

Date 11/8/82

**FM** SAN FRANCISCO (183B-1038) (P) (SQUAD 7)

**TO** DIRECTOR (PRIORITY)

**BT**

**UNCLAS**

**ATTENTION** SUPERVISOR FRANK QUIJADA

JULIO ZAVALA, ET AL, RICO-NARCOTICS, OO: SAN FRANCISCO.

**RE** SAN FRANCISCO TELETYPE TO THE BUREAU DATED OCTOBER 29, 1982 AND NOVEMBER 3, 1982.

AN ANALYZATION OF INVESTIGATION TO DATE CONDUCTED BY THE SAN FRANCISCO OFFICE IN THIS LETTER REVEALS THE FOLLOWING AS PERTAINS TO JULIO ZAVALA. A COURT ORDER TITLE III INTERCEPT ESTABLISHED ON AUGUST 27, 1982, IN CONJUNCTION WITH SURVEILLANCE ACTIVITY AND INFORMANT INFORMATION, HAS ESTABLISHED THAT ZAVALA IS DISTRIBUTING COCAINE THROUGH THE FOLLOWING INDIVIDUALS: TOM BENSON, CHARLENE RIZZO, ERNESTO CABALLERO, MARIO LEON, CHARLES WILDER, JORGE PORTUGAL, MARIO MORALES, ROGER GARCIA, ALVIN LOVELL AND ABEL ABDALAH. ZAVALA'S SOURCES OF SUPPLY OF THIS COCAINE ARE: TROILO SANCHEZ, FERNANDO SANCHEZ AND HORCAIO PEREIRA. ALL 3 ARE OPERATIONG OUT OF COSTA RICA.

[information blacked out . . .] OTHER SOURCES OF SUPPLY FOR ZAVALA HAVE BEEN DETERMINED TO BE HUBERTO ORTIZ, AND FERNANDO ORTIZ FROM CALI, COLOMBIA, YVETTE BRAVO FROM PERU, JOSE VICENTE SUAREZ AND MARIA MERCEDES, BOTH OF LOS ANGELES, AND ALVARO CARVAJAL MINOTA IN SAN FRANCISCO. IT HAS BEEN ESTABLISHED THAT IN FACT ZAVALA IS WORKING IN THE SAN FRANCISCO AREA UNDER THE DIRECTION OF ALVARO CARVAJAL MINOTA.

AUSA JAMES LASSART, THE SUPERVISING AUSA IN THIS MAILER, HAS INDICATED, BASED ON THE ABOVE, HE CONSIDERS ZAVALA TO BE PROSECUTABLE UNDER THE PROVISIONS UNDER THE CONTINUING CRIMINAL ENTERPRISE STATUTE INVOLVING THE DISIRIBUTION OF COCAINE, AND THE NAMES LISTED AS BEING DISIRIBUTERS TO BE INDICTED UNDER THE CONSPIRACY PROVISION OF THE THIS PROSECUTION, FOR A POSSIBLE TWELVE INDICTMENTS STEMMING FROM THAT ASPECT OF THE INVESTIGATION.

A TITLE III INTERCEPT ESTABLISHED CONCURRENTLY ON THE TELEPHONE OF CARLOS CABEZAS AND CONTINUED THROUGH NOVEMBER 7, 1982, COUPLED WITH SURVEILLANCE COVERAGE AND INFORMANT INFORMATION, HAS PROVIDED EVIDENCE TO THE EFFECT THAT CABEZAS IS DISTRIBUTING COCAINE THROUCI] HIS WIFE ANGELA CABEZAS, TOM BENSON, CHARLENE AND ROBERT RIZZO, JORGE PORTUGAL, DOUGLAS COLEMAN, ERNESTO CABALLERO, ABEL ABDALAH, SILVIO SILVA, GARY L. MORRIS, GARY LNU, JUAN LNU, FRANCISCO LNU, MARIA MUNETON, ROSA GALLARDO, MARIO MORALES, NORA POESSY, AND BETTY LNU. CABEZAS' SOURCES OF SUPPLY FOR COCAINE HAVE BEEN ESTABLISHED AS TROILO SANCHEZ, FERNANDO SANCHEZ, HORACIO PEREIRA OF COSTA RICA, HUMBERTO AND FERNANDO ORTIZ OF COLOMBIA, SEBASTIAN PINEL OF LOS ANGELES, AND ALVARO CARVAJAL MINOTTA OF SAN FRANCISCO IT HAS BEEN DETERMINED THAT ALVARO CARVAJAL MINOTTA IN EFFECT CONTROLS CABEZAS' OPERATION AS HE DOES THAT OF JULIO ZAVALA. AUSA

