Count 7 of this indictment, said violations being punishable by
3 imprisonment for more than one year and pursuant to Title 18, United
4 States Code, Section 982(a)(1), defendants FRANCISCO JAVIER ARELLANO-
5 FELIX, aka El Tigrillo, aka Conan, aka Miclo, aka El Senor, aka El
6 Apa, aka El Abuelo, and MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon,
7 aka Maestro, aka Marcos, aka Hector, aka Pedro, aka A-2, aka R-5,
8 aka Z-1, shall, upon conviction, forfeit to the United States all
9 their rights, title and interest in any and all property involved in
10 such offenses, or any property traceable to such property, including
11 but not limited to: \$62,900,000 in U.S. currency and a 2001 43'
12 Riviera yacht, "Dock Holiday", RJH43156A101, registered in Delaware
13 under the name of M-Y Junior, Inc.

14 6. If any of the above-described forfeitable property, as a
15 result of any act or omission of the defendants -

- 16 (a) cannot be located upon the exercise of due diligence;
- 17 (b) has been transferred or sold to, or deposited with, a
18 third party;
- 19 (c) has been placed beyond the jurisdiction of the Court;
- 20 (d) has been substantially diminished in value; or
- 21 (e) has been commingled with other property which cannot
22 be subdivided without difficulty;

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1 it is the intent of the United States, pursuant to Title 18, United
2 States Code, Sections 982 and 1963 and Title 21, respectively, United
3 States Code, Section 853(p), to seek forfeiture of any other property
4 of the defendants up to the value of the said property listed above
5 as being subject to forfeiture.

6 All pursuant to Title 21, United States Code, Section 853 and
7 Title 18, United States Code Sections 982, and 1963(a).

8 NOTICE OF SPECIAL FINDINGS

9 The allegations of Count 6 of this Indictment are hereby
10 realleged and incorporated by reference as if fully set forth herein.

11 As to Count 6

12 Defendants FRANCISCO JAVIER ARELLANO-FELIX, aka El Tigrillo,
13 aka Conan, aka Miclo, aka El Senor, aka El Apa, aka El Abuelo, and
14 MANUEL ARTURO VILLARREAL-HEREDIA, aka Nalgon, aka Maestro, aka Marcos,
15 aka Hector, aka Pedro, aka A-2, aka R-5, aka Z-1:

16 1. Were each more than 18 years of age at the time the offense
17 was committed (Title 18, Untied States Code, Section 3591(a));

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