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7 **IN THE UNITED STATES DISTRICT COURT**
8 **DISTRICT OF ARIZONA**

9 Estados Unidos Mexicanos,
10
11 Plaintiff,

12 vs.

13 Diamondback Shooting Sports, Inc.,
14 an Arizona corporation; SNG
15 Tactical, LLC, an Arizona limited
16 liability company; Loan Prairie,
17 LLC D/B/A The Hub, an Arizona
18 limited liability company; Ammo
19 A-Z, LLC, an Arizona limited
20 liability company; Sprague's Sports,
Inc., an Arizona corporation,

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Defendants.

NO.

COMPLAINT

JURY TRIAL DEMANDED

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I. INTRODUCTION

1
2 1. Defendants in this civil lawsuit are Arizona gun dealers that
3 systematically participate in trafficking military-style weapons and ammunition to
4 drug cartels in Mexico by supplying gun traffickers. Defendants know or should
5 know that their reckless and unlawful business practices – including straw sales, and
6 bulk and repeat sales of military-style weapons – supply dangerous criminals in
7 Mexico and the U.S. For decades U.S. law enforcement has tied these practices to
8 gun trafficking and called on the gun industry to institute safer sales practices. Most
9 gun dealers – 80-90% – use safe sales practices and, as a result, sell no crime
10 guns. Defendants choose to sell guns using reckless and unlawful practices, despite
11 the foreseeability – indeed, virtual certainty – that they are thereby helping cause
12 deadly cartel violence across the border. Defendants engage in these reckless and
13 unlawful actions because it makes them money. This lawsuit intends to hold them
14 accountable, and make them stop.
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19 2. Gun trafficking from the United States into Mexico, which is widely
20 acknowledged to be the source of the cartels' arsenals, is a crisis of extraordinary
21 proportions. U.N. OFF. DRUGS & CRIME, *Global Study on Firearms Trafficking*
22 *2020*, (2020), [https://www.unodc.org/unodc/en/firearms-protocol/firearms-](https://www.unodc.org/unodc/en/firearms-protocol/firearms-study.html)
23 [study.html](https://www.unodc.org/unodc/en/firearms-protocol/firearms-study.html). Defendants have turned Arizona into an epicenter of this unlawful
24 trafficking. These five Defendants are among the worst gun-trafficking offenders in
25
26

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1 Arizona and the United States. Defendants have had that notorious distinction for
2 years. For instance, in September 2019 the United States arrested two men who
3 trafficked at least 40 guns, 25,000 rounds of ammunition, and 760 AK-type and AR-
4 type 30-round magazines into Mexico. These included 15 pistols sold by Defendant
5 Ammo AZ; 3 pistols, 1 AK-47 assault rifle, and 60 assault-rifle magazines sold by
6 Defendant Diamondback Shooting Sports; and 4 pistols (including 2 AK-47 style
7 pistols) sold by Defendant SnG Tactical.
8
9

10 3. Similarly, the United States arrested four people who, in a 6-month
11 period in 2018, bought from Defendant Sprague's Sports for trafficking into Mexico
12 8 guns and several boxes of ammunition. During that same time period, another gun
13 trafficker was making weekly visits to Sprague's which sold him almost two dozen
14 guns in 15 different transactions, all bound for Mexico.
15

16 4. Defendant SnG Tactical sold a cartel buyer 6 pistols and 3 AK-47
17 assault rifles between January and April of this year. And, less than three weeks ago,
18 the United States indicted 11 individuals for trafficking more than 50 firearms to
19 Mexico: Diamondback Shooting Sports sold them 2 AK-47 assault rifles and an AR-
20 15 assault rifle; Defendant The Hub sold them 4 AK-47 assault rifles and 1 AR-15
21 assault rifle; and SnG Tactical sold them 11 AK-47 assault rifles and a pistol.
22
23

24 5. The guns that Defendants traffic into Mexico include .50 caliber sniper
25 rifles that can shoot down helicopters and penetrate lightly armored vehicles and
26

1 bullet-proof glass; AK-47 assault rifles (versions of the Russian Army's Kalashnikov
2 rifle); and AR-15 assault rifles (versions of the U.S. Army's M-16 rifle). Defendants
3 know that these military-style weapons are favorites of the cartels, and the cartels'
4 agents have been shopping for them for years in Defendants' stores.
5

6 6. Plaintiff Estados Unidos Mexicanos (the "Government") brings this
7 action on its own behalf to help stop this reckless and unlawful weapons trade and
8 stanch the massive damage that the Defendants cause to the Government, including
9 the death of and injury to its military personnel, National Guard, and police, as well
10 as vastly increased spending on a wide range of services to try to prevent and to
11 mitigate the effects of the gun-violence epidemic that Defendants have unleashed in
12 Mexico. The Government also brings this action *in parens patriae* on behalf of its
13 citizens. Defendants materially contribute to the nation's rate of gun-related
14 homicides (among the worst in the world), to a significant decrease in life
15 expectancy, and to the deterioration in the quality of life in Mexico, where more than
16 40% of young people hear or see frequent gunfire.
17
18

19 7. This lawsuit does not in any way challenge the right of law-abiding U.S.
20 citizens to bear arms, or the right of responsible gun dealers to operate a business of
21 selling guns to law-abiding U.S. citizens. This lawsuit concerns a common cause of
22 both Mexico and the United States, two sovereign nations whose citizens suffer when
23 gun dealers along our shared border illegally supply the criminal market in Mexico.
24
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1 8. The Government has deep sympathy with our neighbors in the United
2 States whose residents also are victimized by identical reckless and unlawful gun
3 sales, and who daily awaken to news of mass shootings in which isolated, disturbed
4 individuals use semi-automatic weapons in random and unspeakable murderous
5 rampages. Mexican citizens daily awaken to a similar horror in which pitiless drug
6 cartels that, as part of their business model, use these same types of weapons to maim
7 and kill activists, journalists, judges, police, citizens, children—anyone who happens
8 to be in their way.
9

10 9. These Defendant gun dealers systematically participate in trafficking
11 these weapons of war to the cartels. This lawsuit is part of the Government's effort to
12 cut off the cartels' supply at its source.
13
14

15 10. The ongoing cartel violence in Mexico, fueled primarily by assault
16 weapons supplied by unscrupulous border-state dealers like the Defendants, is the
17 world's second-deadliest conflict this century. Seth Harp, *Arming the Cartels: The*
18 *Inside Story of a Texas Gun-Smuggling Ring*, Rolling Stone (Aug. 7, 2019),
19 [https://www.rollingstone.com/culture/culture-features/arming-mexican-cartels-](https://www.rollingstone.com/culture/culture-features/arming-mexican-cartels-inside-story-of-a-texas-gun-smuggling-ring-866836/)
20 [inside-story-of-a-texas-gun-smuggling-ring-866836/](https://www.rollingstone.com/culture/culture-features/arming-mexican-cartels-inside-story-of-a-texas-gun-smuggling-ring-866836/). With 28 people per every
21 100,000 being murdered every year, Mexico's homicide rate is over four-and-a-half
22 times the world average. This carnage occurs despite Mexico's strict controls on the
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26

1 lawful possession of guns, and despite the nation having only one gun store—located
2 on an Army base.