LASSART INDICATED THAT HE CONSIDERED CARLOS CABEZAS TO BE THE SUBJECT OF PROSECUTION UNDER THE PROVISIONS OF THE CONTINUING CRIMINAL ENTERPRISE STATUTE FOR THE DISTRIBUTION OF COCAINE WITH THE INDIVIDUALS NOTED ABOVE BEING INDICTABLE AS CO-CONSPIRATORS IN THIS ENTERPRISE FOR AN ADDITIONAL TWELVE INDICTMENTS IN THIS MATTER.

ALVARO CARVAJAL MINOTA [information blacked out . . .] [. . . information blacked out . . .] [information blacked out . . .] BASED ON THE ABOVE, AUSA LASSART CONSIDERED ALVARO CARVAJAL MINOTA TO BE THE SUBJECT OF A CONTINUING CRIMINAL ENTERPRISE PROSECUTION WITH HIS ABOVE MENTIONED DISTRIBUTION NETWORK, ALL BEING INDICTABLE AS CONSPIRATORS IN THIS ENTERPRISE FOR AN ADDITIONAL SEVENTEEN INDICTMENTS.

IT IS THE OPINION OF AUSA LASSART, THAT AT THIS POINT IN THE INVESTIGATION, PROSECUTABLE CASES ARE IN THE PROCESS OF BEING ESTABLISHED AGAINST THE MAJOR SOURCES OF SUPPLY FROM CENTRAL AND SOUTH AMERICA. [. . . information blacked out . . .] IT IS FELT THAT CONTINUED INVESTIGATION AT THIS TIME WOULD PROVE FRUITFUL IN PROVIDING ENOUGH EVIDENCE TO SUSTAIN INDICTMENTS AGAINST A NUMBER OF THE TOP PEOPLE IN THESE ORGANIZATIONS WHICH WOULD GO FAR TOWARDS NEUTRALIZING THEIR OVERALL OPERATION. THE MOMENTUM OF THE CURRENT INVESTIGATION IS PROVIDING A SUBSTANTIAL INSIGHT INTO THE OVERALL OPERATION OF BOTH OF THESE ORGANIZATIONS AND IT IS FELT THAT IT SHOULD BE SUSTAINED FOR THIS REASON. ADDITIONALLY IT IS ANTICIPATED THAT CONTINUED EFFORT ON THE TITLE III PORTION OF THIS INVESTIGATION WILL RESULT IN THE OPPORTUNITY TO SEIZE A SUBSTANTIAL AMOUNT OF COCAINE AS IT ENTERS THE UNITED STATES WHICH WILL AID MATERIALLY IN THE ACTUAL PROSECUTION IN THIS MATTER BEFORE A JURY. FOLLOWING AUSA LASSART'S PROSECUTIVE LOGIC REGARDING THE SUPPLIERS, AN ADDITIONAL TEN INDICTMENTS COULD BE FORTHCOMING.

