

The Washington Post

As Mexico drug violence runs rampant, U.S. guns tied to crime south of border

By James V. Grimaldi and Sari Horwitz
Washington Post Staff Writers
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No other state has produced more guns seized by police in the brutal Mexican drug wars than Texas. In the Lone Star State, no other city has more guns linked to Mexican crime scenes than Houston. And in the Texas oil town, no single independent dealer stands out more for selling guns traced from south of the border than Bill Carter.

Carter, 76, has operated four Carter's Country stores in the Houston metropolitan area over the past half-century. In the past two years, more than 115 guns from his stores have been seized by the police and military in Mexico.

As an unprecedented number of American guns flows to the murderous drug cartels across the border, the identities of U.S. dealers that sell guns seized at Mexican crime scenes remain confidential under a law passed by Congress in 2003.

A year-long investigation by The Washington Post has cracked that secrecy and uncovered the names of the top 12 U.S. dealers of guns traced to Mexico in the past two years.

Eight of the top 12 dealers are in Texas, three are in Arizona, and one is in California. In Texas, two of the four Houston area Carter's

Country stores are on the list, along with four gun retailers in the Rio Grande Valley at the southern tip of the state. There are 3,800 gun retailers in Texas, 300 in Houston alone.

"One of the reasons that Houston is the number one source, you can go to a different gun store for a month and never hit the same gun store," said J. Dewey Webb, special agent in charge of the Houston field division of the Bureau of Alcohol, Tobacco, Firearms and Explosives. "You can buy [a 9mm handgun] down along the border, but if you come to Houston, you can probably buy it cheaper because there's more dealers, there's more competition."

Drug cartels have aggressively turned to the United States because Mexico severely restricts gun ownership. Following gunrunning paths that have been in place for

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50 years, firearms cross the border and end up in the hands of criminals as well as ordinary citizens seeking protection.

"This is not a new phenomenon," Webb said.

What is different now, authorities say, is the number of high-powered rifles heading south - AR-15s, AK-47s, armor-piercing .50-caliber weapons - and the savagery of the violence.

Federal authorities say more than 60,000 U.S. guns of all types have been recovered in Mexico in the past four years, helping fuel the violence that has contributed to 30,000 deaths. Mexican President Felipe Calderon came to Washington in May and urged Congress and President Obama to stop the flow of guns south.

U.S. law enforcement has ramped up its focus on gun trafficking along the southwestern border. Arrests of individual gunrunners have surged. But investigators rarely bring regulatory actions or criminal cases against U.S. gun dealers, in part because of laws backed by the gun lobby that make it difficult to prove cases.

All of the stores among the top 12 have had double-digit traces of "crime guns" to their stores from Mexico, a statistic that can be a red flag for investigators. A high number of traces does not necessarily signal wrongdoing. It could be the result of sales

volume, geography or clientele. Carter's Country, for instance, is the largest independent gun retailer in the region. Most experts and ATF officials agree that the majority of dealers are law-abiding.

Many dealers tip off ATF when they suspect "straw purchases," in which a person buys for someone who is prohibited from owning a gun, a common practice in Mexican gunrunning cases. Many of the dealers "view themselves as the first line of defense," said Lawrence Keane, general counsel and vice president of the National Shooting Sports Foundation, a firearms industry trade group.

The foundation and the National Rifle Association aggressively challenge statistics that show 80 to 90 percent of the weapons seized in Mexico are first sold in the United States, calling the numbers highly inflated. After being criticized by the gun lobby, ATF

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stopped releasing such statistics this year.

"To suggest that U.S. gun laws are somehow to blame for Mexican drug cartel violence is a sad fantasy," said Chris W. Cox, executive director of the NRA Institute for Legislative Action.

Cox said guns are coming to Mexico from other Central American countries and from former Mexican soldiers who have U.S. weapons and are now working for the cartels.

ATF disagreed, saying the biggest factors are the high number of dealers along the border and the convenient location.

"When you look at the highway system in Mexico, the main highways that come into the United States are through Laredo and Brownsville," Webb said. ". . . As long as it is cheaper and easier to come to the United States to buy them, that's going to be the source they'll go to."

Guns from the United States "have been feeding the violence and overwhelming firepower being unleashed by drug traffickers," said Arturo Sarukhan, Mexico's ambassador to the United States. "We need to defang drug trafficking organizations of these high-caliber and semiautomatic and automatic weapons, and we need to do it now."

To examine the gun flow from the United States to Mexico, The Post reviewed hundreds of court documents and federal reports and interviewed Mexican officials and dozens of current and former U.S. law enforcement officials.

ATF in 2006 launched Project Gunrunner - a program that now involves more than 220 agents who make criminal cases against gun traffickers and about 165 inspectors who check gun dealers for compliance with federal regulations. The agency has conducted about 1,000 inspections in the border region, leading to the seizure of more than 400 firearms. Two dealers have lost their licenses to sell guns.

On the criminal side, a recent Justice Department inspector general's report called the program weak and ineffective, with most of the cases brought against single

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defendants hired to buy small numbers of firearms.

