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CLERK U S DISTRICT COURT	
DISTRICT : ARIZONA	
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**REDACTED FOR
PUBLIC DISCLOSURE**

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

United States of America,

Plaintiff,

v.

1. Arturo Trujillo-Reyes, Jr.,
(Counts 1, 2, 5, 6, 7, 8 and 9)
2. Pedro G. Terrazas,
(Counts 1 and 2)
3. Mayra Lorelia Velasquez-Delgado,
(Counts 1, 2 and 8)
4. Robert Lee Arnett, and
(Counts 1, 2, 3, 4 and 5)
5. Larry Edward Leadingham,
(Counts 1 and 2)

Defendants.

CR 08-0001-PHX-MHM

SUPERSEDING INDICTMENT

VIO: 21 U.S.C. §§ 846, 841(a)(1) &
841(b)(1)(A)(ii)(II)
(Conspiracy to Possess with
Intent to Distribute Cocaine,
a Controlled Substance)
Count 1

18 U.S.C. § 1956(h)
(Conspiracy to Commit
Money Laundering)
Count 2

21 U.S.C. §§ 846, 841(a)(1) &
841(b)(1)(A)(vii)
(Conspiracy to Possess with
Intent to Distribute Marijuana,
a Controlled Substance)
Count 3

18 U.S.C. § 1956(h)
(Conspiracy to Commit
Money Laundering)
Count 4

21 U.S.C. §§ 841(a)(1) &
841(b)(1)(A)(ii)(II)
(Possession with Intent to
Distribute Cocaine,
a Controlled Substance)
Counts 5, 6 and 7

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18 U.S.C. § 1956(a)(1)(A)(i)
(Money Laundering)
Count 8

21 U.S.C. § 848(a) and (b)
(Continuing Criminal Enterprise)
Count 9

18 U.S.C. § 982 &
21 U.S.C. § 853
(Forfeiture Allegations)

THE GRAND JURY CHARGES:

COUNT 1

From on or about January 1, 2003, and continuing up to on or about July 28, 2007, in the District of Arizona and elsewhere, defendants ARTURO TRUJILLO-REYES, JR., PEDRO G. TERRAZAS, MAYRA LORELIA VELASQUEZ-DELGADO, ROBERT LEE ARNETT and LARRY EDWARD LEADINGHAM, and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate and agree together and with other persons known and unknown to the Grand Jury to distribute and to possess with intent to distribute 5 kilograms or more of a mixture and substance containing a detectable amount of cocaine, its salts, optical and geometric isomers, and salts of isomers, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(A)(ii)(II).

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

COUNT 2

From on or about January 1, 2003, and continuing up to on or about July 28, 2007, in the District of Arizona and elsewhere, defendants ARTURO TRUJILLO-REYES, JR., PEDRO G. TERRAZAS, MAYRA LORELIA VELASQUEZ-DELGADO, ROBERT LEE ARNETT and LARRY EDWARD LEADINGHAM, and others known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree together to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which in fact

1 involved the proceeds of specified unlawful activity, that is, the distribution and possession with
2 intent to distribute cocaine in violation of Title 21, United States Code, Section 841(a)(1), with
3 the intent to promote the carrying on of said specified unlawful activity, and knowing that the
4 transactions were designed in whole and in part to conceal and disguise the nature, location,
5 source, ownership and control of the proceeds of said specified unlawful activity, and while
6 knowing that the property involved in the financial transactions represented the proceeds of
7 some form of unlawful activity, in violation of Title 18, United States Code, Sections
8 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i).

9 The manner and means used to accomplish the objectives of the conspiracy included,
10 among others, the following:

- 11 A. On or between about February 12, 2005 and July 31, 2007, defendant
12 ARTURO TRUJILLO-REYES, JR. purchased a 1999 Peterbilt tractor truck
13 to be used to transport cocaine and the proceeds of drug sales, and caused
14 it to be registered in the name of a third party; and
- 15 B. On or about November 1, 2005, defendant ROBERT LEE ARNETT
16 purchased a 1998 Peterbilt tractor truck to be used to transport cocaine and
17 the proceeds of drug sales, and caused it to be registered in the name of a
18 third party.