DURING THE COURSE OF THIS INVESTIGATION IT HAS BEEN DETERMINED THAT THE SAN FRANCISCO OPERATION HAS BEEN DISTRIBUTING COCAINE CONTINUALLY ON A DAILY BASIS WHICH THEY HAVE BEEN IMPORTING IN QUANTITIES RANGING FROM POUNDS TO MULTI KILOS THROUGH VARIOUS MODES INCLUDING BODY CARRIES, ESTIMATED TO BE SEVERAL KILOS AT A TIME TO THE LATEST SEVEN KILO DELIVERY FROM A SHIP EMANATING OUT OF COLOMBIA. IT HAS ALSO BEEN ESTABLISHED THAT THE SAN FRANCISCO ORGANIZATIONS BOTH UNDER ZAVALA, CABEZAS AND CARVAJAL MINOTA, RARELY KEEP LARGE QUANTITIES OF COCAINE FOR A LONG PERIOD OF TIME, RATHER THEY ARE CONSTANTLY DISTRIBUTING THIS MATERIAL, AND ONLY HOLD WHAT IS NECESSARY TO MEET THEIR IMMEDIATE NEEDS. IT SHOULD BE NOTED THAT THE SOUTH AMERICA AND CENTRAL AMERICA SUPPLIERS TO THESE INDIVIDUALS HAVE BEEN DOCUMENTED TO BE CAPABLE OF DELIVERING MULTI KILO QUANTITIES OF COCAINE ON A REGULAR BASIS AND IT IS ANTICIPATED THAT THEY WILL DO THIS IN THE FUTURE THROUGH THIS SAN FRANCISCO ORGANIZATION. A RECENT INTERCEPT ON CARVAJAL MINOTA'S TELEPHONE INDICATED THAT IF THE SEVEN KILO DEAL THROUGH SEATTLE WENT WELL, THAT IT WOULD BE THE PRECURSOR FOR LARGER AND MORE FREQUENT DELIVERIES THROUGH THE SAME ROUTE. CURRENTLY, CARVAJAL MINOTA IS IN NEW YORK CITY, AND INDICATIONS FROM THE TITLE III INTERCEPT INDICATE THAT HE IS NEGOTIATING COCAINE TRANSACTIONS THERE. IT IS ANTICIPATED THAT HE WILL RETURN THE NIGHT OF NOVEMBER 8, 1982.

IN ADDITION TO THE ABOVE MENTIONED MAJOR SUPPLIERS OF COCAINE, IT WAS ESTABLISHED THROUGH TITLE III INTERCEPTS ON JULIO ZAVALA'S LINE AND INFORMANT INFORMATION DATING BACK TO SEPTEMBER OF 1982, THAT A MAJOR SOUTH AMERICAN SOURCE OF COCAINE HAD FURNISHED ZAVALA WITH SOME NARCOTICS AT THAT POINT. THIS ORGANIZATION WAS DETERMINED TO BE THE AMADEO RIACOS ORGANIZATION OPERATING OUT OF COLOMBIA, SOUTH AMERICA THROUGH MARIN COUNTY, CALIFORNIA. THIS ORGANIZATION IS WELL KNOWN TO DEA WHO CHARACTERIZED IT AS A LONG STANDING

ONGOING MAJOR COCAINE IMPORTATION NETWORK. RIACOS, [. . . information blacked out . . .] HIS REPRESENTATIVE LOCALLY, MARIA FABIOLA, INDICATED TO THE ZAVALA GROUP THAT SHE COULD FURNISH UP TO EIGHTY KILOS A MONTH FOR THEIR UTILIZATION. AT THAT TIME, DUE TO MANPOWER CONSTRAINTS AND TACTICAL CONSIDERATIONS, AS FAR AS PROSECUTION WAS CONCERNED, IT WAS DETERMINED TO FOCUS INVESTIGATIVE ATTENTION ON ALVARO CARVAJAL MINOTA AS A SOURCE OF SUPPLY FOR BOTH ZAVALA AND CABEZAS AND NO ADDITIONAL INVESTIGATION HAS BEEN CONDUCTED REGARDING THE RIACOS ORGANIZATION. IN ADDITION, DISCUSSIONS WITH AUSA HAVE DETERMINED THAT TITLE III COVERAGE OF THIS BRANCH OF THE NARCOTICS NETWORK, (MARIA FABIOLA) COULD BE SOUGHT BY A LIMITED INVESTIGATION DESIGNED TO UPDATE ABOVE INTERCEPTS FROM THE ZAVALA WIRE. THIS OBJECTIVE IS BEING SET PRESENTLY BY THE SAN FRANCISCO DIVISION. IT IS FELT THAT IF THE CURRENT CAPTIONED INVESTIGATION IS TERMINATED, REVEALING BOTH THE TITLE III COVERAGE ON OUR SUBJECTS AND THE INFORMANT COVERAGE, THERE WILL BE NO AVENUE AVAILABLE TO ESTABLISH PROBABLE CAUSE FOR ANTICIPATED TITLE III COVERAGE OF THE RIACOS ORGANIZATION.

