

**Office of the Special Narcotics Prosecutor
for the City of New York**

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**Five indicted in international narcotics and kidnapping conspiracy:
Mexican source of supply**

Investigation leads to seizure of over 30 pounds of heroin, cocaine and \$835,000 cash

Bridget G. Brennan, New York City's Special Narcotics Prosecutor, James J. Hunt, Special Agent in Charge of the U.S. Drug Enforcement Administration's New York Division (DEA), New York City Police Commissioner William J. Bratton and Joseph A. D'Amico, Superintendent of the New York State Police, announced today the indictment of five members of an international drug trafficking ring that arranged for large shipments of narcotics to be transported from Mexico and sold in New York City and elsewhere in the Northeast. In connection with the long-term investigation, authorities seized over 13 kilograms of heroin (30 lbs.) worth millions of dollars on April 17, 2015 in Little Rock, Arkansas. The investigation also led to the recovery of more than half a kilogram of cocaine and \$835,000 cash.

The alleged leader of the New-York based drug organization, LUISITO COLON PAGAN, is scheduled to be arraigned on the indictment today in Manhattan Supreme Court before Judge Bonnie G. Wittner. PAGAN's main distributor ROBERT PERALTA and a third defendant are also set to be arraigned today. The indictment contains charges of Conspiracy to Possess and Sell Controlled Substances, Conspiracy to Kidnap, Criminal Possession of a Controlled Substance and Criminally Using Drug Paraphernalia.

During the wiretap investigation, which began in the fall of 2014, agents and officers with the DEA's New York Drug Enforcement Task Force, Group T-12 (NYDETF) learned that PAGAN maintained contact with drug suppliers in Mexico linked to the Sinaloa Cartel. PAGAN arranged for multi-kilogram shipments of narcotics to be smuggled into the U.S. and across the country to New York. ROBERTO PERALTA oversaw the local distribution side of the operation.

Early in the wiretap investigation, PAGAN and his organization obtained sizeable shipments of cocaine from a Mexican supplier, partially on consignment, and sold the drugs to customers in New York City and elsewhere. The operation began to unravel when PAGAN's organization failed to collect payment from a customer and therefore did not have enough money to cover a debt to the Mexican supplier.

The Mexican supplier refused to provide additional shipments of narcotics and took steps to pressure PAGAN for payment. A rift developed between PAGAN and PERALTA, because PAGAN blamed PERALTA for his money woes. PAGAN hatched a plot to kidnap PERALTA's brother in the Dominican Republic.

Members of NYDETF, which is comprised of DEA agents, New York City Police Department (NYPD) detectives and investigators with the New York State Police, made arrests in the case over the course of the past three months.

The third defendant set to be arraigned today, FERNANDO RODRIGUEZ, is PERALTA's uncle. Co-defendants WILTON GUTIERREZ AND CARLOS DELACRUZ, who worked under PAGAN and PERALTA, were previously arraigned on the indictment.

Cocaine Trafficking: Mexican Source of Supply

Between December 2014 and February 2015, PAGAN, PERALTA and the other three indicted defendants are charged with engaging in a conspiracy to possess and sell narcotics. PAGAN allegedly received two shipments of cocaine from a new source of supply in Mexico totaling 11 kilograms (24 lbs.). On December 19, PAGAN told PERALTA that the narcotics supplier was holding his brother as collateral in Mexico to ensure payment for the narcotics.

For the first shipment, PAGAN travelled to Indianapolis and returned on December 24, 2014 on a Greyhound bus with four and one-half kilograms of cocaine in his luggage. The bus took PAGAN to Philadelphia and then on to New York City.

Members of the Mexican organization transported the second shipment of more than six kilograms of cocaine approximately a week later. The cocaine was hidden inside a secret compartment, or "trap," in a BMW.

PAGAN paid \$120,000 cash for the cocaine up front – less than half the total amount he owed the Mexican supplier for the two shipments. When the cash would not fit inside the BMW's trap, PERALTA loaned the suppliers a Ford Edge SUV with a larger hidden compartment that could hold the money. On January 14, 2015, PAGAN told DELACRUZ that he owed the Mexican supplier \$150,000.