U.S. law enforcement has traditionally focused on seizing drugs moving north from Mexico, not guns moving south. In 2008, only 70 guns were seized at U.S. border crossings.

The cornerstone of the \$60 million program is gun tracing - tracking weapons to the dealers who originally sold them. It has long been considered a powerful tool for combating trafficking.

But the Justice IG report said that Mexican gun tracing has been "unsuccessful." ATF officials complain that, in the past, most guns seized in Mexico were not traced. Although the number of traces has increased, problems persist, ATF officials say.

"We're not getting all the information we need from them," said Bill Newell, special agent in charge of ATF's Phoenix field division.

Mexican officials say they send information in but get little that is useful in return. An official in the Mexican attorney general's office called tracing "some kind of bad joke," the Justice inspector general's report said.

A Government Accountability Office report on Project Gunrunner found that ATF has not done "recent systematic analysis and

reporting of aggregate data," hampered by congressional restrictions on the tracing information. ATF officials said that they do analyze the data and that tracing information has led to some major cases.

One investigation showed that 23 traffickers had purchased more than 335 firearms, including 251 rifles, from 10 dealers. One of the suspects bought 14 AK-47s in one day from one dealer.

About one-third of the weapons were traced to incidents in Mexico involving 63 deaths, including those of 18 law enforcement officers. Some of the guns ended up being seized at the site of the "Acapulco Police Massacre," where drug gangsters disguised as soldiers invaded two offices of the state attorney general and killed three investigators, one prosecutor and two secretaries. One gun sold at Carter's Country

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was recovered 65 days later by police investigating the kidnapping and murder of a businessman.

Fifty of the guns were purchased at three Carter's stores, including 29 at the chain's flagship store in Spring, Tex. When one of the traffickers purchased eight Bushmaster .223-caliber sniper rifles for nearly \$9,000 on May 12, 2007, an employee of the store contacted ATF.

The ringleader of the gun buyers was U.S. citizen John Phillip Hernandez, a 23-year-old unemployed machinist living with his parents. He pleaded guilty last year to one count of making a false statement to a gun dealer.

Assistant U.S. Attorney Mark White asked for the maximum 10-year sentence.

"He knew [the guns] were going to go to drug killers in Mexico," White said.

Hernandez got eight years.

There was no indication that the gun stores named in court documents - Carter's Country, Academy Sports and Outdoors, and Collectors Firearms - had done anything wrong. All three retailers are on the list of top 12 stores.

The Academy purchases by Hernandez were

at an outlet in Houston. Another Academy store in McAllen, about 10 miles from the border, has had about 95 traces in two years. After the Hernandez case, Academy stopped selling all military-style tactical weapons, including AK-47s and AR-15s, at its eight stores near the border.

In the rest of the chain's 120 stores, such "assault weapons" are limited to one per customer per visit.

"We wanted to do what we can to make sure that our firearms aren't contributing to the border problem," Academy spokeswoman Elise Hasbrook said.

Collectors owner Mike Clark said the 60 traces to his Houston store were insignificant given the store's volume, which he would not reveal. "Pretty small, I'd have to say," Clark said.

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In his "Ol' Bill Sez" commentary atop his weekly newspaper advertisement in April, Carter made light of the guns leaving Texas for Mexico: "Why all the talk about guns going south when so many drugs are coming north that our cows along the interstate are gettin' high off the fumes!"

Volume might factor into why many dealers are on the top-12 list, including Carter's Country, which sells thousands of firearms and is the largest independent gun retailer in the region.

Greeting a reporter last month in his store in Spring, standing near giant ivory tusks and stuffed grizzly bears and lions, Carter declined to be interviewed. "I'd like to talk to you, but I just can't," Carter said. "We're in litigation."

Dogged for years by lawsuits over his business practices, Carter pushed for the 2003 federal secrecy law governing gun traces because trial lawyers had been using the information in lawsuits against gun stores.

"If the gun-ban lawyers succeed, the floodgates will open," Carter said at the time in a newsletter he issued as president of the Texas Gun Dealers Association.

In one suit, a former employee who filed a wrongful-termination suit said Carter's Country permitted straw purchases. Carter's

Country, which settled the suit for a small amount, denied the allegations.

In another case, a man who killed a Houston police officer said he bought the murder weapon, a 9mm Smith & Wesson, "in the name of my wife" at Carter's Country in Pasadena, outside Houston. An illegal immigrant who had been convicted of a felony sex offense, he was prohibited from buying a gun.

The officer's wife, Joslyn Johnson, a Houston police sergeant, alleges that Carter's Country knew the sale was illegal. "I think it is all about money and that it is a common practice for them," Johnson said. "They are putting guns in the hands of criminals."

Carter's Country denies the allegation, saying the gun was purchased legally by the man's wife.

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Small-time gunrunners along the border are known as "hormigas," the Spanish word for ants. Hernan Ramos, a 22-year-old U.S. citizen, was one of them. On May 17, 2008, he headed to a gun show in Arizona, where he bought an Olympic Arms .223-caliber rifle from a Tucson firearms business, Mad Dawg Global.

