

IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

SEP 21 2010

ROBERT D. DENNIS, CLERK
U.S. DIST. COURT, WESTERN DIST. OF OKLA.

Robert D. Dennis

UNITED STATES OF AMERICA,

Plaintiff,

-vs-

GREGORIO MORALES-MARTINEZ,
and JORGE ALEXIS BLANCO,

Defendants.

No. **CR 10-313**

D

Violations: 18 U.S.C. § 371
18 U.S.C. § 924(a)(1)(A)
18 U.S.C. § 2
18 U.S.C. § 922(g)(5)

INDICTMENT

The Federal Grand Jury charges:

INTRODUCTION

At all times material to this Indictment:

1. FBF Inc. (Outdoor America), 1925 N. MacArthur Blvd., Oklahoma City, Oklahoma; Big Boy's Guns and Ammo, 7211 S. Council Road, Oklahoma City, Oklahoma; H&H Gun Range, 400 S. Vermont, Suite 110, Oklahoma City, Oklahoma; and Butch's Guns, 5005 Oklahoma Ave., Woodward, Oklahoma, were firearms dealers licensed by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to sell firearms.

2. As federally licensed firearms dealers, before these businesses could lawfully sell a firearm, they were first required by federal law to have each buyer complete a Firearms Transaction Record (ATF Form 4473) certifying they are the "actual buyer of the firearm." The ATF Form 4473 warns the buyer that they are not the actual buyer if they are "acquiring the firearm(s) on behalf of another person," and that making a false statement on the form is a federal crime.

3. As federally licensed firearms dealers, the businesses are also required by federal law to maintain the completed ATF Forms 4473 at their places of business.

COUNT 1

4. From in or about March, 2010 through July, 2010, the exact dates being unknown to the Grand Jury, within the Western District of Oklahoma, and elsewhere

----- **GREGORIO MORALES-MARTINEZ, and**
JORGE ALEXIS BLANCO, -----

knowingly, willfully and interdependently conspired and agreed with each other, and with others known and unknown to the Grand Jury, to commit offenses against the United States, including:

- a) making or causing false statements when purchasing firearms (18 U.S.C. §924(a)(1)(A));
- b) transferring firearms to a person believed to reside outside the state of Oklahoma (18 U.S.C. §922(a)(5));

- c) possession of firearms with the serial numbers removed (18 U.S.C. § 922(k)); and
- d) possession of firearms by an illegal alien (18 U.S.C. § 922(g)(5)).

OBJECT OF CONSPIRACY

5. The object of the conspiracy was to buy firearms illegally in Oklahoma and transfer the illegally purchased firearms to Texas where some were smuggled into Mexico.

MANNER AND MEANS

The object of the conspiracy was accomplished as follows:

6. **GREGORIO MORALES-MARTINEZ**, an illegal alien residing in Lewisville, Texas, paid F.J.R. to buy **MORALES-MARTINEZ** provided F.J.R. with cash for the purchases and paid F.J.R. a commission based on the number of firearms he delivered. F.J.R. bought some firearms himself, and also recruited and paid others, including **JORGE ALEXIS BLANCO**, and K.W. (deceased), (collectively "straw buyers"), to go to gun stores in the Oklahoma City area, act as straw buyers, and illegally purchase the firearms.

7. The straw buyers recruited and paid by F.J.R. falsified ATF Forms 4473 by certifying they were the actual buyers of the firearms when, in fact, as the defendants knew, the firearms were purchased for F.J.R. F.J.R. instructed the straw buyers how to make the purchases, including where to go and what to buy.

8. After leaving the businesses with the firearms, the straw buyers gave the firearms to F.J.R., who then gave them to **MORALES-MARTINEZ**. **MORALES-MARTINEZ** removed serial numbers from some of the firearms to make them more difficult to trace.