In order to keep an eye on PAGAN, a member of the Mexican organization remained in New York City following the drug delivery. PAGAN was required to keep this individual in his Bronx apartment, located at 1240 Morrison Ave., Apt. 12M, in the Bronx, for the purposes of counting money as it came in. After a couple of weeks had passed, PAGAN developed a plan to get the individual out of the apartment. On January 15, PAGAN lured the individual away from the residence and instructed GUTIERREZ, DELACRUZ and another individual to clear out the apartment and make it look like a burglary. Agents stopped DELACRUZ's car as he drove away from the apartment building and seized approximately \$85,000 in cash, multiple cellphones and drug paraphernalia, including a kilo press, a heat-sealing machine, cutting agents and a scale.

Kidnap Plot: Dominican Republic

The investigation revealed that PERALTA arranged for sale of the 11 kilograms of cocaine that PAGAN had received from the Mexican supplier. PERALTA catered to customers in New York City and elsewhere in the Northeast, and made frequent trips to Pennsylvania to sell both cocaine and heroin. However, in January 2015 PERALTA failed to collect a sizeable payment for cocaine from one of his customers. This left PAGAN short \$127,000 that was owed to the Mexican supplier.

These financial problems created a rift between PAGAN and PERALTA, which was exacerbated by PERALTA's arrest on February 3, 2015. Members of NYDETF apprehended PERALTA as he prepared to deliver 300 grams of heroin to a customer in Pennsylvania. Approximately 16 kilograms of

phenacetin (a pain reliever classified as a controlled substance) had also been seized from PERALTA's home on December 30, 2014.

Following the arrest, on February 13, 2015 PAGAN allegedly hatched a plot to kidnap PERALTA's brother, who lived in the Dominican Republic, with the expressed intent of demanding ransom from relatives of PERALTA's brother who live in New York City. PAGAN wired money to individuals in the Dominican Republic as payment towards carrying out the kidnapping plot and worked out details of how the kidnapping would take place. One of the men hired to carry out the kidnapping reported back to PAGAN and said they had gone to PERALTA's brother's home and observed that he was carrying a firearm. Two men armed with shotguns were also present and the kidnapping was postponed.

In addition, PAGAN discussed having men follow another individual close to PERALTA. PAGAN suspected the individual of secretly collecting drug payments on PERALTA's behalf while PERALTA was in jail.

Members of NYDETF arrested PAGAN on February 25, 2015 before the kidnapping in the Dominican Republic could occur.

Related Seizures

13 Kilograms of Heroin Found in Vehicle: Little Rock, Arkansas - April 17, 2015

Members of NYDETF enlisted the assistance of the DEA's New Orleans Field Division to track Peralta's Ford Edge to Little Rock, Arkansas after it was loaned to members of the Mexican supplier's organization. Agents established surveillance and observed the vehicle inside a private garage at 2716 West 11th Street in Little Rock. On Friday, April 17, 2015, agents conducted a court authorized search of the garage and two vehicles parked inside – the Ford Edge and a Honda Element – after a K-9 unit hit detected the smell of narcotics. Inside a hidden compartment in the Honda, agents recovered 13 kilograms of heroin (29 lbs.). Agents also searched the home associated with the garage and determined that it was unoccupied and likely being used as a drug stash house. A small quantity of cocaine was recovered from a bedroom closet. The Little Rock Police Department's Property Crimes Unit assisted in the search.

\$750,000 Seized from Money Launderer: Bronx, NY - February 24, 2015

In February 2015, agents with NYDETF developed information that MOISES LEYVA-LUGO, a Mexican national who had recently entered the U.S., was responsible for transmitting the proceeds of drug transactions from New York City to Mexico. Agents conducted surveillance and saw LEYVA-LUGO exit 744 Coster St. in the Hunts Point section of the Bronx and enter a livery car on February 24, 2015. Agents stopped the car a few blocks away and recovered \$200,000 cash from a carry-on bag that LEYVA-LUGO had been toting. A subsequent search of 744 Coster St., Apt. 1B, yielded another \$550,000 in cash, a money counter, 138 grams of heroin and a digital scale. Agents also recovered wire transfer and deposit slips related to structured deposits and transfers of over \$500,000, with some transfers destined for Sinaloa, Mexico. A criminal complaint charges LEYVA-LUGO with Money Laundering and Criminal Possession of a Controlled Substance.

Special Narcotics Prosecutor Bridget G. Brennan thanked her office's Special Investigations Bureau, the U.S. Drug Enforcement Administration's New York Division and New Orleans Field Division, the New York City Police Department, the New York State Police and the Little Rock Police Department for their work on the investigation.