3
4 11. In participating in straw sales and trafficking of guns and ammunition
5 into Mexico, Defendants violate Mexican statutes on importing guns and on gun
6 possession, as well as Mexico’s tort law. They also violate U.S. statutes that prohibit
7 selling guns without a license, exporting guns without a license, selling to ineligible
8 customers, selling to straw purchasers, falsifying sales records, selling machine guns,
9 and participating in cross-border gun trafficking, as well as state tort law and state
10 statutes applicable to selling and marketing guns.
11

12 12. Among the U.S. statutes that Defendants violate is the federal Racketeer
13 Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961, et seq.
14 Through their supply of firearms to traffickers who arm the cartels, each Defendant
15 regularly participates with one or more of the drug cartels in Mexico, including the
16 Sinaloa Cartel and Cartel Jalisco Nueva Generación, in gun trafficking to Mexico.
17 Repeatedly committing mail fraud, wire fraud, unlawful straw selling, unlawful
18 cross-border smuggling, and money laundering, each Defendant conducts and
19 participates in the affairs of an unlawful criminal enterprise whose purposes include
20 trafficking guns into Mexico.
21
22

23
24 13. To help put an end to the pernicious and pervasive gun trafficking, the
25 Government asks the Court to appoint monitors who, for a minimum of ten years,
26

1 will have the authority to establish, modify, and closely oversee the sales practices of
2 each of the Defendants. Appointing these monitors will allow the gun dealers to sell
3 to law-abiding U.S. citizens in the United States, while preventing them from
4 continuing to supply the cartels in Mexico.
5

6 II. PARTIES

7 14. Plaintiff Estados Unidos Mexicanos (the “Government”) is a sovereign
8 nation that shares a border with the United States. The Government brings this action
9 on its own behalf and on behalf of its citizens in *parens patriae*.
10

11 15. Defendant Diamondback Shooting Sports, Inc. (“Diamondback”) is a
12 corporation organized and existing under the laws of Arizona, with its principal place
13 of business at 7030 East Broadway Boulevard, Tucson, Arizona. Diamondback
14 regularly conducts business in this district through its store located in Tucson.
15 Diamondback’s participation in the gun trafficking alleged below resulted in guns
16 that it sold from its Tucson store being used in criminal activities in Mexico, causing
17 the harm about which the Government complains.
18
19

20 16. Defendant SnG Tactical, LLC (“SnG Tactical”) is a corporation
21 organized and existing under the laws of Arizona, with its principal place of business
22 at 3441 South Palo Verde Road, Tucson, Arizona. SnG Tactical regularly conducts
23 business in this district through its Tucson store. SnG Tactical’s participation in the
24 gun trafficking alleged below resulted in guns that it sold from its Tucson store being
25
26

1 used in criminal activities in Mexico, causing the harm about which the Government
2 complains.

3
4 17. Loan Prairie, LLC, D/B/A Hub Target Sports (“The Hub”) is a
5 corporation organized and existing under the laws of Arizona, with its principal place
6 of business at 4501 W. Grand Rd, Tucson. The Hub regularly conducts business in
7 this district through its Tucson store. The Hub’s participating in the gun trafficking
8 alleged below resulted in guns that it sold from its Tucson store being used in
9 criminal activities in Mexico, causing the harm about which the Government
10 complains.
11

12
13 18. Defendant Ammo A-Z, LLC (“Ammo AZ”) is a corporation organized
14 and existing under the laws of Arizona, with its principal place of business at 2040
15 W. Deer Valley Rd # C, Phoenix, Arizona. Ammo AZ regularly conducts business in
16 this district through its Phoenix store. Ammo AZ’s participation in the gun
17 trafficking alleged below resulted in guns that it sold from its Phoenix store being
18 used in criminal activities in Mexico, causing the harm about which the Government
19 complains.
20

21
22 19. Defendant Sprague’s Sports, Inc. (“Sprague’s Sports”) is a corporation
23 organized and existing under the laws of Arizona, with its principal place of business
24 at 1460 W 18th St., Yuma, Arizona. Sprague’s Sports regularly conducts business in
25 this district through its Yuma store. Sprague’s Sports’ participation in the gun
26

1 trafficking alleged below resulted in guns that it sold from its Yuma store being used
2 in criminal activities in Mexico, causing the harm about which the Government
3 complains.
4

5 20. All of the Defendants' wrongful actions described in this complaint are
6 part of, and in furtherance of, the unlawful conduct alleged herein, and were
7 authorized, ordered, and undertaken by the Defendants' various officers, agents,
8 employees, or other representatives while actively engaged in the management of the
9 Defendants' affairs (or that of their predecessors-in-interest) within the course and
10 scope of their duties and employment, and with the Defendants' actual, apparent, and
11 ostensible authority.
12

13 **III. JURISDICTION AND VENUE**

14
15 21. This action is between a foreign state as plaintiff and citizens of a State
16 or of different States, and the matter in controversy exceeds the sum or value of
17 \$75,000.00. The Court therefore has subject matter jurisdiction under U.S. Const.,
18 Art. III, § 2, cl. 1, and 28 U.S.C. § 1332(a)(4). This action also arises under RICO, 18
19 U.S.C. §§ 1961 et seq., and the Court therefore also has subject matter jurisdiction
20 under 18 U.S.C. §§ 1964, 1965, and 28 U.S.C. § 1331.
21

22
23 22. Venue is appropriate in this district under 28 U.S.C. §1391(b)(2)&(3),
24 and under 18 U.S.C. § 1965(a), in that each Defendant resides in this district, each
25
26

1 Defendant regularly transacts business in this district, and a substantial part of the
2 events or omissions giving rise to the claim occurred in this district.

3
4 **IV. EACH DEFENDANT KNOWINGLY PARTICIPATES IN GUN**
5 **TRAFFICKING TO MEXICO.**

6 23. Each Defendant knowingly participates in trafficking guns into Mexico.
7 That participation violates all of the duties described in Section VII below and
8 materially contributes to the massive harm suffered by the Government and its
9 people as detailed in Section X below.

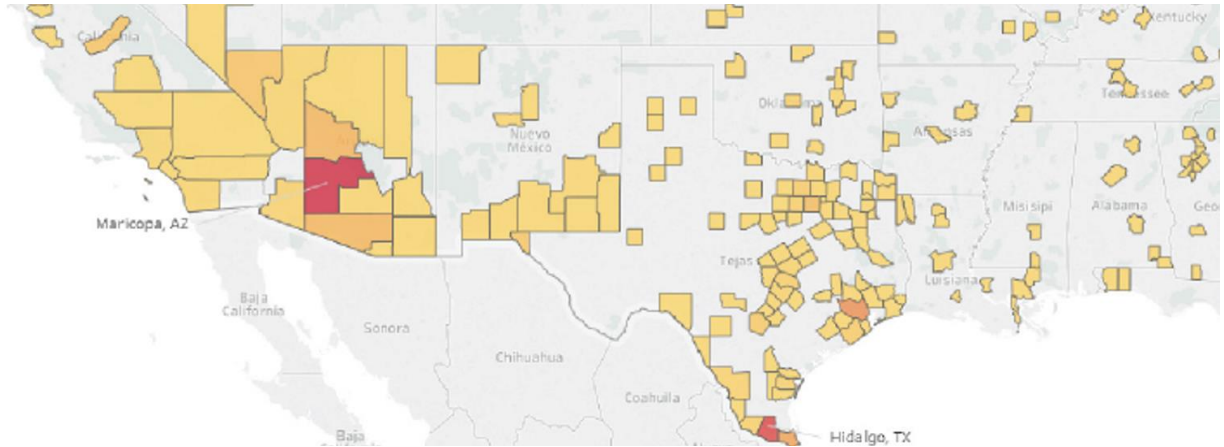
10
11 **A. Defendants Have Made Arizona a Center of Gun-Trafficking to**
12 **Mexico.**

13 24. Defendants supply significant numbers of guns to the criminal market in
14 Mexico. Defendants know that they engage in straw sales, multiple sales, repeat
15 sales, and other business practices that supply traffickers who arm the drug cartels.

16 25. A small minority of gun dealers—fewer than 10%—sell about 90% of
17 crime guns. Defendants are part of the small percentage of dealers that sell virtually
18 all crime guns recovered in Mexico. Arizona is a hotbed of the unlawful gun
19 trafficking into Mexico; these Defendants made it so.

20
21 26. The U.S. Department of Justice has long recognized that the “Tucson
22 corridor”—Tucson, Arizona to Nogales, Mexico—is one of the three largest gun
23 smuggling corridors in the United States. U.S. Department of Justice, “Interim
24 Review of ATF’s Project Gunrunner” September 2009, page 11-12.
25
26

27. An independent analysis of U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives (“ATF”) trace data showed that Maricopa County was one of the two largest sources of crime guns recovered in Mexico, with Pima County not far behind.



Stop US Arms to Mexico analysis of firearms recovered in Mexico, by county of purchase (based on 2007-2010 ATF traces); Stop US Arms to Mexico, *Gross Human Rights Abuses: The Legal and Illegal Gun Trade to Mexico* (Aug. 2018), <https://stopusarmstomexico.org/gross-human-rights-abuses-the-legal-and-illegal-gun-trade-to-mexico/>.

