

LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009

[Around page 15, the tape starts to clip words and leave blanks.  
It sounds like maybe a voice activated mike was used to  
record this.]

MR. SEAN FERNS: Good morning, everyone. Good morning and  
welcome. My name is Sean Ferns. On behalf of all of us at  
the DEA Museum, we want to welcome and welcome you back as  
we continue our spring lecture series. This spring we're  
looking at the U.S./Mexico cross border drug trafficking  
and drug law enforcement issues. This is our third in a  
series of programs that we're holding this spring. We have  
two more to go after this.

We're delighted to have two gentlemen joining us this  
morning to talk about a major operation that's going to  
take us back in time a little bit. Not that we're calling  
them old. But Operation Impunity took place about a little  
over ten years ago. And it's my pleasure to introduce  
Assistant Special Agent in Charge, Mike McDaniel, currently  
in the DEA Houston Division and retired assistant  
administrator Jimmy Craig.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

Let me tell you about both of them before we get started. Then we'll ask them to give their presentation. And I ask you to please hold your questions until the end and we have a couple of microphones where we'll ask you to share your question with not only those here today, but also the recording for future.

First of all, Mr. McDaniel, Assistant Special Agent in Charge. He entered on duty with DEA in 1987, initially assigned to the Houston District Office. In 1997, he was promoted and transferred to the Special Operations Division here in Virginia as a staff coordinator focusing on the Southwest border area. In August of 2000, he was transferred again to a group supervisor position in San Antonio, Texas and then was promoted to resident agent in charge in Las Cruces, New Mexico in 2007.

One year later, in 2008, promoted again to his current position as Assistant Special Agent in Charge in Houston focusing on the high intensity drug trafficking areas, also known as HIDA, major drug squads in and around Houston, Texas. Prior to his service with DEA, ASAC McDaniel was a police officer for the City of Houston Police Department

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

for four years and has a bachelor of arts degree from Baylor University.

Joining him this morning, a late minute addition, but a good one nonetheless, is Mr. James Craig. He is the retired Assistant Administrator. He began his law enforcement career back in 1980 with the Hollywood, Florida Police Department. He joined DEA in 1983, serving as a street agent in Miami, New York City and Cyprus. He was initially promoted in 1993 serving as the resident agent in charge in Milwaukee, Wisconsin and later as an inspector here at DEA headquarters.

In 1996, Mr. Craig was promoted again, serving assignments as the Assistant Special Agent in Charge of the Special Operations Division and in the Denver, Colorado Division. In 2002, Mr. Craig was promoted to the Senior Executive Service from which he retired, and served as the Special Agent in Charge of the New Orleans Division. And in 2004, reassigned to that same position in Houston, working with Mr. McDaniel.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

From 2007 until his retirement last year, Mr. Craig served as the Assistant Administrator for the Operational Support Division. In essence, the Chief Information Officer for DEA. He had oversight for the Office of Information Systems, the Office of Administration, the Office of Forensic Sciences and the Office of Investigative Technology. Currently, Mr. Craig is employed with Motorola as their Business Development Manager for Federal Markets. And he holds a Bachelor of Science degree from Florida State University. Please join me in welcoming Mr. McDaniel and Mr. Craig. [applause]

MR. MIKE MCDANIEL: Good morning. I'd like to thank the DEA Museum for allowing the two of us to brief this operation. This operation ended up being very significant in the history of DEA. Before I get too much into the presentation, I'll be taking a collection at the end of the presentation to pay for the beer it took to bribe this man to come back and make a cameo appearance.

I kind of want to set the stage with this lecture series. We're focusing on joint U.S. and Mexico operations. This particular operation, Operation Impunity, occurred in the

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

beginning of 1998 and concluded towards the end of 1999, roughly about that two year period. Very significant impact against this trafficking organization that we're going to be discussing today.

And I kind of want to set the stage also to just kind of remind you that during this time, of course, we're almost twelve years later now. Technology has exploded. At this time, this organization threw some hurdles at us that we quite frankly were some hurdles to overcome and for law enforcement actually to make such an impact on an organization like this.

You also have to remember that in the '80s, President Bush, Sr., had kind of pushed ... law enforcement efforts had pushed the cocaine from the Caribbean into going through Mexico, through the U.S./Mexico border, land borders. And then about roughly in '95, '96, the Columbian National Police did an all out assault, an attack, on the Calley Cartel. And most of the Calley Cartel members after that operation were either jailed or killed. As you've seen from Pablo Escobar and all the others.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

So it kind of sets the stage for a transition that the agents in the field begin to see the Mexican organizations taking a more dominant role, especially with distribution in the United States. Up to that point, when the Caribbean started shutting down and the cocaine flow started going into ... through the land border in Mexico, the Mexicans already had the infrastructure in place. They were mainly sending marijuana and heroin shipments across the border. And the Colombians used that existing infrastructure. And they were paying the Mexican DTOs basically cash to move it right across the border. But the Mexican DTOs were handing it over to Colombian cells that were already in place in the United States.