"As a result of this investigation, a major drug trafficking network that distributed narcotics in the Northeast has been dismantled and 30 pounds of heroin never made it to the streets. The case illustrates a disturbing trend – the increased influence and presence of Mexican drug cartel members in the narcotics trade in New York City," said Bridget G. Brennan. "Stakes were high for a New York-

based distributor, who obtained large shipments of narcotics on consignment. The indictment charges that the Mexican cartel forcibly held his brother as collateral until receipt of payment. It also posted a member of the Mexican organization as an unwanted house guest in his Bronx apartment to keep an eye on cash collections. As debts piled up, the New York trafficker turned to cartel-style tactics and plotted to kidnap a co-conspirator's brother and hold him for ransom until drug debts were paid off."

DEA Special Agent in Charge James J. Hunt said, "What culminated as a complex international drug trafficking investigation with ties to the Sinaloa Cartel and tentacles to drug cells throughout the country, originated from a local drug investigation here in New York City. The two main leaders of the New York organization, Pagan and Peralta, had a love/hate relationship which began as a drug distribution partnership; but as greed and mistrust grew, they succumbed to using kidnappings and threats of violence to conduct their illegal operation until law enforcement put them both out of business."

Police Commissioner William J. Bratton said, "I would like to thank the New York Drug Enforcement Task Force and the Office of the Special Narcotics Prosecutor for their work in shutting down this alleged narcotics trafficking ring which did not hesitate to import and distribute its poison into New York City and the Northeast. We will continue to collaborate with our law enforcement partners to protect our neighborhoods and prevent dangerous organizations from operating in our city."

New York State Police Superintendent Joseph A. D'Amico said, "After a year-long investigation another dangerous drug operation has been dismantled. These suspects, with no regard for their communities, were bringing large quantities of drugs from Mexico into the United States via public transportation and in personal vehicles. This case played out like a movie, with a staged burglary, money laundering and a kidnapping plot. With these arrests, and seizures of large quantities of drugs and cash, law enforcement once again puts an end to a violent enterprise, and made our streets safer."

INDICTED DEFENDANTS	CHARGES
Luisito Colon Pagan, aka "Alex," aka "Alechan" 5003 New Hope Road, Apt. A3 Raleigh, NC 1240 Morrison Ave., Apt. 12M Bronx, NY 3/11/1975	Conspiracy 2 nd (Possess and Sell Controlled Substances) – 1 ct Conspiracy 2 nd (Kidnapping 1 st) – 1 ct CPCS 1 st – 1 ct CPCS 3 rd – 1 ct Criminally Using Drug Paraphernalia 2 nd – 2 cts
Robert Peralta, aka "Misterio," aka "Forty-Five" 2045 Story Ave., Apt. 6H Bronx, NY 9/17/1981	Conspiracy 2 nd (Possess and Sell Controlled Substances)– 1 ct CPCS 1 st – 1 ct CPCS 3 rd – 1 ct Criminally Using Drug Paraphernalia 2 nd – 1 ct
Fernando Rodriguez, aka "El Tio" 1530 Sheridan Ave., Apt. 6K Bronx, NY 12/28/1979	Conspiracy 2 nd (Possess and Sell Controlled Substances) – 1 ct CPCS 1 st – 1 ct CPCS 3 rd – 1 ct
Wilton Gutierrez, aka "Winston Marte" 2741 Sedgwick Ave., Apt. 4F Bronx, NY 5/18/1978	Conspiracy 2 nd (Possess and Sell Controlled Substances) – 1 ct Criminally Using Drug Paraphernalia 2 nd – 2 cts
Carlos Delacruz 11 Whitestone Place, Apt. 2 New Rochelle, NY 11/21/1972	Conspiracy 2 nd (Possess and Sell Controlled Substances) – 1 ct Criminally Using Drug Paraphernalia 2 nd – 2 cts

CRIMINAL COMPLAINT

CHARGES

Moises Leyva-Lugo
744 Coster St., Apt. 1B
Bronx, NY
2/25/1989

CPCS 3rd – 1 ct
CPCS 2nd – 1 ct
Money Laundering 2nd – 1 ct

The charges and allegations are merely accusations and the defendants are presumed innocent until proven guilty.