28. Gun dealers in Arizona retain that status today. In 2021, the U.S. Government Accountability Office (“GAO”) reported on ATF trace data for guns recovered in Mexico. U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-21-322, *Firearms Trafficking: U.S. Efforts to Disrupt Gun Smuggling into Mexico Would Benefit from Additional Data and Analysis*” (2021), <https://www.gao.gov/assets/gao-21-322.pdf>. It revealed that of the 26,860 firearms recovered at crime scenes in Mexico between 2014 and 2018 that were traceable to an initial U.S purchase, 4,444 of them were traced to Arizona. *Id.* at 18. This is by far the largest number per capita

1 of the three principal states, nearly twice as large as Texas and well more than four
2 times larger than California.

3
4 29. The number of guns *traced* from gun dealers in Arizona to Mexico is
5 just a small fraction of the number of guns *trafficked* from those dealers into Mexico.
6 The vast majority of trafficked guns are never recovered—they stay in circulation in
7 Mexico continuing to cause death and destruction.

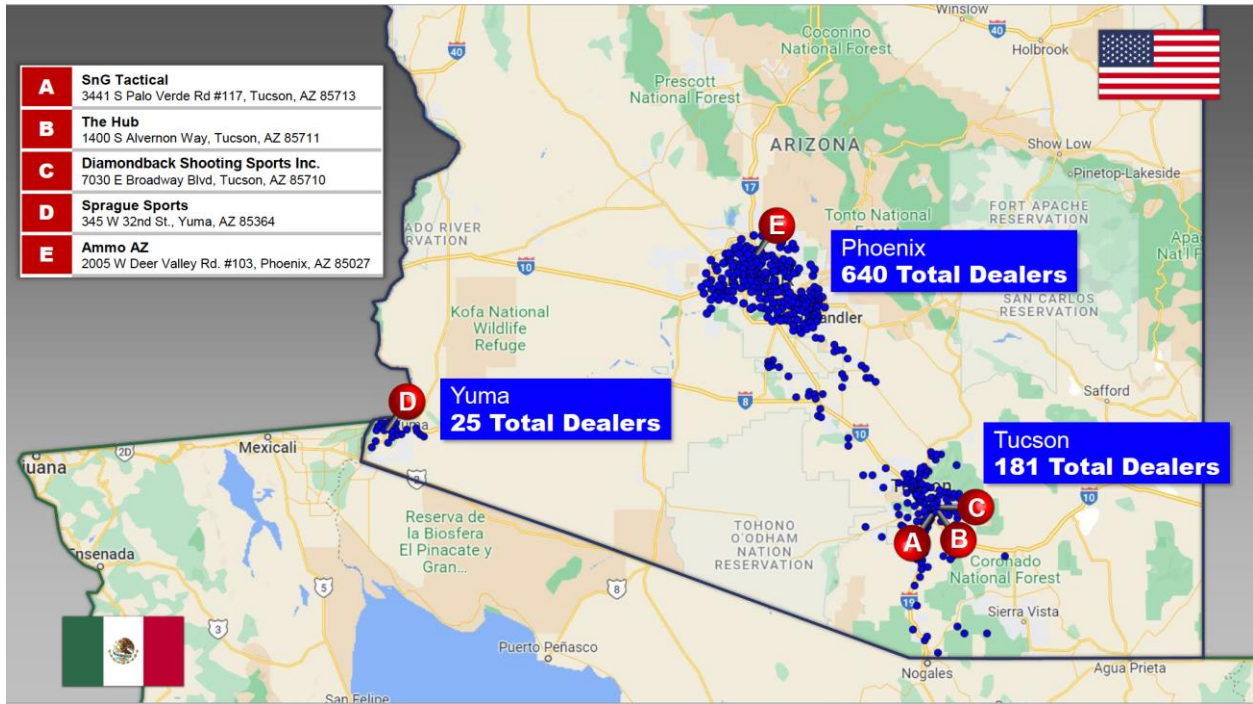
8
9 30. The Government, of course, does not challenge in any way the State of
10 Arizona's gun laws or other policies. This lawsuit challenges only the action of
11 private corporations that knowingly and systematically participate in the trafficking
12 of guns from Arizona into Mexico.

13
14 **B. Defendants Are Among the Worst Offenders in Arizona.**

15 31. Arizona has extremely large number of gun dealers, as its dealers supply
16 not just Arizona gun owners but illegal gun traffickers and criminals in Mexico. With
17 a population of only 7,276,316, Arizona is home to almost 1,500 gun dealerships.

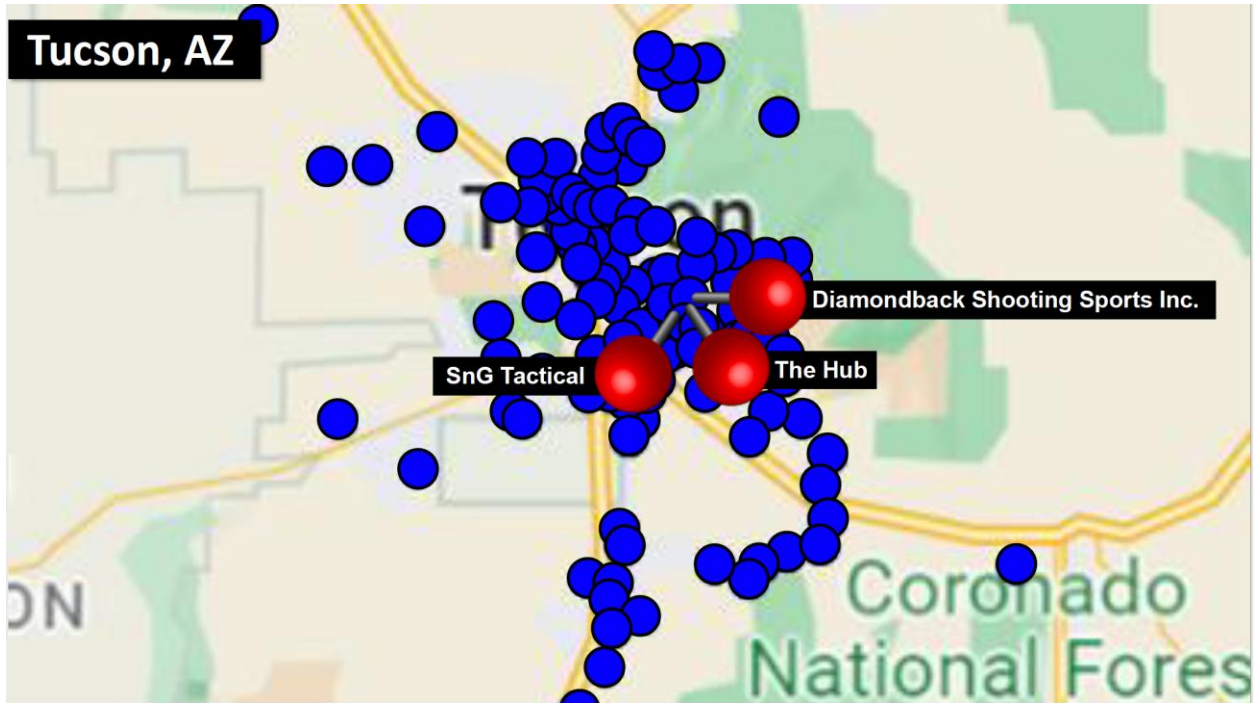
18
19 32. Among this abundance of gun dealers and traffickers, the Defendants
20 here are among the worst offenders in participating in the trafficking of guns into
21 Mexico. They are a trusted and reliable source of guns for traffickers and straw
22 purchasers, who go out of their way to visit Defendants' stores.