At that point, when the Calley Cartel started taking the hits in '95, '96, then you saw the Mexican organization accepting like payments instead of cash payments, they were taking half of the loads they were moving. So they move in 1,000 keys, they're taking 500. And they started establishing their own distribution network. And that kind of sets the stage for where we're at in impunity when it starts.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

We had to update the logo there. The old PowerPoint was ... funny story. I was asked to do this operation. I've been carrying the four folders of impunity file around for all the transfers. And this last transfer, I said why am I carrying this stuff around? Put it in a burn box. And then Ms. Drew calls and says would you guys do this? So Murphy's law, the minute I destroyed it, it was over.

I want to briefly touch on Operation Limelight. And you'll see why that was actually important to Operation Impunity. This was a very successful operation. I believe Mary Cooper may have done, may have done ... oh, Ferguson? Successful operation. It was pretty much the same MO as what we saw in Impunity. And this started in '96 and '97. They were moving tractor trailer loads of cocaine and marijuana across the U.S. in cover loads of produce.

In Limelight, they actually did a real good job of taking out remnants. And Operation Impunity and Limelight was targeting remnants of Amado Carrillo Fuentes organization. And as many of you remember, Amado died on a plastic surgery table doing plastic surgery in '97. And right after that happened, of course, I'd be nervous if I was a

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

doctor when I lost that patient. I don't think you worry about malpractice. And they ended up finding him in a barrel, a tar barrel, along the Mexican highway. So the stakes were a little bad for that doctor.

Anyway, Limelight ended up seizing roughly about \$77 million, over 4,000 kilos of cocaine, 10,000 pounds of marijuana and a lot of arrests, T3s, clone pagers. If anybody remembers what a clone pager is these days. I'm glad we didn't buy stock in clone pagers about five years ago. In Limelight, they did a real good job of taking out all the U.S. cell heads. And what we started seeing is in Limelight, the Amado Carrillo Fuentes organization actually was getting their own distribution network like in regions as far as New York.

New York agents that I knew were always bragging, we have a Colombian. We have a lot more challenge than you in Texas. Because I was in Texas working. And there was always that competition going on. But we started seeing the Mexican drug organizations establishing themselves in regions like New York that we'd never seen before. And they did a real good job of taking them out. If you'll notice in Mernosa,

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

they got a lot of evidence of identifying the key members of Mernosa as Victor, a separate one is Chavez. And then in Mexico City, a guy name Guiro, aka Gil. But they did not fully identify him at that time.

Then we come to impunity. Roughly in about January of '98, Jimmy and I had just got to special operations right before that. And we started seeing some Intel coming out of the Intel community that there was a large organization operating around the Reynosa border. And they were moving. We were reading the numbers. And we were like if this really is kilos of cocaine, this is a significant group. And we really need to get the field engaged and targeted in this group.

In January of '98, we brought a lot of offices in that we were wanting to see if they could start targeting members of this organization. And I'll never forget at that meeting we bought ... for those of you who might remember Barry Abbott was the ASAC in McGowen at the time. And Barry after we briefed him and we pretty much were laying out the scenario that the people in Mexico really felt like they couldn't be touched or indicted by U.S. courts. And

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

Barry slams his ... for those of you who know Barry ... slams his fist on the table and says this group is operating with impunity in my area. And that's how the operation got named at that January of '98 meeting.

During that meeting, we get the field to start targeting the people in their respective areas. And I'll get ... we'll kind of take you through how that works. One of the good things about impunity is that as the guys started getting up on the wires on the field, we find that there's a parallel operation going on in Colombia from our Colombia office, Operation millennium. And the good thing about ... one of the key things about the success of this operation was that they were targeting the source that was primarily given the Amado Carrillo Fuentes organization that we are targeting.

They were giving our group and Mexico the dope. And, of course, the field, we had our Mexico office focusing on the traffickers in Mexico. We had the Bogota office focusing on a target named Bernal Madrigal that Jimmy's going to get into in a little bit. And then we have the field start focusing. So the reason that we were able to make such an

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

impact on this group is pretty much all our foreign offices and our domestic offices were in sync on the investigation.

I kind of mentioned, alluded to, before, I think one thing you'll get out of this presentation is the field, agents in the field, I felt like we were working with the cream of the crop, whatever office we were working with. They did some amazing things using all the tools in the shed that they had available to them. Not only did we use T3s here, but they were doing an outstanding job with manipulating all the available technology to them.

This organization evidently was spending a great deal of money. And they had been versed by the best of people that were telling them how they could communicate, where we could not ... law enforcement could not interdict their loads and intercept their communications. We found that they were using encrypting devices that essentially, I don't know if you remember the old brick Motorola phones. But they were using a type of slice that actually would slide on the back of these Motorola phones. And you can imagine what they were doing is they were ... all the higher echelon members in Mexico were using the encrypted

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

phones. And then they were giving them to their cell heads in the U.S. cities that they were distributing.

And I'll never forget like the agents in Chicago calling and going, hey. We've got a guy with a ... and it would make the phones ... the phones were already bulky, you know, compared to what we're used to these days. But when they put the slices on, not only were they heavier but they were gaudy looking. And I remember the agents in Chicago were intercepting calls with the guys complaining going these phones look a whole lot different. I really don't like them. And the calls that we are intercepting, they would actually have to sync in with the other phone real similar to what we were doing with our Stu phone in the field.