9. Once the firearms reached Texas, **MORALES-MARTINEZ** arranged for them to be smuggled into Mexico.

OVERT ACTS

10. In furtherance of the conspiracy and in order to accomplish the object of the conspiracy, the defendants and other conspirators committed the following overt acts in the Western District of Oklahoma and elsewhere during the time of the conspiracy:

(a) On or about March 18, 2010, F.J.R. paid K.W. to act as a straw buyer and purchase a Bushmaster, .50 caliber semi-automatic rifle, serial number BM00870, for \$4,999.98 cash, from H&H Gun Range. K.W. falsely completed the ATF Form 4473 by certifying he was the actual buyer of the firearms. K.W. gave the firearm to F.J.R. after K.W. left the store;

(b) On or about April 10, 2010, law enforcement officers in Ellis County, Texas, stopped a truck containing 28 military-type semi-automatic traveling to Laredo, Texas, which borders Nuevo Laredo, Mexico. One of the firearms recovered by law enforcement officers, a ROMARM/CUGIR, 7.62 caliber semiautomatic rifle, serial number ACL-1411-88, traced back to F.J.R.;

(c) On or about April 13, 2010, F.J.R. paid K.W. to act as a straw buyer and purchase four Century AK-47, 7.62 caliber semi-automatic rifles, serial numbers: 1965IJ2615, 1967AL0679, 1965IJ2590, and 1975FL0277, for \$1,855.34 cash, from Outdoor America. K.W. falsely completed the ATF Form 4473 by certifying he was the actual buyer of the firearms. K.W. gave the firearms to F.J.R. after K.W. left the store;

(d) On or about April 14, 2010, F.J.R. paid **BLANCO** to act as a straw buyer and purchase five (5) Century AK-47, 7.62 caliber semi-automatic rifles, serial numbers: 1985SBK2799, 1973E14634, 1972CC1585, 165IJ2881, and 1970CLI173, for \$2,319.17 cash, from Outdoor America. **BLANCO** falsely completed the ATF Form 4473 by certifying he was the actual buyer of the firearms. **BLANCO** gave the firearms to F.J.R. after **BLANCO** left the store;

(e) On or about April 20, 2010, F.J.R. paid K.W. to act as a straw buyer and purchase ten Century AK-4, 7.62 caliber semi-automatic rifles, serial numbers: 1981SAK0518, 1965IJ1548, 1983AH2632, 1972CB3184, 1986RE4882, 1975FO2127, 1983AF3726, 1965OP3256, 1983AG1148, and 1965OP0068, for \$4,638.34 cash, from Outdoor America. K.W. falsely completed the ATF Form 4473 by certifying he was the actual buyer of the firearms. K.W. gave the firearms to F.J.R. after K.W. left the store;

(f) On or about April 27, 2010, F.J.R. paid **BLANCO** to act as a straw buyer and purchase six Century AK-47, 7.62 caliber semi-automatic rifles, serial numbers: 1975FM3887, 1983SAV4770, 1965MN1080, 1983SAV4575, 1971CS3727, and 1967AF1140, for \$2,783.00 cash, from Outdoor America. **BLANCO** falsely completed the ATF Form 4473 by certifying he was the actual buyer of the firearms. **BLANCO** gave the firearms to F.J.R. after **BLANCO** left the store. The rifle with serial number 1983SAV4575 was recovered by Mexican Military personnel in Los Aldamas, Mexico, on June 12, 2010. The rifle with serial number 1983SAV4770 was recovered by Mexican Military personnel in the vicinity of Rancho La Mision, located in the municipality of Jimenez, Tamaulipas, Mexico, on August 11, 2010;

(g) On or about April 28, 2010, F.J.R. paid **BLANCO** to act as a straw buyer and purchase five Chinese SKS, 7.62 caliber semi-automatic rifles, serial numbers: 10053012, 22012992, 21059602, 14858RT, and 10223578, for \$1,761.09 cash, from Big Boy's Guns and Ammo. **BLANCO** falsely completed the ATF Form 4473 by certifying he was the actual buyer of the firearms. **BLANCO** gave the firearms to F.J.R. after **BLANCO** left the store;

(h) On or about April 30, 2010, F.J.R. used his credit card to purchase four Century AK-47, 7.62 caliber semi-automatic rifles, serial numbers: 1973EM3586, 1970CM2449, 1983AH3209, and 1973EN3470, for \$2,518.57, from Outdoor America;