33. The following maps¹ illustrate the central role that these Defendants play in the gun-trafficking:

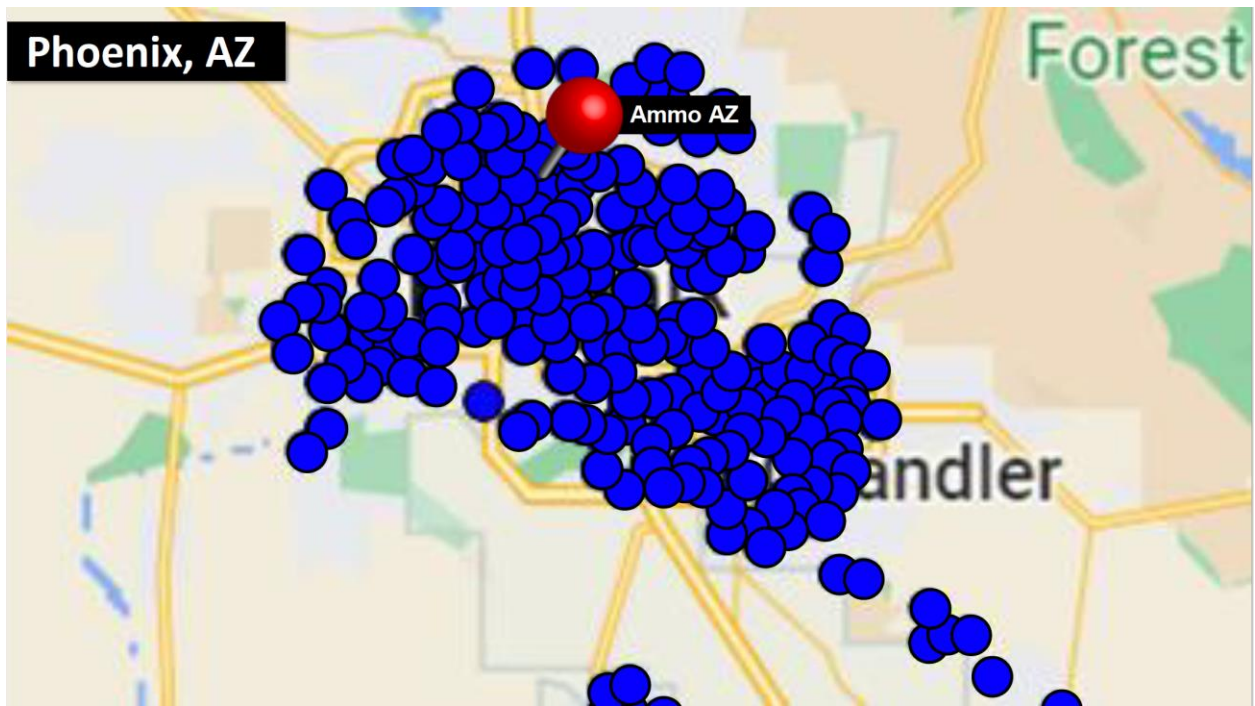


34. These maps demonstrate that the cartels especially seek out these Defendants' stores. For example, starting at the border in Nogales, Arizona and traveling north on U.S. Interstate 19 to Tucson, i.e. "The Tucson Corridor," the smuggler will travel about 70 miles and pass more than 100 gun dealers along the way before reaching Defendants SnG Tactical or The Hub. And they would have to drive past more than 160 gun dealers before reaching Defendant Diamondback.

¹ These maps were constructed using the Listing of Federal Firearms Licensees reported by the ATF in 2015. Importer and manufacturer licensees are not included in the data set.



35. Similarly, starting in Nogales and traveling northwest on Interstate 19 and Interstate 10 to Phoenix, the smuggler will travel about 180 miles and pass more than 1,100 gun dealers along the way before reaching Defendant Ammo AZ.



1 36. The late federal judge Jack B. Weinstein found as a fact, in a U.S.
2 domestic trafficking case, that it is an indicator of sales to gun traffickers where the
3 buyer “bypasse[s] geographically closer dealers ... i.e., the purchaser for illegal use
4 goes out of his way geographically to buy from retailers with a poor record for crime
5 gun traces.” *NAACP v. AcuSport, Inc.*, 271 F. Supp. 2d 435, 521-522 (E.D.N.Y.
6 2003).

7
8 37. Other data confirm that the cartels essentially go shopping for their
9 weapons of war at Defendants’ stores. Over the last 5 years, each of these Defendants
10 is among the 10 dealers with the most crime guns recovered in Mexico and traced
11 back to a dealership in Arizona. The ATF has concluded that a high volume of crime
12 guns traced back to a particular dealership is a trafficking indicator, suggesting that
13 the dealer is engaged in unlawful sales such as straw sales. ATF, *Commerce in*
14 *Firearms in the United States*, 25 (2000). Judge Weinstein concurred, including on
15 his list of gun-trafficking indicators “[r]elatively excessive numbers of traces to
16 specific retailers” and “out of state traces.” *NAACP v. AcuSport, Inc.*, 271 F. Supp.
17 2d at 504, 521-522.
18
19
20
21

22 **C. Defendants Know the “Red Flags” that Indicate Unlawful Gun**
23 **Trafficking.**

24 38. For many years, each Defendant has sold countless guns that have been
25 obtained by unauthorized and irresponsible persons in Mexico through straw sales
26 and other of Defendants’ unlawful and unreasonable sales practices. Many of these

1 sales have occurred in circumstances that clearly indicated to gun dealers that the
2 transaction was a straw sale. Those sales would not have been made if Defendants
3 properly trained their employees and committed to following the law and their
4 obligations to safely and responsibly sell guns. As a result, unauthorized and
5 irresponsible persons, including convicted felons, have obtained thousands of guns
6 from these sources, some of which thereafter have been used or will be used to injure
7 the Government and its citizens.
8

9
10 39. Each Defendant knows the “red flags” that indicate that guns purchased
11 at its stores are destined for the drug cartels in Mexico. These include straw
12 purchases, bulk purchases, and repeat purchases. Each Defendant’s response to these
13 red flags has been to double down on the exact practices that it knows supply the
14 cartels with military-style arsenals. Each Defendant actively maximizes rather than
15 minimizes its sales to the criminal markets in Mexico.
16

17
18 40. Straw sales are the most common method of trafficking guns into
19 Mexico. Illegal diversion through straw sales has been common knowledge in the
20 industry, and known by Defendants, for many years. In one law enforcement study,
21 more than half of the guns subject to gun trafficking investigations had been acquired
22 as part of a straw sale. The unlawful practice has been the subject of numerous ATF
23 reports and newsletters and congressional hearings.
24
25
26

1 41. A licensed dealer that knowingly makes a sale to a straw purchaser for
2 trafficking into Mexico violates the law of Mexico on imports, the U.S. law on
3 exports, and specific U.S. law on straw purchases. The straw purchaser fraudulently
4 certifies on the ATF Form 4473, required for almost all guns purchases at a licensed
5 dealer, that he or she is the actual purchaser of the gun. Knowing that the information
6 is false, the gun dealer participates in that falsification and completes the sale. The
7 many other violations that each Defendant commits in connection with straw sales
8 are further detailed below in Section VIII.

9 42. The purchase of more than one handgun in a short period is an indicator
10 that the purchaser might be involved in trafficking. Therefore, to monitor and deter
11 handgun trafficking, U.S. federal law requires a dealer to report all transactions in
12 which an unlicensed buyer buys two or more handguns within 5 days. *See* 18 U.S.C.
13 § 923(g)(3)(A); 27 C.F.R. § 478.126a.

14 43. For years U.S. law enforcement has recognized the special problem of
15 straw purchasing and gun trafficking from Arizona and other border states into
16 Mexico, and for that reason requires gun dealers in this region alone to report
17 multiple sales of certain long guns as well, including assault rifles.