Of course, that gave us another hurdle. Because we had to develop a technology. Now we're getting wiretaps on these things. And we had to develop the technology to or figure out how to intercept those which we were successful in doing. And that's another side note. When this group of really good about talking encrypted and very coded on communications where it was really hard for the agents in

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

the field to figure out what was going on. But when they were using encrypted devices, they were just laying it out. So that was really ... made it a lot easier once we were able to get those calls.

Obviously, everybody didn't have the encrypted devices. But as they started branching out in their distribution networks, they religiously told these people that they wanted them to use prepaid calling cards and use calling cards. And Jimmy will get into that in a minute. Because that was one of the key things that led to this group, the impact that we had against them. And if you can imagine in 1998, this was the first group that I'd encountered where they were buying 15 and 20 phones at a time. Which made the agents in the field, their task, a whole lot worse.

I'll show you a slide here in a minute. They also had an elaborate coding system. And again, I would ask you to realize you're in 2009 now. But in 1998, this group had been well versed on how to conduct their operations. And they assigned numbers to members. That way they'd never say a guy's name on the phone. And they also assigned numbers to locations. So when the agents, if they were

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

intercepting their communications in the field, it was harder for us to figure out.

And lastly, one of the things unique about this organization is when McCallen started getting up on the phones in McCallen, they were intercepting calls. Most of the cocaine was being crossed across the Rio Grande. Jimmy will get into some of the land movement that they had even down in Mexico. But they were crossing them in the Rio Grande. And they were using them, the HF radio, secure HF radio, system that they paid enormous amounts of money. They even were establishing the antenna system all along the border.

This is ... when we started arresting some of the ... when the field was making the arrests of some of the key members, this is ... we found this in several of them. One would be in Chicago. One would be in New York. I know it's hard to see from there. But what they were doing is they were assigning numbers. And these guys were carrying around cheat sheets if you will just so that they could keep up when he says go to code twenty-three. When he goes this one's going to twenty-three, they would have to ...

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

they'd keep their own little reference sheets. But that's an example of what we are finding. And it was the same coding system all over.

Once Impunity started, you can see that ... and we left the ... the Dominican Republic should be here in this slide as well. This is a slide that was taken probably about three [break in tape]. And you can see by then, they already were up on quite a few clone pagers, Title 3's, pin registers. But you can also see that very quickly impunity started. And this was the field was doing a good job of sending us the numbers involved. And we were identifying networks all over the country. I think impunity encompassed before it was all said and done.

And I should mention it wasn't just DEA cases. There were a total of fifty-three cases. FBI, ICE, great collaborative effort between our foreign offices and [break in tape]. So, you know, federal, state and local offices of all the agencies. But you can see that the investigation quickly spread.

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

Mr. JIMMY CRAIG: Mike alluded to some technical challenges. But he forgot the ... if you know Barry Abbott, trying to get Barry Abbott to do a wiretap was a challenge, right Joe? I mean, that was months (inaudible) Barry to do that. Let's talk about some roles. Mike laid the good groundwork. These were the impunity targets. We'll start with Colombian. Alejandra Bernal Madrigal (inaudible) Huminal. That was Operation Millennium. Huminal, Mexico City. When Amado died, Intel at that time told us the Fuentes organization went in three directions. You had Ramon Magonya on the right hand side over here, Maraz and then Garza, Garcia. Gil was a cop in Donna, Texas. He actually got caught in the early '90s driving his patrol car through a checkpoint with fifty pounds of [break in tape]. That got him fired.

All right. Gil moved into Mexico where he eventually [break in tape] and was a close associate with Amado Carrillo Fuentes. So when Amado died, it broke into three factions. And, of course, actually he had been sent to his brother who stayed. These guys moved to Cancun. Most of their operation's down in the Yucatan. In Mexico City, Gil

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

met Huvinal. Huvinal used to [break in tape] the city for about four or five years in the late '80s, early '90s. Huvinal, who was about to be arrested by the Mexicans, moved back to Colombian.

But they had already [break in tape] relationship and had made arrangements to start moving major loads of cocaine. When I say major loads, it was nothing for these guys to move four or five tons at a time. (inaudible) ship operations, go fast vessels, into Cancun, into the Yucatan. From the Yucatan, Victor Ortego, over here ... I wish I had a pointer here ... in the middle. Victor's job was to get it usually by gasoline trucks in the containers, in the 18 wheelers. They would move tons [break in tape] up the highway into Reynosa.

In Reynosa, okay, it was Gil's job and Arandondo's job of [break in tape] who lived in McGowen, Texas. Well, actually right outside of McGowen. It was his job. And that was a job to transport it across, get it across the Mexican/U.S. border. Once in the U.S., Arandondo's organization would then transport and tractor trailer load

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

the produce to the Northeast for the Colombians. Usually paid half the load.

You'll see some [break in tape] where these were significant loads. I'm talking 1,200 keys at a time, 600 keys at a time, major, major loads. Tractor trailer loads of produce. Chavez, if you remember Mike's slide from earlier Limelight, you saw the names Chavez, names Gil. Those are the names that came up in Limelight. Well, there they are. Gil, Cia, Umberto. Marcus Flor is aka Chavez. Victor is Victor Ortego.

