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Sanford C. Coats, United States Attorney

Contact: Bob Troester

(405) 553-8999

TWO MEN CHARGED WITH CONSPIRACY TO ILLEGALLY PURCHASE AND SMUGGLE MILITARY TYPE SEMI-AUTOMATIC RIFLES TO MEXICO

Oklahoma City, Oklahoma — Sanford C. Coats, United States Attorney for the Western District of Oklahoma, and Robert R. Champion, Special Agent in Charge of the Bureau of Alcohol, Tobacco Firearms and Explosives (ATF), announce today that a federal grand jury has returned an indictment charging GREGORIO MORALES-MARTINEZ, 34, of Lewisville, Texas, and JORGE ALEXIS BLANCO, 25, of Stillwater, Oklahoma, with a conspiracy to illegally purchase 43 firearms, including military type semi-automatic rifles, in Oklahoma and transfer them to Texas where some were smuggled into Mexico.

“The illegal trafficking of firearms from the United States to Mexico is a serious problem,” said U.S. Attorney Sanford C. Coats. “It is fueling a lot of the violent drug cartel activity there. This case demonstrates that both the ATF and U.S. Attorney’s Office are committed to identifying and stopping the illegal purchase and flow of weapons to Mexico. I applaud the detailed investigative efforts of the ATF in this case. I also want to thank Homeland Security investigators for their assistance.”

ATF Special Agent in Charge Robert R. Champion said, “ATF will continue to investigate the illegal trafficking of firearms, whether they are destined to the violent drug cartels in Mexico or the violent criminals on the streets of our cities. Locally and nationally we are dedicating more and more resources to combat this problem.”

Federal law requires that each buyer of a firearm 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.

According to the indictment, Morales-Martinez, an illegal alien from Lewisville, Texas, paid an unnamed co-conspirator (F.J.R.) to buy firearms and paid F.J.R. a commission based on the number of guns he delivered. It is alleged that F.J.R. bought some firearms himself, and also recruited and paid others, including Blanco, to go to gun stores to illegally purchase the firearms as “straw buyers” for F.J.R. It is alleged that F.J.R. instructed the straw buyers to go to several firearms dealers located in Oklahoma City and Woodward, Oklahoma,

who were all licensed by the ATF to sell firearms, to make the purchases and told them what firearms to buy.

Specifically, the indictment alleges that from March 2010 through July 2010, F.J.R. paid the straw buyers, including Blanco, to illegally purchase 34 separate firearms, including 29 Century AK-47 semi-automatic rifles, eight Chinese SKS 7.62 caliber semi-automatic rifles, and one Barrett .50 caliber semi-automatic rifle. The indictment also alleges that F.J.R. also purchased an additional nine firearms himself, including two Barrett .50 caliber semi-automatic rifles, five Century AK-47 semi-automatic rifles, and two ROMARM/CUGIR semi-automatic rifles. The straw buyers and F.J.R. all falsified the ATF Form 4473 for these purchases by certifying they were the actual buyers of the firearms, when they knew they were not, the indictment alleges.

According to the indictment, following the purchase of the firearms by the straw buyers, the guns were delivered to F.J.R. who, in turn, delivered the guns to Morales-Martinez in Texas. It is then alleged that Morales-Martinez removed serial numbers from some of the firearms to make them more difficult to trace, and arranged for the guns to be smuggled into Mexico. According to the indictment, several of the firearms involved in the conspiracy were recovered in Mexico or attempting to enter Mexico, including:

- One AK-47 semi-automatic rifle was recovered by Mexican Military personnel in Los Aldamas, Mexico, on June 12, 2010;
- One AK-47 semi-automatic rifles was recovered by Mexican Military personnel in Jimenez, Tamaulipas, Mexico, on August 11, 2010;
- One Barrett .50 caliber semi-automatic rifles was recovered by Mexican Military personnel in Nuevo Laredo, Mexico, on July 16, 2010; and
- Two AK-47 semi-automatic rifles that were purchased by F.J.R. were recovered on June 15, 2010, when the drivers of two vehicles attempted to smuggle forty-six firearms from Eagle Pass, Texas, into Mexico.

Morales-Martinez is charged with one count of conspiracy to defraud the ATF through the false certification on the ATF 4733 forms, two counts of making false statements on the ATF 4733 forms, and for being an illegal alien in possession of firearms. If convicted, Morales-Martinez faces up to ten years in prison and a \$250,000 fine for the firearms possession count and up to five years in prison and a \$250,000 fine for each of the remaining counts.

Blanco is charged with one count of conspiracy to defraud the ATF through the false certification on the ATF 4733 forms and five counts of making false statements on the ATF 4733 forms. Blanco faces up to five years in prison and a \$250,000 fine per count. Reference is made to the indictment for further information. The public is reminded that the indictment is merely an accusation and that the defendants are presumed innocent unless and until proven guilty.

This case was investigated by the Bureau of Alcohol Tobacco Firearms and Explosives and is being prosecuted by First Assistant U.S. Attorney Mark Yancey and Assistant United States Attorney William Lee Borden, Jr.

Press availability: U.S. Attorney Sanford C. Coats will be available for comment by telephone today and tomorrow, and in person on Friday at the U.S. Attorney's Office.

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