18 44. Guns are diverted to the illegal market in Mexico after being sold as part
19 of a “multiple sale” in which the gun dealer sells more than one gun at once over a
20 limited period to the same buyer. The buyer later transfers the guns to others who do
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1 not want to submit to a background check. Traffickers also prefer to buy guns in
2 bulk, buying 2, or 10, or even 20 or more guns at one time. Large multiple sales to
3 one person by a single dealer are a further source of guns for the illegal market in
4 Mexico, as are repeat sales in which traffickers return to stores for multiple
5 purchases.
6

7 45. Each Defendant regularly sells guns as part of multiple purchases that
8 are then diverted to the illegal market and subsequently trafficked into Mexico. Many
9 of the multiple sales have occurred under circumstances that indicated or should have
10 indicated to defendants that the guns were destined for the unlawful market. As a
11 result, unauthorized and irresponsible persons have obtained thousands of guns from
12 these sources, some of which thereafter have been used or will be used to injure the
13 Government and its citizens.
14

15 46. The U.S. Congress and ATF for years have warned that making large
16 volume sales is a high-risk practice and a means by which traffickers obtain guns to
17 sell in illegal markets, including in Mexico. Each Defendant's response has been to
18 rely more and more on repeat and bulk customers.
19

20 47. Judge Weinstein concluded as fact in *NAACP v. AcuSport, Inc.*, 271 F.
21 at 509, that "[f]irearms manufactured, imported or distributed by defendants were
22 acquired as part of a multiple purchase, [and] diverted to the illegal market."
23
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1 48. Each Defendant continues to use unrestricted multiple sales to sell their
2 guns. The trafficking of each Defendant's assault weapons and other guns into
3 Mexico, having been acquired through multiple purchases in the U.S., continues
4 unabated.
5

6 **D. Each Defendant Knows that Military-Style Weapons Are the Cartels'**
7 **Weapons of Choice.**

8 49. Military-style weapons are useful for killing large numbers of people in
9 a short amount of time, taking on well-armed military or police forces, and
10 intimidating and terrorizing people. Each Defendant recklessly and unlawfully sells
11 assault weapons that are effective people-killing machines.
12

13 50. Among the military-style weapons that each Defendant trafficks to the
14 drug cartels in Mexico are AR-15s, which fire in semi-automatic rather than fully
15 automatic mode but are otherwise essentially identical the U.S. military's M-16.
16 Century Arms' WASR-10 is a variant of the Romanian AK-47 assault weapon.
17

18 51. These assault weapons have key features that distinguish them from
19 traditional sporting rifles, such as the capacity to lay down a high volume of fire over
20 a wide killing zone. This "hosing down" of an area is better suited for military
21 combat than sporting guns. And civilian assault weapons have much less recoil than
22 traditional sporting guns, facilitating quicker pulls of the trigger.
23

24 52. The assault weapons that each Defendant recklessly and unlawfully sells
25 are designed so they can accept large-capacity ammunition magazines that can hold
26

1 20, 30, even 75 or 100 rounds that can then be fired without reloading. Each
2 Defendant's assault rifles, especially when coupled with large capacity magazines,
3 can enable military-style assaults in which many rounds can be fired in seconds.
4

5 53. The Barrett .50 caliber sniper rifle shoots rounds that are 5 to 10 times
6 larger than those fired by semi-automatic models, including the AR-15 and AK-47.
7 Given the range and power of a .50 caliber Browning Machine Gun round, a rifle
8 chambered to fire this round can be used to take down slow- or low-flying aircraft,
9 punch holes in pressurized chemical tanks, or penetrate lightly armored vehicles—
10 such as those used by law enforcement and protective limousine services. The danger
11 posed by these weapons is compounded by the criminals using them. Numerous
12 officials noted that assault weapons are the “weapon of choice” for drug traffickers,
13 gangs, and terrorists. Each Defendant is well aware that assault rifles are preferred by
14 violent cartels in Mexico, that they are routinely trafficked over the U.S. border into
15 Mexico, and that both the Mexican and U.S. governments struggle to prevent the
16 diversion.
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20 **V. EXAMPLES OF SPECIFIC SALES ILLUSTRATE THAT**
21 **DEFENDANTS' PARTICIPATION IN THE TRAFFICKING IS**
22 **SYSTEMATIC AND KNOWING.**

23 54. Authorities have repeatedly identified and recovered each Defendant's
24 guns in connection with systematic trafficking to the cartels and other criminal
25 organizations in Mexico. Each Defendant is fully aware of these incidents, having
26

received notice of them through ATF trace requests, news reports, and court filings.

But each Defendant continues the same sales practices, because it intends to profit from sales to the cartels.

55. A handful of criminal indictments provides recent examples of the prominent roles played by each Defendant in trafficking guns from Arizona into Mexico. The Defendants' unlawful activity is not limited to these incidents—they are merely illustrative. The facts of these examples are summarized in this chart:

UNLAWFUL SALE	DATE	CRIMINAL BUYER
Diamondback		
Century Arms 7.62x39mm rifle	10/01/18	Denise Faye Burress
Romarm Cugir WASR10 7.62x39mm rifle		
1,030 rounds of 9mm ammunition	01/23/19	Leonid Cornejo
1,000 rounds of 10mm ammunition	01/23/19	Jesse Cortez-Arguelles
20 Croatian 30-round magazines	06/16/19	Francisco Dario Mora
CM Draco 7.62x39mm caliber pistol	08/04/19	Francisco Dario Mora
AK-47 assault rifle		
10 Colt AR-15 30-round magazines		
75-round drum magazine		
30 Croatian AK-47 30-round magazines	08/05/19	Francisco Dario Mora
CM Micro Draco 7.62x39mm caliber pistol	08/17/19	Francisco Dario Mora

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1	Century Arms Draco 7.62x39mm caliber pistol	07/19/19	Pedro Adan Sevilla
2	Browning Buckmark .22 caliber pistol	02/20/19	Daniel Pacheco
3			
4	Ruger LCP .380 caliber pistol		
5	Century Arms VSKA 7.62x39mm rifle	10/10/19	Kyle Rene Fazlollah
6	DPMS A15 5.56mm rifle	10/24/19	Fernando Palomares, Jr.
7	Riley Defense RAK47 7.62x39mm rifle		
8			
9	Ruger AR-556 5.56 rifle	08/10/19	Kaleb Jacob Valencia
10	Del-Ton DTI-15 5.56 rifle	01/30/20	Kaleb Jacob Valencia
11	Glock 17 Gen5 9mm pistol	02/01/20	Kaleb Jacob Valencia
12	Glock 17 9mm caliber pistol	03/01/22	Luis Fernando Cruz-Valenzuela
13	Glock 22 .40 caliber pistol	03/01/22	Carlos Abel Cruz
14	SnG Tactical		
15	Century Arms AK63DS rifle	01/21/18	Jose Montoya
16	Century Arms RAS47 7.62x39mm rifle	09/18/18	Michael Anthony Sweigart
17	Century Arms RAS47 7.62x39mm rifle		
18	Century Arms RAS47 7.62x39mm rifle	09/19/18	Michael Anthony Sweigart
19			
20	Romarm Cugir WASR10, 7.62x39mm rifle		
21	Century Arms RAS47 7.62x39mm rifle	09/25/18	Michael Anthony Sweigart
22			
23	Century Arms RAS47 7.62x39mm rifle		
24	Century Arms RAS47 7.62x39mm rifle	09/28/18	Denise Faye Burress
25			
26			

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1	Century Arms RAS47 7.62x39mm rifle		
2	Century Arms RAS47 7.62x39mm rifle	10/05/18	Tamra Michelle Potts
3			
4	Century Arms RAS47 7.62x39mm rifle		
5			
6	Century RAS 7.62 caliber rifle	05/06/17	Isaias Delgado
7	Beretta pistol	10/26/18	Isaias Delgado
8	Smith & Wesson pistol	10/27/18	Isaias Delgado
9	Smith & Wesson SD 9mm caliber pistol	12/17/18	Isaias Delgado
10	Smith & Wesson SD 9mm caliber pistol		
11	Smith & Wesson SD .40 caliber pistol		
12			
13	Romarm WASR-10	12/20/18	Isaias Delgado
14	Barrett .50 caliber rifle	02/19/19	Isaias Delgado
15	Smith & Wesson 9mm pistol		
16	Beowulf .50 caliber rifle	02/24/19	Isaias Delgado
17	Multicaliber receiver	03/05/19	Isaias Delgado
18	Multicaliber receiver		
19	Barrett .50 caliber BMG rifle	03/07/19	Isaias Delgado
20			
21	FN Model M249		
22	Beretta 9mm pistol	03/15/19	Isaias Delgado
23	Diamondback 5.56mm rifle		
24	Diamondback DB-15 5.56 NATO caliber rifle	03/28/19	Isaias Delgado
25	AK-47 style pistol	07/19/19	Pedro Adan Sevilla
26	AK-47 style pistol		
	AK-47 style pistol	07/19/19	Francisco Dario Mora