So through Impunity, because Limelight helped us identify the command and control numbers in Mexico, we were able to take those command and control numbers and build Impunity on those. Once in the U.S., Arandondo on the right hand side is a picture of a guy named Ignacio Ambrez. Ambrez was Arandondo's right hand man, his lieutenant. It picked up the loads. He's the one that picked up the loads of produce. His job was to [break in tape] the cocaine in the produce. Arandondo, now in prison. Believe it or not, Arandondo actually went to jail one time before we got him. [break in tape] buddy Diaz.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

Diaz is a Dominican who lived in Houston. Arandondo knew the Colombians through Gil. His job was to transport to New York. But the organization [break in tape] Arandondo did not have off New York. It was too risky for him. So he used Diaz and Diaz's Dominican counterparts in New York to help him offload the coke. It was Diaz's role.

You get up in New York, you see Perez Adams. Perez is actually from McGowen. Perez was another lieutenant for Arandondo. When the load went to New York by tractor trailer, Perez would fly to New York. Usually, he'd rent a car. He'd go into a New Jersey hotel. And he would meet with Diaz's people from New York and discuss how they were going to offload the cocaine and [break in tape].

All along the way, orders are given. They might talked [break in tape] phones. They were using encrypted phones. What we [break in tape] we couldn't break that encryption. So we had to think of some other way to do it. So what we did [break in tape] get in the field of target wiretaps on the lieutenants. The guy's right below. Because what happened, what these knuckleheads would do, believe it or

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

not ... they're not that smart. Arandondo would give Perez orders. Perez would get on the phone and talk to some knucklehead below him and [break in tape] exactly what Arandondo had just told him encrypted.

So we had to work down to get through the orders and to infiltrate the organization. Garza Adams was a distributor for Arandondo [break in tape] right above Chicago and Cantania. Aguilera's job was more like a Perez, a lieutenant. To oversee, to protect, Arandondo, protect the organization's investment, the Mexican organization's investment, half that load of cocaine.

In New York, they'd split the load. Half the load would go to Chicago. When it got to Chicago, Cantania, who's a cousin ... a nephew of Gilgard and Garcia. The cocaine would go to Cantania's organization and Chicago would distribute it on their own. That was their payment. That was their coke, their profit.

We also learned, that I'll tell you later, of another distribution organization. Cocaine would flow out to the West Coast to a guy named Jorge ... I forgot his last name.

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

I can't remember, Jorge Rivera. Actually, a Cuban [break in tape] worked out of San Diego and Ensenada, Mexico. But also an associate of Gil. Very similar to Limelight, okay? Going in these directions.

We'll talk about a couple of seniors here. Mike, will start with Chicago.

MR. MIKE McDANIEL: Can you hear me? Chicago, a lucky break. As I told you, we all got together in January of '98 and we were trying to get the field up on phones. We had a fortunate thing happen in Chicago. Two groups in Chicago were out roughly about a month later. And they made two money seizures totaling about \$500,000. They gave the numbers into [break in tape] hitting all over on our Impunity targets. And we started working with Chicago agents.

And in about April, they were able to find the rollover phones (inaudible) two title Purees, the guy that Jimmy just showed you was [break in tape] Cantania, aka Sabrino. And a guy named Desi Cano. And Sabrino was a nephew of Gilberto Salinas. And another interesting thing is

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

Limelight identified Sabrino in Chicago. They didn't get him fully identified. Still had some of the Limelight ties coming over.

I'd love to have been an agent in Chicago on May 26th. Because intercept wire communications over the T3 that [break in tape] is going to be transferring 100 keys and that there's a new tractor trailer that [break in tape] from the Valley ready to be offloaded. Agents do a heck of a job [break in tape] they see basically some of the lower members of [break in tape] will go and take a van. And they wall off the stop. And lo and behold, there's 220 kilos in the cargo van.

They go back [break in tape] not knowing how Jessie Cantania and Desi Cano are going to react to this 220 keys. They're watching a house that Jessie Cantania is at most of the time. He comes out looking like he's leaving [break in tape]and he's got a large duffle bag. And he's got some books under his arm. They stop ... he roughly he's got \$400,000 in currency in the duffle bag. And he's got some drug ledgers in a minute that you'll see that would make Al

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

Capone jealous. Some of the best drug ledgers I've seen in my law enforcement career.

At that point, they go back in the house that Jessie is. And there's \$6 million in the house. So roughly [break in tape] and then through good investigation, they find the eighteen wheeler in close proximity [break in tape] another additional 1,276 kilos sitting in an eighteen wheeler load of produce. A funny thing about the produce that I felt earlier is that this group was spending all this money on their communications. They were using the same cover load of produce over and over and over. And they weren't even running the reefer units on these things. So they were hauling produce all the way up to New York, Chicago. And they were hauling the same cover load because they were too cheap to go buy a cover load. So you can imagine the, some of the [break in tape] see some of these eighteen wheelers, the nasty things that they were having to fish out of there.

But Chicago [break in tape] today, they had seized 1,576 kilos of coke, six point [break in tape] and arrested nine subjects that day. And that was real important. Because

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

they actually got direct evidence for like San Diego and McGowen to initiate T3s.