(i) On or about April 30, 2010, F.J.R. paid **BLANCO** to act as a straw buyer and purchase three SKS, 7.62 caliber semi-automatic rifles, for F.J.R. from Big Boy's Guns and Ammo. **BLANCO** falsely completed the ATF Form 4473 by certifying he was the actual buyer of the firearms. Big Boy's Guns and Ammo delayed the sale, so **BLANCO** left the store without the firearms and returned the purchase money to J.F.R.;

(j) Later on April 30, 2010, after they were unable to complete the transaction at Big Boy's Guns and Ammo, **BLANCO** asked his girlfriend, M.M., to act as a straw buyer and purchase three Century AK-47, 7.62 caliber semi-automatic rifles, serial numbers: 1981SAI2252, 1981SAH0208, and 1973EX1024, for \$1,391.50 cash, from Outdoor America. M.M. falsely completed the ATF Form 4473 by certifying she was the actual buyer of the firearms. M.M. and **BLANCO** then gave the firearms to J.F.R.;

(k) On or about June 8, 2010, F.J.R. purchased a Barrett, .50 caliber semi-automatic rifle, serial number 20140, and a Century AK-47, 7.62 caliber semi-automatic rifle, serial number 1965MN0772, for \$11,200 from a witness cooperating with ATF;

(l) On or about June 9, 2010, F.J.R. purchased a second Barrett, .50 caliber semi-automatic rifle, serial number 24793, for \$9,244.68, from Butch's Guns. That same day, F.J.R. delivered the three firearms he purchased June 8th and 9th to **MORALES-MARTINEZ** near Purcell, Oklahoma, and **MORALES-**

MARTINEZ also took the firearms to his residence in Lewisville, Texas. The Barrett was recovered by Mexican Army personnel in Nuevo Laredo, Mexico, on July 16, 2010;

(m) On or about June 15, 2010, the drivers of two vehicles attempted to smuggle forty-six firearms from Eagle Pass, Texas, into Mexico. The vehicles contained the Barrett and the Century semiautomatic rifles that were purchased by F.J.R. on June 8, 2010. Many of the firearms, including the Barrett and Century, had serial numbers removed; and

(n) On or about July 22, 2010, F.J.R. purchased two (2) ROMARM/CUGIR, semi-automatic rifles, serial numbers: S11140499 (5.56 caliber) and S20012799 (7.62 caliber), for \$800. Three days later, F.J.R. drove to Texas and gave the firearms to **MORALES-MARTINEZ** at his residence in Lewisville, Texas. Between July 22, 2010, and August 10, 2010, **MORALES-MARTINEZ** removed the serial numbers from the these two firearms, which were found in **MORALES-MARTINEZ**'s residence.

The Grand Jury incorporates by reference Counts 2 through 9 as additional Overt Acts.

All in violation of Title 18, United States Code, Section 371.

COUNT 2

11. The Grand Jury realleges and incorporates by reference paragraph 10(d).

12. On or about April 14, 2010, in the Western District of Oklahoma,

----- **JORGE ALEXIS BLANCO**, -----

knowingly made and caused to be made a false statement and representation with respect to the information required by law to be kept in the records of a federally licensed firearms dealer, Outdoor America, in connection with the purchase of five Century AK-47, 7.62 caliber semi-automatic rifles, serial numbers: 1985SBK2799, 1973E14634, 1972CC1585, 1965IJ2881, and 1970CLI173, for \$2,319.17 cash, in that **BLANCO** falsely stated and represented on ATF Form 4473 that **BLANCO** was the actual buyer of the firearms when the true buyer was J.F.R..

All in violation of Title 18, United States Code, Sections 924(a)(1)(A); and Title 18, United States Code, Section 2.