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1	AK-47 style pistol		
2	Zastava ZPA P92 7.62x39mm	08/23/19	Francisco Dario Mora
3	caliber pistol		
4	Pioneer Arms Corp. Hellpop		
5	7.62x39mm caliber pistol		
6	Radom/Pioneer Arms Sporter	11/27/19	Fernando Palomares, Jr.
7	7.62x39mm rifle		
8	Romarm/Cugir WASR		
9	7.62x39mm rifle		
10	Century Arms VSKA	01/24/20	Fernando Palomares, Jr.
11	7.62x39mm rifle		
12	Radom/Pioneer Arms Sporter		
13	7.62x39mm rifle		
14	Century Arms M70AB2	02/16/20	Fernando Palomares, Jr.
15	7.62x39mm rifle		
16	Century Arms M70AB2		
17	7.62x39mm rifle		
18	Radom/Pioneer Arms Sporter	01/24/20	Kyle Rene Fazlollah
19	7.62x39mm rifle		
20	Radom/Pioneer Arms Sporter		
21	7.62x39mm rifle		
22	FA Cugir M&M Inc. M10-762	06/04/20	Kyle Rene Fazlollah
23	7.62x39mm rifle		
24	FA Cugir M&M Inc. M10-762	02/15/20	Elizar Olivares
25	7.62x39mm rifle		
26	Century Arms M70AB2		
	7.62x39mm rifle		
	Sig Sauer P320 9mm pistol	04/18/20	Ray Alberto Laborin
	Century Arms-Romarm	02/03/20	Jose Gilberto Inzunza
	WASR10 7.62 rifle		
	Century Arms-Romarm	02/04/20	Kaleb Jacob Valencia
	WASR10 7.62 rifle		

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1	Century Arms-Romarm Mini Draco 7.62 pistol	02/06/20	Kaleb Jacob Valencia
2	FN SCAR17s .308 caliber rifle	11/20/21	Richardo Caro
3	Glock 22 Gen 5 .40 caliber pistol	02/03/22	Luis Fernando Cruz-Valenzuela
4	Glock pistol	01/18/22	Nicolas Meraz
5	Glock pistol		
6	Glock pistol		
7	Glock pistol	03/18/22	Nicolas Meraz
8	Pioneer Arms Hellpup 7.62x39mm pistol	03/15/22	Omar Trujillo
9	Zastava ZPAP M70 7.62x39mm rifle		
10	Century Arms VSKA 7.62x39mm rifle	04/18/22	Omar Trujillo
11	Century Arms VSKA 7.62x39mm rifle		
12	Century Arms VSKA 7.62x39mm rifle		
13	Glock 19X 9mm pistol		
14	The Hub		
15	Radical Firearms RF 15 multi-caliber rifle	10/17/19	Fernando Palomares, Jr.
16	Riley Defense RAK47 7.62x39mm rifle		
17	Romarm/CUGIR RH10 7.62x39mm rifle	10/22/19	Kyle Rene Fazlollah
18	Romarm/Pioneer Arms WASR 7.62x39mm rifle	05/06/20	Kyle Rene Fazlollah
19	Riley Defense RAK47 7.62x39mm rifle	02/15/20	Elizar Olivares
20	Glock 17Gen5 9mm pistol	01/28/20	Kaleb Jacob Valencia
21	Riley Defense RAK47 7.62 caliber rifle	02/10/20	Kaleb Jacob Valencia
22	Century Arms VSKA 7.62 rifle	12/18/20	Jose Gilberto Inzunza
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1	Barrett .50 caliber rifle	12/01/21	Anthony Ortiz
2	Ammo AZ		
3	Century Arm AK63DS rifle	01/16/18	Jose Montoya
4	Glock pistol	07/02/19	Francisco Dario Mora
5	CM Micro Draco pistol	07/17/19	Francisco Dario Mora
6	American Tactical Imports (ATI) Omni Hybrid 5.56 pistol		
7	Pioneer Arms Corp. Hellpup 7.62 x 39mm caliber pistol	08/07/19	Francisco Dario Mora
8	Pioneer Arms Corp. Hellpup 7.62 x 39mm caliber pistol		
9	Pioneer Arms Corp. Hellpup 7.62 x 39mm caliber pistol		
10	Century Arms Micro Draco pistol	07/02/19	Pedro Adan Sevilla
11	CM Micro Draco	07/17/19	Pedro Adan Sevilla
12	Glock pistol		
13	ATI pistol		
14	Pioneer Arms Corp. Hellpup 7.62 x 39mm caliber pistol	08/07/19	Pedro Adan Sevilla
15	Pioneer Arms Corp. Hellpup 7.62 x 39mm caliber pistol		
16	Pioneer Arms Corp. Hellpup 7.62 x 39mm caliber pistol		
17	Pioneer Arms Corp. Hellpup 7.62 x 39mm caliber pistol		
18	Pistol (unknown type)	08/13/19	Pedro Adan Sevilla
19	Pistol (unknown type)		
20	Pistol (unknown type)		
21	FN M249S 5.56 caliber rifle	04/16/19	Yibran Lopez-Rosales
22	Barrett M82A1 .50 caliber BMG rifle	08/28/19	Yibran Lopez-Rosales
23	Sprague's Sports		

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1	FN rifle	11/23/18	Rafael Palomares, Jr.
2	Several boxes of ammunition	12/27/18	Jose Rodrigo Felix-Quiroz
3	Glock pistol	05/24/18	Daniel Langstaff Mirazo
4	Glock pistol		
5	Century Arms rifle	07/27/18	Daniel Langstaff Mirazo
6	IWI rifle	08/31/18	Daniel Langstaff Mirazo
7	Barrett .50 caliber rifle	09/22/18	Daniel Langstaff Mirazo
8	Inland rifle	10/03/18	Daniel Langstaff Mirazo
9	FN rifle	11/23/18	Rafael Palomares, Jr.
10	FN rifle	11/27/18	Jesus Sanchez Vega
11	Firearm(s), unknown type	09/20/18	Juan Rafael Castaneda, Jr.
12	Century Arms AK-47 rifle	10/02/18	Juan Rafael Castaneda, Jr.
13	Beretta A300 12-gauge shotgun		
14	Firearm(s), unknown type	10/22/18	Juan Rafael Castaneda, Jr.
15	Firearm(s), unknown type	10/25/18	Juan Rafael Castaneda, Jr.
16	Firearm(s), unknown type	11/10/18	Juan Rafael Castaneda, Jr.
17	Firearm(s), unknown type	11/19/18	Juan Rafael Castaneda, Jr.
18	Firearm(s), unknown type	11/20/18	Juan Rafael Castaneda, Jr.
19	Firearm(s), unknown type	11/21/18	Juan Rafael Castaneda, Jr.
20	Firearm(s), unknown type	12/01/18	Juan Rafael Castaneda, Jr.
21	Firearm(s), unknown type	12/08/18	Juan Rafael Castaneda, Jr.
22	Firearm(s), unknown type	12/28/18	Juan Rafael Castaneda, Jr.
23	Ruger LCPII firearm	01/07/19	Juan Rafael Castaneda, Jr.
24	Ruger LCPII firearm		
25	Firearm(s), unknown type	01/14/19	Juan Rafael Castaneda, Jr.
26	Firearm(s), unknown type	01/16/19	Juan Rafael Castaneda, Jr.
	Glock 42 .380 pistol	09/03/19	Josue Isai Valdez-Reyes (through unnamed straw purchaser)
	Glock 42 .380 pistol	09/05/19	Josue Isai Valdez-Reyes (through unnamed straw purchaser)
	300 rounds of .50 caliber ammunition	03/25/20	Noe Mendoza Marcos Balderas Millan

1 56. The details of these examples follow.