This is one of the drug ledgers that was seized out of Jessie Cantania when he was coming out of the house. If you remember, this was May of '98. Those drug ledgers covered the period of January through May of '98. Drug ledgers, document [break in tape] clearly. And you can see examples of one of the drug ledgers that this organization in Chicago alone had received 13,400 [break in tape] kilos of coke. And they sent back to Mexico \$51,359,000 back into Mexico. So that's just Chicago alone for this organization.

MR. JIMMY CRAIG: [break in tape] occurred outside of Philadelphia. You see a tractor trailer. Mike alluded to the reefer unit [break in tape] six. What had happened, let me go back a slide here if it lets me. We intercepted a call from Aguilera up to Chicago and Arandondo. We believe at the time Aguilera was actually [break in tape]. And the call went something to this effect. Arandondo asks Umberto is he there? Yeah, he's here. He's at a Motel 6 outside of Philadelphia. Yeah.

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

So we knew we had at tractor trailer load of coke somewhere outside of Philadelphia in a Motel 6. Mike had talked about them using calling cards. We had identified numerous Sam Club accounts that these guys utilized where they would buy ... they were stuck being creatures of habit. And the agents. These guys always went to Sam's Club. And the thing about Sam's Club, these guys will lie to you and I. They'll lie to cops and agents all [break in tape]. But they will not lie to Mr. Sam. All right? These knuckleheads used their real names, addresses and information on the accounts. Their weakness was their communication. They would buy [break in tape] prepaid calling cards thinking that they could hide from U.S. [break in tape].

Now, what happens when you buy a calling card at Sam's Club? I mean, if I broke into a Sam's Club today and stole every card in there, would it work? No. Why? You have to activate it with your what? Your Sam's Club card. All right? That's how we identify the accounts. So through admin subpoenas, Mr. Wallace, okay? I've got a lot of lawyers in the room. I've got my old boss in the room too.

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

Little did he know we were actually doing admin subpoenas out of SOD. I'm retired now. I can say that. He can't get me now. I noticed some old OPR guys in the back, man. Sorry.

We did use some admin subpoenas out of SOD. Because we wanted to work [break in tape] wanted to help the field as quickly as we could. We were able to identify Sam Club cards. We'd go to Sam Club with admin subpoenas. And we'd say, okay. In the last week or two or ten days, how many of these accounts bought calling cards? We would take the calling cards. Because when you swipe the card to activate it, there is a card number. It's about a fifteen digit number on the card. Because I have to [break in tape] number right on the back of the card. But that card number matches the [break in tape].

And back then, it was MCI in Jackson, Mississippi that supported those. We got to be very friendly with MCI in Jackson, Mississippi. Take the card numbers, subpoena MCI in Jackson, Mississippi with a card number and a pin number. And we were able to pull up calling card records. Identified numerous cards out there. And we would track

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

those cards. And that's what we did here. He said there's a truck driver outside of Philly at a Motel 6. There's a calling card record. Going through the records.

All right. And you see down here at the bottom 610, area code 610-265-7200. That's Motel 6 at 815 West DeKalb Pike, King of Prussia, Pennsylvania. Kind of Prussia, Pennsylvania is outside of Philadelphia. That's when he called the agents in Philly, New York and Newark. They respond. And that's where you saw that tractor trailer, that reefer unit. When they got there, the reefer unit was running. But like Mike said, these guys use the same cover load and they love cilantro. And if you've ever smelled rotting cilantro, just fresh Cilantro and be bad. All right?

A tractor trailer load of rotting cilantro when the local police get there ... because the local police ... there's a phone call that goes in, reefer unit. All right. Suspicious, making a lot of noise. Local police arrive. State police arrive. They see this rotting liquid, smelly liquid, coming out of the back of this running reefer unit. They find the driver. And it doesn't take long for the

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

driver to puke all over himself. And he tells them there's a bunch of cocaine in the truck. And there it was 555 kilos in rotting cilantro.

What got us there was calling cards. What was good about the wiretaps is these chuckleheads would actually talk to each other about the seizures. I'll give you an example of that. September 4th, 1,200 kilos of rotting watermelons. This is Group T21 out of New York, Jerry McCardle et al. They did a fantastic job with this case. And I'll walk you through how this happened.

All right. Early on, probably about ... that was September. So I want to say around May of '98, SOD passed a lead to [break in tape] passed a pager number, a New York pager number, to 221 in New York. Jerry McCardle's group takes that pager number, dumps the page, i.e., looking for cell phones calling that pager. They also do something else. They trap the pager. By trapping the pager, they were able to identify an apartment in Washington Heights. So now they have a place to start surveilling.

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

Through that surveillance, weeks of surveillance, they identify two Dominican males. They actually followed these two Dominican males from Washington Heights to a hotel in New Jersey. At that time, they actually see these guys meeting with Perez. Perez up there on the right hand side [break in tape] who's Arandondo's lieutenant.

Now, New York knows at this time that the organization uses Dominicans to offload cocaine in New York. It's a Mexican organization. So now they've got them together. Pieces of the puzzle are starting to come together. They sit on him for two [break in tape] nothing happens. A bunch of meetings. It doesn't go anywhere. Perez checks out of the hotel, drives down to Philadelphia International Airport, boards a flight to McGowen, Texas.