COUNT 3

13. The Grand Jury realleges and incorporates by reference paragraph 10(f).

14. On or about April 27, 2010, in the Western District of Oklahoma,

----- **JORGE ALEXIS BLANCO**, -----

knowingly made and caused to be made a false statement and representation with respect to the information required by law to be kept in the records of a federally licensed firearms dealer, Outdoor America, in connection with the purchase of six Century AK-47, 7.62 caliber semi-automatic rifles, serial numbers: 1975FM3887, 1983SAV4770, 1965MN1080, 1983SAV4575, 1971CS3727, and 1967AF1140, for

\$2,783.00 cash, in that **BLANCO** falsely stated and represented on ATF Form 4473 that **BLANCO** was the actual buyer of the firearms when the true buyer was F.J.R.

All in violation of Title 18, United States Code, Sections 924(a)(1)(A); and Title 18, United States Code, Section 2.

COUNT 4

15. The Grand Jury realleges and incorporates by reference paragraph 10(g).

16. On or about April 28, 2010, in the Western District of Oklahoma,

----- **JORGE ALEXIS BLANCO,** -----

knowingly made and caused to be made a false statement and representation with respect to the information required by law to be kept in the records of a federally licensed firearms dealer, Big Boy's Gun and Ammo, in connection with the purchase of five Chinese SKS, 7.62 caliber semi-automatic rifles, serial numbers: 10053012, 22012992, 21059602, 14858RT, and 10223578, and, for \$1,761.09 cash, in that **BLANCO** falsely stated and represented on ATF Form 4473 that **BLANCO** was the actual buyer of the firearms when the true buyer was F.J.R..

All in violation of Title 18, United States Code, Sections 924(a)(1)(A); and Title 18, United States Code, Section 2.

COUNT 5

17. The Grand Jury realleges and incorporates by reference paragraph 10(i).

18. On or about April 30, 2010, in the Western District of Oklahoma,

----- **JORGE ALEXIS BLANCO**, -----
knowingly made and caused to be made a false statement and representation with respect to the information required by law to be kept in the records of a federally licensed firearms dealer, Big Boy's Gun and Ammo, in connection with the attempted purchase of three SKS, 7.62 caliber semi-automatic rifles in that **BLANCO** falsely stated and represented on ATF Form 4473 that **BLANCO** was the actual buyer of the firearms when the true buyer was F.J.R.

All in violation of Title 18, United States Code, Sections 924(a)(1)(A); and Section 2.

COUNT 6

19. The Grand Jury realleges and incorporates by reference paragraph 10 (j).

20. On or about April 30, 2010, in the Western District of Oklahoma,

----- **JORGE ALEXIS BLANCO**, -----
knowingly made and caused to be made a false statement and representation with respect to the information required by law to be kept in the records of a federally licensed firearms dealer, Outdoor America, in connection with the purchase of three Century AK-47, 7.62 caliber semi-automatic rifles, serial numbers:1981SAI2252, 1981SAH0208, and 1973EX1024, \$1,391.50 cash, in that **BLANCO**, and M.M.,

falsely stated and represented on ATF Form 4473 that M.M. was the "actual buyer" of the firearm when the true buyer was F.J.R.

All in violation of Title 18, United States Code, Sections 924(a)(1)(A); and Title 18, United States Code, Section 2.

COUNT 7

21. The Grand Jury realleges and incorporates by reference paragraph 10(k).

22. On or about June 8, 2010, in the Western District of Oklahoma,

----- **GREGORIO MORALES-MARTINEZ**, -----
knowingly caused to be made a false statement and representation with respect to the information required by law to be kept in the records of a federally licensed firearms dealer, by a witness that is cooperating with the United States, in connection with the purchase of a Barrett, .50 caliber semi-automatic rifle, serial number 20140, and a Century AK-47, 7.62 caliber semi-automatic rifle, serial number 1965MN0772, for \$11,200 in that F.J.R. falsely stated and represented on ATF Form 4473 that F.J.R. was the actual buyer of the firearms when the true buyer was **GREGORIO MORALES-MARTINEZ**.

All in violation of Title 18, United States Code, Sections 924(a)(1)(A); and Section 2.