2 57. **2018—Sprague’s Sports.** As outlined in an April 2019 superseding
3 indictment and other court filings, Defendant Sprague’s Sports straw sold to Jose
4 Rodrigo Felix-Quiroz and eight accomplices at least 57 guns in the Yuma area over a
5 six-month period in 2018. Eight codefendants pleaded guilty to straw purchasing
6 guns in Arizona at Felix-Quiroz’s direction. He recruited the straw purchasers, told
7 them what guns to buy, supplied them with cash to buy the guns, and paid them for
8 their work. He transported the guns to Mexico, where he sold them at a markup to
9 multiple individuals after arranging deals via text and WhatsApp messages.
10

11 58. On December 27, 2018, Defendant Sprague’s Sports also unlawfully
12 sold Jose Rodrigo Felix-Quiroz—at the height of his gun-trafficking operation—
13 several boxes of ammunition. Defendant Sprague’s Sports could not lawfully sell the
14 ammunition to him because he was not a resident of the United States and did not
15 have any U.S. identification.
16

17 59. Investigation subsequently revealed that, at the direction of and on
18 behalf of Felix-Quiroz, Daniel Langstaff Mirazo frequented Defendant Sprague’s
19 Sports five times between May and October 2018 to straw purchase guns. On May
20 24, 2018, Defendant Sprague’s Sports straw sold to Mirazo two Glock pistols.
21

22 60. On July 27, 2018, Defendant Sprague’s Sports straw sold to Mirazo a
23 Century Arms rifle; on August 31, 2018, straw sold to him an IWI rifle; on
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1 September 22, 2018 straw sold to him a Barrett .50-caliber rifle; and again on
2 October 3, 2018 straw sold to him an Inland rifle.

3
4 61. Defendant Sprague's Sports did similarly brisk business with others
5 associated with Felix-Quiroz. On November 23, 2018, Defendant Sprague's Sports
6 straw sold to Rafael Palomares, Jr. an FN rifle.

7
8 62. Similarly, on November 27, 2018, Defendant Sprague's Sports initiated
9 a straw sale to Jesus Sanchez Vega of an FN rifle; it completed the sale when Vega
10 returned a few days later.

11 63. The frequency of visits and the types of guns, such as a Barrett .50-
12 caliber rifle, were unmistakable signals to Defendant Sprague's Sports that it was
13 systematically making straw sales. Even the accomplices' criminal defense lawyer
14 admitted in a court filing that gun dealers are well aware of these illegal patterns:
15 "The unfortunate truth about the straw purchases that are typically made in border
16 towns like Yuma... is that the persons who supply the cartels actively recruit young,
17 naïve persons who are United States citizens, but who live in Mexico and are largely
18 Spanish-speaking and unfamiliar with how these schemes are run. *The Federal*
19 *Firearms Licensees who operate in the area know what to look for in the form of*
20 *repeat purchases of certain specific classes of firearms for cash* by young people
21 who clearly have little or no experience with firearms." *U.S. v. Jose Rodrigo Felix-*
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1 *Quiroz et al.*, (D. Ariz.), No. 2:19-cr-00089-JJT, Def. Sent. Memo., at 6 (D. Ariz.
2 Mar. 31, 2021), ECF No. 432 (emphasis added).

3
4 64. From September 2018 to January 2019, Defendant Sprague's Sports was
5 also supplying trafficker Juan Rafael Castaneda, Jr. with an arsenal of powerful
6 firearms over 15 separate visits in less than 4 months, sometimes straw selling
7 multiple guns in one day. Castaneda admitted in his plea agreement that he knew the
8 guns were destined for Mexico. In one particularly fruitful week in November,
9 Sprague's sold him guns three days in a row. This pattern of returning to the store so
10 frequently, including back-to-back visits, was a clear signal to Sprague's that it was
11 making straw sales.
12

13
14 65. **2018—Ammo AZ and SnG Tactical.** In January 2018, Jose Montoya
15 bought 10 semi-automatic rifles from various firearm dealers in the Phoenix area. He
16 bought them for delivery to the Jalisco New Generation cartel in Mexico. One of the
17 weapons was recovered in Mexico on August 15, 2018 in the aftermath of a shooting
18 between Mexican federal police and military personnel and members of the Jalisco
19 Cartel.
20

21 66. On January 16, 2018, Defendant Ammo AZ straw sold to Montoya a
22 Century Arms AK63DS rifle.
23

24 67. On January 21, 2018, Defendant SnG Tactical straw sold to Montoya a
25 Century Arms AK63DS rifle.
26

1 68. **2018—SnG Tactical and Diamondback.** On September 18, 2018,
2 Defendant SnG Tactical straw sold to Michael Anthony Sweigart two Century Arms
3 RAS47 7.62x39 mm rifles.
4

5 69. When Sweigart returned to the store the next day, Defendant SnG
6 Tactical again unlawfully sold to him another Century Arms RAS47 7.62x39 mm
7 rifle, plus a Romarm Cugir WASR10 7.62x39mm rifle.
8

9 70. Six days later, Defendant SnG Tactical again straw sold to Sweigart two
10 more Century Arms RAS47 7.62x39 mm rifles—meaning 5 of the 6 AK-47s sold to
11 Sweigart in just one week were the same exact model, which was a major signal to
12 Defendant SnG Tactical that it was making straw sales.
13

14 71. In pleading guilty to counts of making a false statement during the
15 acquisition of a firearm, Sweigart stated: “As I personally purchased six 7.62x39 mm
16 semi-automatic rifles for another person with cash from that other person within a
17 week, I had reason to believe that I was trafficking the firearms (on behalf of that
18 person) ... who intended to use the firearms unlawfully. In addition, I submit that one
19 of the firearms that I purchased has been already recovered by law enforcement
20 authorities in Mexico.” *U.S. v. Tamra Michelle Potts, et al.*, No.4:19-cr-01758-RM-
21 MSA, Plea Agreement, at 13 (D. Ariz. Mar. 4, 2020), ECF No. 82.
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1 72. On September 28, 2018 Defendant SnG Tactical straw sold to another
2 accomplice, Denise Faye Burress the same type of weaponry it had sold to Sweigart:
3 two Century Arms RAS47 7.62x39 mm rifles.
4

5 73. On October 5, 2018, Defendant SnG Tactical straw sold to yet another
6 accomplice, Tamra Michelle Potts, two Century Arms RAS47 7.62x39mm rifles. In
7 its case against Potts, the United States stated that she “purchased two (2) 7.62x39
8 mm rifles, AK-47-type rifles, assault rifles, for a person she knew was a convicted
9 felon... for money to sustain her drug-using lifestyle. Just four short months later,
10 one of those AK-47-type rifles was recovered by law enforcement officers in
11 Mexico... a very quick time to crime.” *U.S. v. Tamra Michelle Potts, et al.*, No.4:19-
12 cr-01758-RM-MSA, Gov’t’s Obj. to the PSR and Sent. Memo., at 2, 4 (D. Ariz. Apr.
13 20, 2020), ECF No. 109.
14

15 74. Not to be left out, on October 1, 2018 Defendant Diamondback
16 Shooting Sports straw sold to Denise Faye Burress a Century Arms 7.62x39 mm rifle
17 and a Romarm Cugir WASR10 7.62x39mm rifle. The United States wrote in court
18 filings that “AR-15 and AK-47-type rifles are weapons of choice for Mexican drug
19 cartels.” *Id.* at 2. They “are assault rifles which carry increased destructive and
20 deadly consequences... Innocent Mexican citizens are being killed as a result of
21 Mexican drug cartels using these weapons of choice to gain dominance and control
22 of Mexico’s lucrative drug trade.” *Id.* at 3.
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1 75. **2019—Diamondback.** On January 23, 2019, U.S. Customs and Border
2 Protection (“CBP”) officers conducting outbound inspections arrested Leonid
3 Cornejo and Jesse Cortez-Arguelles at the Mariposa Port of Entry in Nogales,
4 Arizona. They were charged with attempting to smuggle three firearms and over
5 2,000 rounds of ammunition into Mexico.
6

7 76. Earlier that day Defendant Diamondback unlawfully sold the
8 ammunition to Cornejo and Cortez-Arguelles. Defendant Diamondback could not
9 lawfully sell the ammunition to them because Cornejo was a convicted felon and was
10 then on probation for theft. Similarly, Cortez-Arguelles had an extensive criminal
11 history with a felony and ten misdemeanor convictions, and at the time he was on
12 probation in four separate cases. Their lawyer admitted that the pair made the
13 purchases on behalf of cartels in Mexico.
14