They go back. They search the hotel Perez checked out of. And in the trash was a calling card. Sam's Club, okay? He just left it behind. So we had the pin number. We everything we needed. The subpoena, Mr. Wallace, okay? Records off that calling card indicate there was somebody using that card, i.e., Perez, all right? Made a bunch of

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

phone calls from the Ramada Inn at the Philadelphia International Airport.

So agents go to the Ramada Inn. There's a bank of pay phones inside the Ramada. So what's the next logical step? Asked did Perez [break in tape] admin subpoena. Perez stayed there. We found his Visa card. Well, we're starting to get lucky. But we ran into a little wall here. That Visa card was a British bank. So getting traction on that Visa card ... and we didn't really want financial records. We just wanted to know where it was used and when it's going to be used again. Because Perez was using that to travel. So if we could (inaudible) that Visa card, we would know where Perez is, what hotel. We put surveillance on Perez [break in tape].

We had to work through DEA London. Long story short, we found a U.S. representative of the bank who agreed to work with us on it. Lo and behold in September, okay, they call and say, hey. By the way, Perez just checked into the Holiday Inn by the old Veterans Stadium now in Philadelphia. So Team 21 in New York, agents from New York, agents from Philly, hustle over to the Holiday Inn

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

There they see Perez, his rental car. They see Perez hook up with another Hispanic male later in the day. They drive over the bridge to the Jersey Turnpike. And they see them get into a tractor trailer, pull out a duffle bag, go back to the hotel. Now they've got surveillance on the tractor trailer and the duffle bag.

A couple of days later, the same two Dominican males we identified through the pager in New York [break in tape] Perez. They drive over to the tractor trailer. The two Dominican males get in the tractor trailer and driving up the Jersey Turnpike. Perez goes back to the hotel [break in tape] checks out, heads to the airport. Agents then, New Jersey State Trooper, a very alert Trooper, pulled over that tractor trailer. It didn't take him long. Manifest was wrong. Rotting watermelons, all right? And 1,200 keys of cocaine.

Back up a minute. Perez didn't leave. I take that back. Perez was still in the hotel. That morning, a 1,200 kilo seizure in New Jersey made the headlines. It made the Star ledger headline, okay? Knucklehead Perez is in the hotel.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

He uses his calling card. But he's in the clear. He calls Arandondo who's on a wire, okay? We've got him wired up. And he starts reading Arandondo verbatim the [break in tape] on the 1,200 kilo seizure. That's great evidence, right? Even the Southern District of Texas will prosecute that case, okay? [break in tape] a lot.

So that was the 1,200 kilos. There's another 1,200 kilos. This time in a cargo van. January 25th, '99. Now, you've got to remember ... how many total seizures were there?

MALE SPEAKER: Forty-four.

MR. JIMMY CRAIG: Forty-four seizures, drug seizures, in the case. We're just highlighting a few of the big ones. Again in New York, [break in tape] in New Jersey, there's a cargo van, 1,200 kilos. Here's how this one went down. After Perez loses that 1,200 kilos, Perez disappears for awhile. We thought he might be gone for good. We had no indication [break in tape] disappeared. We didn't see him on surveillance in McGowan. He didn't come across any of the wires, nothing on the pins. Went into Mexico. We actually thought he might have been in a tar barrel somewhere. But he shows up again. I'll tell you where he shows up.

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

So now Arandondo is a little [break in tape] for losing the 1,200 kilos because that's his responsibility. Now he owes the Colombians. He didn't like that. So he sends Aguilera from Chicago, his buddy Umberto. Umberto goes to Philly ... I mean, to New York. We intercept the phone call in McGowen. Umberto calling Arandondo. He says I need a card. That's it.

All right. A little later, we see a call going out from Arandondo to a pager. And it puts in the pager a [break in tape] I think it was 512 for whatever reason. But it was like an area code from northern Minnesota. And at this point in this case, we have not seen Minnesota [break in tape]. So I remember Mike and I that day, we spent all day trying to figure out how this number ... what's Minnesota got to do with this? Well, Mike went back, called McGowen. Went back through the line sheets with the agents in McGowen over the phone, looking at the line sheets. It was that call.

If you look at the call where Umberto called Arandondo and said go get me a calling card, about two hours later, if I

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

remember right, Arandondo calls a pager, puts in ten digits. Well, guess what that ten digits was? It wasn't a phone number. What would it be? It was the pin number off the calling card that he bought at Sam's Club.

Arandondo went there, bought a calling card, scratched it off, called Umberto to his pager and put in his pager the pin number on that calling card. Because that's all Umberto needed. They used these calling cards so much, they had the 800 number memorized. Umberto didn't need to know the access number. He had it up here. He needed that pin number.

So Mike figured that out. Now it's about 8:00 o'clock at night. So we know there's a lead. Umberto's in New York calling for a card. Mike gets on the phone with MCI [break in tape] on the phone at MCI at 8:00 o'clock at night in Jackson, Mississippi. And via an admin subpoena, Mr. Wallace. The guy on the phone that answered the phone, talk about luck, is an off duty DEA taskforce officer from [break in tape] Mississippi who works part-time at MCI in security. They don't pay their cops a lot in Jackson, Mississippi, unfortunately. Thank God for us.