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

20 **COUNT 3**

21 From on or about January 1, 2003, and continuing up to on or about February 7, 2007,
22 in the District of Arizona and elsewhere, defendant ROBERT LEE ARNETT and others known
23 and unknown to the Grand Jury did knowingly and intentionally combine, conspire, confederate
24 and agree together and with other persons known and unknown to the Grand Jury to distribute
25 and to possess with intent to distribute 1,000 kilograms or more of a mixture and substance
26 containing a detectable amount of marijuana, a Schedule I controlled substance, in violation of
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1 Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(A)(vii).

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

3 **COUNT 4**

4 From on or about January 1, 2003, and continuing up to on or about February 7, 2007,
5 in the District of Arizona and elsewhere, defendant ROBERT LEE ARNETT and others known
6 and unknown to the Grand Jury did knowingly combine, conspire, confederate and agree
7 together to knowingly conduct and attempt to conduct financial transactions affecting interstate
8 and foreign commerce, which in fact involved the proceeds of specified unlawful activity, that
9 is, the distribution and possession with intent to distribute marijuana in violation of Title 21,
10 United States Code, Section 841(a)(1), with the intent to promote the carrying on of said
11 specified unlawful activity, and knowing that the transactions were designed in whole and in
12 part to conceal and disguise the nature, location, source, ownership and control of the proceeds
13 of said specified unlawful activity, and while knowing that the property involved in the
14 financial transactions represented the proceeds of some form of unlawful activity, in violation
15 of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i).

16 The manner and means used to accomplish the objectives of the conspiracy included,
17 among others, the following:

- 18 A. On or about February 27, 2003, defendant ROBERT LEE ARNETT and
19 another person known to the Grand Jury possessed over \$100,000 in
20 United States currency, which was the proceeds of drug distribution, and
21 B. On or about November 1, 2005, defendant ROBERT LEE ARNETT
22 purchased a 1998 Peterbilt tractor truck to be used to transport marijuana
23 and the proceeds of drug sales, and caused it to be registered in the name
24 of a third party.

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

1 COUNT 5

2 On or about August 30, 2006, in the District of Arizona and elsewhere, defendants
3 ARTURO TRUJILLO-REYES, JR. and ROBERT LEE ARNETT, and others known and
4 unknown to the Grand Jury, did knowingly and intentionally possess with intent to distribute
5 five kilograms or more of a mixture or substance containing a detectable amount of cocaine,
6 its salts, optical and geometric isomers, and salts of isomers, a Schedule II controlled substance.

7 All in violation of Title 21, United States Code, Sections 841(a)(1) and
8 841(b)(1)(A)(ii)(II).

9 COUNT 6

10 On or between about October 11, 2006 and October 14, 2006, in the District of Arizona
11 and elsewhere, defendant ARTURO TRUJILLO-REYES, JR. and others known and unknown
12 to the Grand Jury did knowingly and intentionally possess with intent to distribute five
13 kilograms or more of a mixture or substance containing a detectable amount of cocaine, its salts,
14 optical and geometric isomers, and salts of isomers, a Schedule II controlled substance.

15 All in violation of Title 21, United States Code, Sections 841(a)(1) and
16 841(b)(1)(A)(ii)(II).

17 COUNT 7

18 On or between about November 1, 2006 and January 12, 2007, in the District of Arizona
19 and elsewhere, defendant ARTURO TRUJILLO-REYES, JR. and others known and unknown
20 to the Grand Jury did knowingly and intentionally possess with intent to distribute five
21 kilograms or more of a mixture or substance containing a detectable amount of cocaine, its salts,
22 optical and geometric isomers, and salts of isomers, a Schedule II controlled substance.

23 All in violation of Title 21, United States Code, Sections 841(a)(1) and
24 841(b)(1)(A)(ii)(II).

25 COUNT 8

26 On or between about February 9, 2007 and February 17, 2007, in the District of Arizona
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1 and elsewhere, defendants ARTURO TRUJILLO-REYES, JR. and MAYRA LORELIA
2 VELASQUEZ-DELGADO, and others known and unknown to the Grand Jury, did knowingly
3 conduct and attempt to conduct a financial transaction affecting interstate and foreign
4 commerce, namely, the transfer of \$180,000 in drug proceeds, which financial transaction in
5 fact involved the proceeds of specified unlawful activity, that is, the distribution and possession
6 with intent to distribute cocaine in violation of Title 21, United States Code, Section 841(a)(1),
7 and did so with the intent to promote the carrying on of said specified unlawful activity,
8 knowing that the property involved in the financial transaction represented the proceeds of some
9 form of unlawful activity.