IT IS FELT THAT AT THIS POINT SEVERAL MAJOR SUPPLY SOURCES OF COCAINE FROM SOUTH AND CENTRAL AMERICA HAVE BEEN REVEALED THROUGH THE TITLE III INTERCEPTS ON THE LINES UTILIZED BY CARVAJAL MINOTA AND CABEZAS. WHILE CARVAJAL MINOTA DIRECTS THE OPERATION MUCH OF THE SCOPE AND NATURE OF HIS OPERATION IS DIVULGED THROUGH CONVERSATIONS MONITORED ON CABEZAS' LINE. CARVAJAL MINOTA HAS ACCESS TO A NUMBER OF PHONES AND ONLY A PORTION OF HIS BUSINESS IS CONDUCTED OVER THE MONITORED LINE. CARVAJAL MINOTA IS VERY CIRCUMSPECT IN HIS CONVERSATIONS WHILE CABEZAS SPEAKS MORE OPENLY GIVING A MORE COMPLETE PICTURE OF THE ENTIRE SITUATION. THEREFORE CONTINUED COVERAGE OF CABEZAS' LINE IS INDISPENSABLE TO THE EFFORT BEING MADE TO DEVELOPE PROSECUTABLE CASES ON CARVAJAL MINOTA'S SOURCES OF SUPPLY.

THE SAN FRANCISCO DIVISION IS CURRENTLY OPERATING A TITLE III COVERAGE OF THE TELEPHONE UTILIZED BY ALVARO CARVAJAL MINOTA, UNDER COURT ORDER NDC #88, WHICH IS IN EFFECT THROUGH NOVEMBER 29, 1982, THE TITLE III COVERAGE, THE TELEPHONE USED BY CARLOS CABEZAS UNDER NDC #87, TERMINATED ON NOVEMBER 7, 1982, HOWEVER, APPROVAL FOR CONTINUATION ON THIS LINE IS BEING PURSUED AT DOJ AND IT IS ANTICIPATED THAT AN ORDER AUTHORIZING AN EXTENSION OF THE INTERCEPT WILL BE IN EFFECT BY THE WEEK ENDING NOVEMBER 13, 1982. IT HAS BEEN DETERMINED, IN ORDER TO MONITOR THESE TWO LINES, TWELVE SPANISH SPEAKING SPECIAL AGENTS ARE REQUIRED. CURRENTLY, SAN FRANCISCO DIVISION HAS FOUR AGENTS FROM THAT DIVISION AVAILABLE FOR THIS ASSIGNMENT. ADDITIONALLY SPECIAL AGENT GARY GOMEZ OF THE DENVER DIVISION AND DEA AGENT [information blacked out] OF THE NEWARK DEA OFFICE ARE TEMPORRILY ASSIGNED TO SAN FRANCISCO THROUGH NOVEMBER 29, 1982. FOR THE MONITORING OF THESE LINES. THIS GIVES SAN FRANCISCO SIX MONITORS CURRENTLY ON HAND. THE BUREAU IS REQUESTED TO DETAIL SIX ADDITIONAL SPANISH SPEAKING AGENTS FROM OTHER DIVISIONS TO SAN FRANCISCO TO ASSIST IN THE MONITORING OF THESE LINES. THESE AGENTS SHOULD ARRIVE IN SAN FRANCISCO NO LATER THAN NOVEMBER 12, 1982.