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

We told him what was going on, via an admin subpoena, Mr. Wallace. He gave us the records off that pin number on that calling card that we just figured out that Umberto had. Umberto was at a pay phone. Because the thing about a calling card, it tracks the originating number. When you use a calling card, it tracks the number you're dialing from. That's the beauty about these records.

So we were able to find that Umberto was in a warehouse at a pay phone in Newark, New Jersey. So we called T21. We called New York. Ready to go out on surveillance the next morning, they see a tractor trailer backing up, off loading watermelons and cantaloupes. But [break in tape] pallets went in this cargo van. Everything else went in the warehouse.

So they follow the cargo van, pull it over, Jersey turnpike [break in tape]. All right? And again, more conversations on the phone on the wires. So it was a combination of using the cards, the phones and every investigative technique we could find legally to get to these seizures. There's some of the accounts. There's Umberto. And it's

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

in his name. Again, he didn't lie to Sam's. Now, Arandondo was a little smarter. He actually used his wife's hair care salon as the account name.

Rafael Guzman, these are guys in Chicago. These were like there's Moses Delgado, Rudolpho. These were guys, little distributors in Chicago. There's Alejandro Perez. Lost 1,200 kilos. Remember he disappeared for awhile? Perez pops up I want to say October, November. A couple of months after he lost 1,200 kilos, he pops back up. Here's how we found him. We're monitoring these accounts with Sam's Club. Looking for calling cards. Sam's Club is a wonderful phone call says, hey. Perez just used his card. And its' at the Sam's Club in Northern Indiana outside of Chicago.

Well, what did he buy? He bought some hamburgers [break in tape] sixteen rolls of cellophane wrapping paper. Ever been to Sam's Club, seen their cellophane wrapping paper, how big it is? Huge, right? You can't put it in a drawer at home. He bought sixteen of them. And he bought a calling card. His fatal mistake. We were able to dump the card, found what hotel he was in Northern Indiana. Agents

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

from Chicago respond, put surveillance. A couple of days later, [break in tape] Perez and others to a grocery store, a little mom and pop grocery outside of Chicago where they see him loading pallets of crushed cardboard boxes. And they stuffed this tractor trailer full of these pallets.

It gets on the highway. Illinois State Trooper. \$3.2 million in cash in the front of the trailer and cutouts of the cardboard in duffle bags wrapped in cellophane wrapping. The agents were very good, different techniques to make this whole case come together. You're on, right?

MR. MIKE McDANIEL: We talked about the thing that made this case the most successful was the cooperative efforts, not only in the U.S. among agents, but also with our foreign offices and foreign counterparts. In Mexico City, I'll never forget Joe Erbud and Greg Lenz who were down there at the time. They actually were getting the first judicial legalized T3 intercepts on these targets in Mexico City and Reynosa. And that was monumental in my book that they could even ... they were actually going to a Mexico judge and getting everything signed.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

They also in January [break in tape] Alberto Celine Astoria, the Fed units actually got out and had him arrested. And that opened things wide open for us as well. Because he immediately cooperated. We had all this evidence being gathered from the field. And he even indicated [break in tape] of Contonru over in the Cancun area as being a corrupt official. And many of you may remember he actually slipped out right before they arrested him on a private jet and went to Cuba. And I think that's the last we've heard of him.

MR. JIMMY CRAIG: Yeah.

MR. MIKE McDANIEL: But as a result of everything they did in Mexico and the Dominican Republic was equally as supportive. And, of course, the Colombia office was supportive as well. Thirty-two houses, eleven businesses, four hotels, nineteen vehicles and a bunch of yachts, smaller boats, jet skis, you name it. But they seized roughly about \$250 million in assets in Mexico for [break in tape]

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

You can see that the investigation really knocked off this organization. We had a total of forty-four seizures, over eighteen million in U.S. [break in tape] over 12,000 kilos of coke, 6,100 [break in tape] marijuana and 120 arrests.

MR. JIMMY CRAIG: [break in tape] what happened to the players here. Carlos Adamido, I didn't talk about him earlier. I apologize. He was Bernal Madrigal's, the Colombian's guy. So all the money would come out of New York, northeast, go to Carlos [break in tape] was to get it back into Colombia. Bernal Madrigal's arrested by the Colombians, extradited to the United States. He did cooperate against two major cartel members in Miami.

Bigania in custody. Miraz, I'm not sure. Gil is in custody. I actually got to see Gil. He was arrested by the Mexicans. I was a SAC at Houston when it was 2006. The new administration extradited fifteen, including [break in tape] Gian. And we were able to take OCI [break in tape] in Houston into custody. And about two [break in tape] Gil comes in. So I actually got to put my hands on him and talk. But he's in custody in New York. He was going to trial [break in tape]. I don't know what that

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

current status is on Gil. Diaz is in custody. Arandondo's actually been in custody and been [break in tape].

By their own admissions, between Arandondo and Gil, they admitted ... this is what they admitted to ... 350 tons of cocaine. They said they were responsible for [break in tape] three years. We think it was a lot more than that. But again, that was just [break in tape]. Agnosio's in jail. Jorge's still in jail. Last we hear, [break in tape] Intel reported he was dead. Victor was dead. He was killed [break in tape]. Adams was killed. Perez is still in custody. Aguilera's still in custody.