10 All in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

11 **COUNT 9**

12 From in and at least sometime in 2005, the exact date being unknown to the Grand Jury,
13 and continuously thereafter up through and including February 2007, within the District of
14 Arizona and elsewhere, defendant ARTURO TRUJILLO-REYES, JR. did unlawfully,
15 knowingly and intentionally engage in a continuing criminal enterprise in that he unlawfully,
16 knowingly and intentionally violated Title 21, United States Code, Sections 841, 843(b), 846,
17 952 and 963, which violations include, but are not limited to, the substantive violations alleged
18 in Counts 1, 5, 6 and 7 of this Indictment (Narcotics Conspiracy and Possession with Intent to
19 Distribute Cocaine, a Controlled Substance), which are realleged and incorporated herein by
20 reference as though fully set forth in this Count, and which violations were part of a continuing
21 series of violations of the Controlled Substances Act, Title 21, United States Code, Section 801,
22 et seq., undertaken by defendant ARTURO TRUJILLO-REYES, JR., in concert with at least
23 five other persons with respect to whom defendant ARTURO TRUJILLO-REYES, JR.
24 occupied a position of organizer, supervisor, and any position of management, and from which
25 such continuing series of violations defendant ARTURO TRUJILLO-REYES, JR. obtained
26 substantial income and resources.

1 Furthermore, defendant ARTURO TRUJILLO-REYES, JR. was a principal
2 administrator, organizer, supervisor and leader of the criminal enterprise, which involved
3 possession with intent to distribute and distribution of mixtures and substances containing a
4 detectable amount of cocaine, a schedule II controlled substance, and the amount of said
5 mixtures and substances was at least 300 times of the quantity of such substance listed in 21
6 U.S.C. Section 841(b)(1)(B), namely, at least 150 kilograms.

7 All in violation of Title 21, United States Code, Sections 848(a) and (b).

8 **FORFEITURE ALLEGATIONS**

9 Upon conviction of one or more of the controlled substance offenses alleged in Counts
10 1, 3, 5, 6, 7 and 9 of this Indictment, and upon conviction of one or more of the money
11 laundering offenses alleged in Counts 2, 4 and 8 of this Indictment, each defendant shall forfeit
12 to the United States of America:

13 (a) All right, title, and interest in (1) any property constituting, or derived from, proceeds
14 obtained, directly or indirectly, as the result of the said violations and (2) any property used, or
15 intended to be used, in any manner or part, to commit, or to facilitate the commission of the said
16 violations, as to which property the defendants are jointly and severally liable.

17 (b) A sum of money equal to the amount of proceeds obtained as a result of the offenses
18 in U.S. currency and all interest and proceeds traceable thereto, in that such sum in aggregate
19 represents the amount of proceeds obtained as a result of the offenses, for which the defendants
20 are jointly and severally liable.

21 If any of the above-described forfeitable property, as a result of any act or omission of
22 the defendants: (1) cannot be located upon the exercise of due diligence; (2) has been
23 transferred or sold to, or deposited with, a third party; (3) has been placed beyond the
24 jurisdiction of the court; (4) has been substantially diminished in value; or (5) has been
25 commingled with other property which cannot be divided without difficulty; it is the intent of
26 the United States to seek forfeiture of any other property of said defendant(s) up to the value
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1 of the above-described forfeitable property.

2 All pursuant to Title 21, United States Code, Section 853, Title 18, United States Code,
3 Section 982, and Rule 32.2.(a), Federal Rules of Criminal Procedure.

4 A TRUE BILL

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6
7 /S/
8 FOREPERSON OF THE GRAND JURY
9 Date: November 4, 2008

10 DIANE J. HUMETEWA
11 United States Attorney
12 District of Arizona

13 /S/
14 JANE E. MCLAUGHLIN
15 Assistant U.S. Attorney

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