That same day, a friend of Ramos's, another U.S. citizen, bought two more .223-caliber rifles from Mad Dawg. Over the next three months, the two men and several of their associates returned to Mad Dawg repeatedly to buy rifles.

They smuggled the guns across the border, an hour south of Tucson, to "Rambo," a member of the Sinaloa drug cartel.

All in all, Ramos and nine others bought 112 firearms worth more than \$100,000 - 30 from Mad Dawg and the rest from 14 other firearms dealers across Arizona, court records show.

The hormigas were eventually arrested and charged with firearms violations. Ramos, one of the ringleaders, was sentenced this summer by a federal judge in Tucson to four years and two months in prison.

No charges were brought against any of the gun dealers involved, and there was no indication the dealers did anything wrong.

One of the dealers, J&G Sales in Prescott, ranks third on the top-12 list, with about 130 of its guns traced from Mexico over the past two years. The store owner said he is diligent about making legal sales.

"I would stand by every transaction we make at the time we make it," said J&G owner Brad Desaye. "But I'm disappointed to hear that number. It saddens me. It should not happen."

The lack of charges against dealers is not unusual, in part because it's difficult to prove a straw purchase took place.

"If you're a gun dealer and you see a 21- or 22-year-old young lady walk in and plopp down \$15,000 in cash to buy 20 AK-47s, you might want to ask yourself what she needs them for," said Newell, the ATF special agent in charge in Phoenix. "If she says, 'Christmas

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presents,' technically the dealer doesn't have to ask for more."

Under federal law, a gun dealer who sells two or more handguns to the same person within five business days must report the sales to ATF. The agency has identified such sales as a red flag, or "significant indicator," of trafficking. But multiple sales of "long guns," which include shotguns and rifles such as AK-47s, do not have to be reported to ATF.

The Justice Department inspector general said in a report last month that "the lack of a reporting requirement of multiple sales of long guns - which have become the cartels' weapons of choice - hinders ATF's ability to disrupt the flow of illegal weapons into Mexico."

Over the years, the gun lobby has successfully opposed such a requirement, arguing it is not needed, because long guns are far less likely to be used in crimes. But the percentage of long guns recovered in Mexican crimes has been steadily increasing, from 20 percent in 2004 to 48 percent in 2009, reports show.

"The reasons that the deaths are so high in Mexico are the long guns," said James Cavanaugh, a former high-ranking official with ATF. "The velocity of the round and the amount they can put out quickly is what makes it so deadly."

The biggest case ATF brought against a gun dealer in Project Gunrunner illustrates the obstacles agents face when they try to do something about stores sending guns to Mexico.

It was a case that seemingly had everything in its favor.

Corrupt gun stores usually are hard to catch because law enforcement needs evidence that the stores knowingly sold weapons intended for criminals. In this case, the agents had tons of evidence: surveillance, recorded phone calls, confidential informants and undercover agents posing as straw buyers.

In late 2007, ATF agents busted suspects who told the agents they had purchased hundreds of weapons from a single dealer: George Iknadosian, who owned a Phoenix gun store called X-Caliber.

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Agents examined the dealer's traces and found that 86 guns had been recovered by police in the United States and Mexico between 2005 and 2008. Of those, 47 had been traced from Mexican crime scenes.

The store had sold 710 guns of the types known to be popular with Mexican drug cartels - more than 500 AK-47s and SKS-style rifles, plus one especially lethal .50-caliber Barrett rifle capable of piercing armored vehicles.

The U.S. Attorney's Office in Phoenix declined to take the case, because it started out with low-level straw-purchaser charges and was going to require a lot of time and resources to develop further. So ATF took the case to the Arizona attorney general, who worked on it for more than a year with the Phoenix Police Department.

Iknadosian instructed undercover agents posing as straw purchasers about how to sneak weapons across the border, advising them to cross on weekends and Fridays when border agents might be off fishing.

"When you guys buy them [guns], I run the paperwork, you're okay, you're gone," he said. "On my end, I don't give a crap."

Iknadosian was charged with violations of state fraud, forgery, racketeering and money laundering laws.

"This was an amazingly well-prepared case," said Arizona Attorney General Terry Goddard. "The evidence was all there. There is no question what was going on."

But in March 2009, a state judge, Robert Gottsfield, dismissed the case before it went to the jury.

"The judge's decision was inscrutable," Goddard said. "It was a real shock to our office."

Iknadosian's attorney, Thomas M. Baker, said he showed on cross-examination that ATF's informants were not credible.

"The ATF and Terry Goddard decided to give every single one of them probation if they would testify against George," Baker said. He said the conversations with Iknadosian were "out of context."

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In an interview, Gottsfeld defended his decision, which he said was one of the few times in 30 years he had dismissed a case before it went to a jury.

He agreed that there was ample evidence against Iknadosian, but he called the case "overcharged."

"There certainly was evidence that Iknadosian was selling to people who were not buying the guns for themselves, and that's a class-one misdemeanor," Gottsfeld said.

About guns going to Mexico from the United States, the judge said: "It is a terrible problem. They have to do something about it."

grimaldij@washpost.com
horwitzs@washpost.com

Research editor Alice Crites and staff writer William Booth contributed to this report.

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