COUNT 8

23. The Grand Jury realleges and incorporates by reference paragraph 10(l).

24. On or about June 9, 2010, in the Western District of Oklahoma,

----- **GREGORIO MORALES-MARTINEZ,** -----
knowingly caused to be made a false statement and representation with respect to the information required by law to be kept in the records of a federally licensed firearms dealer, Butch's Guns, in connection with the purchase of a Barrett, .50 caliber rifle, serial number 24793, for \$9,244.68 in that F.J.R. falsely stated and represented on ATF Form 4473 that F.J.R. was the actual buyer of the firearm when the true buyer was **GREGORIO MORALES-MARTINEZ.**

All in violation of Title 18, United States Code, Sections 924(a)(1)(A); and Section 2.

COUNT 9

25. The Grand Jury realleges and incorporates by reference paragraph 10(k) and (l).

26. On or about June 9, 2010, in the Western District of Oklahoma,

----- **GREGORIO MORALES-MARTINEZ,** -----
an alien illegally and unlawfully in the United States, knowingly possessed firearms, that is a Barrett, .50 caliber semi-automatic rifle, serial number 20140; a Barrett, .50 caliber semi-automatic rifle, serial number 24793; and a Century AK-47, 7.62 caliber

caliber semi-automatic rifle, serial number 24793; and a Century AK-47, 7.62 caliber rifle, serial number 1965MN0772, which were in or affecting interstate commerce in that the firearms has previously crossed states lines to reach the state of Oklahoma.

All in violation of Title 18, United States Code, Sections 922(g)(5)(A).

A TRUE BILL:



FOREPERSON OF THE GRAND JURY

SANFORD C. COATS
United States Attorney



WILLIAM LEE BORDEN, JR.
Assistant U.S. Attorney



MARK A. YANCEY
Assistant U.S. Attorney

COURT

CRIMINAL COVER SHEET

Petty Misdemeanor Felony
 Number of Counts 9 Number of Defendants 2

Case No. **CR 10-313 D**
 USAOID No. 2010R00722 By: Lt

Indictment Sealed: Yes No OCDEF: Yes No Notice Summons Writ Warrant to Issue

DEFENDANT: GREGORIO MORALES-MARTINEZ		SEP 21 2010	
Alias(es):		Address: Oklahoma City, OK	
		Phone:	
Age&DOB: <u>xx-xx-1976</u>	SS#: <u>xxx-xx-xxxx</u>	Juvenile: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Interpreter: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
SEX: M <input checked="" type="checkbox"/> F <input type="checkbox"/>	RACE: <u>Hispanic</u>	Language/Dialect:	

Defendant Status:

<input type="checkbox"/> Not in Custody	Type of Bond Recommended on this Charge:
	OR <input type="checkbox"/> Cash <input type="checkbox"/> 10% <input type="checkbox"/> Unsecured <input type="checkbox"/> Surety <input type="checkbox"/>
Bond set at: \$ _____ Date: _____	Bond in Amount of: \$ _____
Current Bond on Other Charge Federal <input type="checkbox"/> State <input type="checkbox"/>	
<input checked="" type="checkbox"/> In Jail at: <u>Grady County Jail</u> Under Prisoner/Register No.: _____	Detention <input checked="" type="checkbox"/>

Prior Proceedings or Appearance(s) Before U.S. Magistrate Judge:

Case No. <u>M-10-221-P</u>	Government Motion to Detain: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Complaint: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Bond Set: _____ Date: <u>09/13/2010</u>

Related Case Information:

Previous Case No. _____	Rule 20/Rule 5 from District of: _____
Additional Defendants: Yes <input type="checkbox"/> No <input type="checkbox"/>	Total Number of defendants: <u>SEP 21 2010</u>

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Attorney Information:

Defense Counsel: <u>Robert R. Robles</u>	SAUSA: <u>William Lee Borden Jr.</u>
Address: <u>428 NW 5th Street, Ste A, OKC, OK 73102</u>	Phone: <u>405/553-8700</u> Fax: <u>405/553-8888</u>
Phone: <u>(405) 232-7980</u> Fax: <u>(405) 236-2188</u>	Federal Agent/Agency: <u>Randall / ATF</u>
Retained <input checked="" type="checkbox"/> CJA Panel <input type="checkbox"/> Public Defender <input type="checkbox"/>	Local Agent/Agency: _____