So at the end, they all did their jobs. The DEA Agency, FBI, ICE, everybody involved in it did great investigation. That's all I had. You had something else? Show them, Joe. It's going to go by itself. [VIDEO]

The search warrant that Arandondo's residence is in [break in tape]

VIDEO: It was a coordinated effort utilizing the best talents of many agencies.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

We effectively dismantled this organization top to bottom from their headquarters in Mexico to the U.S. soil.

We did our best to overcome.

MR. JIMMY CRAIG: That's Arandondo's residence.

VIDEO: We used wiretaps and surveillance techniques. We [break in tape] clone pagers. All of the technical equipment that law enforcement has today [break in tape] in this case.

We had an outstanding contribution to this investigation by our counterparts [break in tape] public. They really did a fantastic job [break in tape] in this case.

You go from the command control [break in tape] right into McGowen. The head of the organization was a [break in tape] to facilitate (inaudible) to load it in the tractor trailers, cover loads of produce, recruit drivers and get the shipments to Chicago and [break in tape]. In return, the tractor trailers would come back from these areas with money, millions of dollars at a time. His organization [break in tape] over. Then he snuck back across the border, back to Victor Ortego, back to Celinas Gorla, back to the Amado Carrillo Fuentes organization.

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

It was thirty-nine seizures, \$19 million and 12.4 tons of coke. You can see the majority of the seizures were in the [break in tape] Chicago and again the McGowen area.

It's just an [break in tape] special operations division of DEA and Customs working together can do.

None of the three have enough resources to work these type of cases over this period of time without the assistance of state and local [break in tape]

An example of creative law enforcement overcoming creative criminals.

The operation was undertaken to prove [break in tape] in Mexico, the United States and other countries cannot operate with impunity.

This is a wonderful [break in tape] of the success we can achieve when we work together [break in tape] government towards a common goal. It is a shining example of law enforcement.

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

MR. JIMMY CRAIG: Just the last thing. In [break in tape] they didn't show it on there. There was a life [break in tape] poster of Al Pacino in Scarface right at his bedroom. You can see what he thought of himself. And by the way, he had a [break in tape] car garage, detached garage, on that property of his. So it was a good seizure for McGowen.

MR. SEAN FERNS: You guys can't sit down yet.

MR. JIMMY CRAIG: Oh, we're not?

MR. SEAN FERNS: We've got some questions from the audience.

MR. JIMMY CRAIG: Nothing, Mr. Keith? I've got one for you.  
How come you're rolling your eyes behind Richie?

MALE SPEAKER: You all mentioned, both in your remarks and on the video, cooperation with the Dominican Republic. Can you talk about the cooperative efforts, both their government and their law enforcement entities?

MR. MIKE McDANIEL: Yes, we had outstanding cooperation with them. They obviously ... we had just [break in tape] unit. I don't know whether you want to talk to this. But outstanding cooperation all the way from the Title 3s to the arrests and the roundups and the seizures. They took it [break in tape] helped us in the success of this operation. Because they took it to the traffickers right

**LECTURE SERIES OPERATION IMPUNITY**  
**MIKE McDANIEL & JIMMY CRAIG**  
**MAY 21, 2009**

in their backyard where they thought they were safest. And with the [break in tape] that they had, they really felt like they could operate with impunity.

MR. JIMMY CRAIG: They actually did, the Mexicans actually did, I think three or four judicial intercepts on targets. I know they had one upon Gil. They were looking at the governor. I think they had a wire up on that. So we were able to get some information out of them as well. So that's about the time, if I'm correct, bilateral task forces, Richie, that was about the time we [break in tape] and rolled them into the vetted units. So it was a [break in tape] experience for them and us working with the task forces [break in tape]. But it worked out great.

MALE SPEAKER: What is the lesson for today? We've seen Operation Accelerator, the blossoming of these networks. And we've also seen increased cooperating with our Mexican counterparts. Do you see this as being the beginning of that or a turning point in the relationship? Do you see [break in tape] for us today as we continue to pursue [break in tape] organizations in Mexico?

MR. JIMMY CRAIG: I think the cooperation we're getting from the Mexican government right now has been truly understanding. It's unprecedented. I mean, the fact that [break in tape]

**LECTURE SERIES OPERATION IMPUNITY  
MIKE McDANIEL & JIMMY CRAIG  
MAY 21, 2009**

extradited, one of the first things the administration did was extradite some major [break in tape] United States. Guys we've been after for a long time [break in tape] very violent AFO guy [break in tape] was Eduardo [break in tape] I mean, the likes of Gilberto Salinas. These are major traffickers. OCL Cardos Giam. We see the battle they currently have and what [break in tape] throwing all the resources at it. I think this administration's very serious, very focused on corruption. And I think this was one of the beginning stages of success in the Limelight, in the impunities and joint operations. And I think the U.S. [break in tape] with the current Mexican administration. [break in tape] answer to that? You got any more comments on it? You're active. I'm retired.

MR. MIKE McDANIEL: I know.

MR. SEAN FERNS: Okay. Gentlemen, thank you very much. Appreciate it. [applause]

**(END OF TRANSCRIPT)**