ROBERT D. DENNIS
 CLERK, U.S. DISTRICT COURT
 DEPUTY

Count(s)	USC Citation(s)	Offense(s) Charged	Penalty
1	18:371	Conspiracy to commit offense or to defraud the United States	NMT 5 yrs. imprisonment; \$250,000 fine, or both; NMT 3 yrs S/R; \$100.00 S/A
7, 8	18:924(a)(1)(A); 18:2	Made false statements and representation; aiding and abetting	NMT 5 yrs. imprisonment; \$250,000 fine, or both; NMT 3 yrs S/R; \$100.00 S/A
9	18:922(g)(5)(A)	Alien in possession of a firearm	NMT 10 years imprisonment; \$250,000 fine, or both; NMT 3 yrs S/R; \$100.00 S/A [18:924(a)(2)]

ate: 9/20/10

Signature of SAUSA William Lee Borden Jr.

CRIMINAL COVER SHEET

COURT

Case No. **CR 10-313 D**

Petty Misdemeanor Felony

USAOID No. 2010R00722 By: Lt

Number of Counts 9 Number of Defendants 2

Indictment Sealed: Yes No OCDEF: Yes No Notice Summons Writ Warrant to Issue

DEFENDANT: JORGE ALEXIS BLANCO		SEP 21 2010	
Alias(es):		Address: Stillwater, OK	
		Phone:	
Age&DOB: xx-xx-1985	SS#: xxx-xx-5957	Juvenile: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Interpreter: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
SEX: M <input checked="" type="checkbox"/> F <input type="checkbox"/>	RACE: Hispanic	Language/Dialect:	

Defendant Status:

<input checked="" type="checkbox"/> Not in Custody	Type of Bond Recommended on this Charge:
	OR <input type="checkbox"/> Cash <input type="checkbox"/> 10% <input type="checkbox"/> Unsecured <input type="checkbox"/> Surety <input type="checkbox"/>
Bond set at: \$ _____ Date: _____	Bond in Amount of: \$ _____
Current Bond on Other Charge Federal <input type="checkbox"/> State <input type="checkbox"/>	
<input type="checkbox"/> In Jail at: _____	Under Prisoner/Register No.: _____ Detention <input checked="" type="checkbox"/>

Prior Proceedings or Appearance(s) Before U.S. Magistrate Judge:

Case No. _____	Government Motion to Detain: Yes <input type="checkbox"/> No <input type="checkbox"/>
Complaint: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Bond Set: _____ Date: _____

Related Case Information:

Previous Case No. _____	Rule 20/Rule 5 from District of: _____
Additional Defendants: Yes <input type="checkbox"/> No <input type="checkbox"/>	Total Number of defendants: _____

RECEIVED

SEP 21 2010

Attorney Information:

Defense Counsel:	AUSA: William Lee Borden, III	
Address:	Phone: 405/553-8700	Fax: 405/553-8888
Phone: _____ Fax: _____	Federal Agent/Agency: Randall / ATF	
Retained <input type="checkbox"/> CJA Panel <input type="checkbox"/> Public Defender <input type="checkbox"/>	Local Agent/Agency: _____	

ROBERT D. DENNIS
CLERK, U.S. DISTRICT COURT
DEPUTY

Count(s)	USC Citation(s)	Offense(s) Charged	Penalty
1	18:371	Conspiracy to commit offense or to defraud the United States	NMT 5 yrs. imprisonment; \$250,000 fine, or both; NMT 3 yrs S/R; \$100.00 S/A
2, 3, 4, 5, 6	18:924(a)(1)(A); 18:2	Made false statements and representation	NMT 5 yrs. imprisonment; \$250,000 fine, or both; NMT 3 yrs S/R; \$100.00 S/A

Date: 9/20/10

Signature of SAUSA 