15 77. **2018-2019—SnG Tactical.** Between May 6, 2017, and April 4, 2019, in
16 and around Tucson, Isaias Delgado spent over \$80,000 on at least 39 firearms,
17 including many thousands of dollars worth of weapons straw sold to Delgado by
18 Defendant SnG Tactical. Included in Delgado’s purchases were numerous high-
19 value, large caliber firearms such as multiple Barrett .50 caliber BMG rifles, FNH
20 249 belt-fed rifles, .50 caliber Beowulf firearms, AR-15/M4 type rifles and pistols,
21 AK-47 type rifles, and numerous 9mm and .40 caliber handguns. In the two-week
22 period between March 14 and 27, 2019, alone, Defendant SnG Tactical straw sold to
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1 Delgado many of the 11 firearms he bought *in cash* for a total purchase price of
2 approximately \$48,500. The many red flags raised by these sales left Defendant SnG
3 Tactical in no doubt that it was participating in gun trafficking.
4

5 78. Delgado is a U.S. citizen but lived in Mexico with his wife and child. He
6 provided a false Tucson address when making his gun buys. He trafficked most of
7 the weapons into Mexico, and at least two of them were recovered at crime scenes in
8 Mexico.
9

10 79. On May 6, 2017, Defendant SnG Tactical sold to Delgado a Century
11 RAS 7.62 caliber rifle. On back-to-back visits on October 26 and 27, 2018, it sold
12 him a Beretta pistol and a Smith & Wesson pistol, respectively. On December 17,
13 2018, it sold him three more Smith & Wesson pistols—a multiple sale that should
14 have raised red flags for SnG Tactical. Three days later, it sold him a Romarm
15 WASR-10 rifle. On February 19, 2019, it sold him a Smith & Wesson 9mm pistol
16 and a Barrett .50 caliber rifle; he returned 5 days later to acquire a Beowulf .50
17 caliber rifle. On four separate dates in March 2019, Defendant SnG Tactical sold
18 Delgado a total of two multicaliber receivers and five guns: a Barrett .50 caliber
19 BMG rifle and FN M249 (on the 7th), a Beretta 9mm pistol and Diamondback
20 5.56mm rifle (on the 15th), and a Diamondback DB-15 5.56 NATO caliber rifle (on
21 the 28th).
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1 80. In its sentencing memorandum, the United States noted: “The
2 correlation between the [Delgado’s] border crossing records, financial records, and
3 firearm purchases indicates he trafficked most or all of the firearms into Mexico, and
4 the potential devastation that has been, is being, and will be caused by each of these
5 as-yet unrecovered firearms – as a direct result of the defendant’s crime – is beyond
6 measure. Of note, all of the firearms the defendant bought and sold are considered
7 ‘weapons of choice’ preferred and sought after by criminal organizations in Mexico. .
8 . . While every firearm is a deadly weapon with the capacity to cause an immense
9 amount of harm, the firearms the defendant illegally trafficked are particularly
10 alarming.” *U.S. v. Isaias Delgado*, No. 4:19-cr-01094-JGZ-JR-1, Gov’t’s Sent.
11 Memo., at 4, 5 (D. Ariz. May 26, 2022), ECF No. 179.

12 81. **2019—Diamondback, SnG Tactical, and Ammo AZ.** In September
13 2019, the ATF started investigating firearm purchases from several dealers, including
14 Diamondback Shooting Sports, SnG Tactical, and Ammo AZ by Francisco Dario
15 Mora of Tucson and Pedro Adan Sevilla of Phoenix, on information that three of
16 their guns had been recovered in Mexico by Mexican law enforcement. ATF agents
17 discovered that from June 2019 through September 2019, Mora and Sevilla and their
18 coconspirators smuggled 40 guns into Mexico, including AK-type rifles and AR-type
19 pistols, in addition to 25,000 rounds of ammunition, and 760 AK-type and AR-type
20 magazines, each with a capacity of 30 rounds.
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1 82. Mora bought at least 19 guns, one of which was recovered in Mexico
2 just 27 days after he purchased it. Sevilla bought at least 21 guns, two of which were
3 recovered in Mexico, also a short time after they were bought. Collectively, Mora
4 and Sevilla—who both earned low wages as store clerks in Arizona—paid
5 approximately \$45,000 in cash to several dealers, including Defendants
6 Diamondback, SnG Tactical, and Ammo AZ for the guns and ammunition over the
7 course of a three-month period. They crossed into Mexico from the United States
8 dozens of times to deliver the guns and munitions.
9

10 83. U.S. prosecutors wrote in a court filing that “[t]he deadly violence being
11 spread by the drug cartels in Mexico has had a devastating impact on the innocent
12 civilians in Mexico.” *U.S. v. Francisco Dario Mora et al.*, No. 4:19-cr-03289-SHR-
13 MSA, Gov’t Sent. Memo., at 4 (D. Ariz. Apr. 29, 2021), ECF No. 91. Mora, who had
14 close contacts in Mexico, “was essentially arming a Mexican drug cartel army,” the
15 prosecutors wrote. *Id.* at 3. They emphasized the hundreds of magazines that Mora
16 and Sevilla bought, noting that “[t]he deadly and devastating impact of 760 30-round
17 magazines cannot be ignored nor justified.” *Id.*
18

19 84. At a detention hearing, an ATF agent testified that “[a] lot of the
20 calibers that they (Mora and Sevilla) were purchasing were those calibers that are
21 typically highly sought after by Mexican cartels... Primarily they were like AK-47
22 style rifles or pistols, AR-15 style pistols, 9mm caliber handguns.” *U.S. v. Francisco*
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1 *Dario Mora, et al.*, No. 4:19-cr-03289-SHR-MSA, Det. Hrg. Tr. At 6 (D. Ariz. Apr.
2 29, 2021), ECF No. 18. He further testified that he had never seen customers lawfully
3 buy these makes and models of guns for themselves in “that kind of quantity.” *Id.* at
4 38. Moreover, the massive number of 30-round magazines acquired by Mora and
5 Sevilla was a clear indication of gun trafficking.

7 85. The Court concluded that it was impossible to overlook the dangers to
8 Mexican citizens that the traffickers had caused: “Because the pattern of conduct
9 involving the trafficking of firearms... you can’t draw a blind eye of what’s
10 happening in Mexico. Huge numbers of people being murdered. These are people
11 who are, through their own conduct, taking the firearms to Mexico and giving them
12 to the people that... are contributing to this violent activity... I can’t turn a blind eye
13 to the fact that these firearms were destined for use in a drug war in Mexico... These
14 firearms have been able to penetrate deep into Mexico and pose a real danger to the
15 people living down there.” *Id.* at 66-67.

17 86. The Tucson branch of this unlawful scheme included Defendants
18 Diamondback and SnG Tactical. On June 16, 2019, Defendant Diamondback sold 20
20 Croatian 30-round magazines to Mora. In August 2019, Diamondback increased its
21 volume of sales: a CM Draco 7.62 x39mm caliber pistol, an AK-47 assault rifle, 10
22 Colt AR-15 30-round magazines, and a 75-round drum magazine sold to Mora on
23 August 4, 2019; the next day it sold to him 30 Croatian AK-47 30-round magazines.
24
25
26

1 On August 17, 2019 Diamondback sold to Mora another CM Micro Draco, 7.62 x
2 39mm caliber pistol, and made a straw sale to Sevilla of a Century Arms Draco, 7.62
3 x. 39mm caliber pistol.
4

5 87. Defendant SnG Tactical sold to each of Mora and Sevilla two AK-47
6 style pistols on July 19, 2019. One of each of their weapons was recovered 27 days
7 later at a residence near Guadalajara, Mexico.
8

9 88. Defendant SnG Tactical went on to make another same-day, multiple
10 sale to Mora on August 23, 2019, including a Zastava ZPA P92, 7.62 x. 39mm
11 caliber pistol and a Pioneer Arms Corp. Hellpup, 7.62x39mm caliber pistol.
12

13 89. Defendant Ammo AZ was also in on the action. Mora made repeated
14 trips to Defendant Ammo AZ on days in close proximity, with Defendant Ammo AZ
15 making multiple sales to him in most of these transactions. Both patterns are highly
16 indicative of straw sales and a gun trafficking operation. Defendant Ammo AZ sold
17 to Mora a Glock pistol on July 2, 2019, and on July 17, 2019 sold him a CM Micro
18 Draco pistol and an American Tactical Imports (ATI) Omni Hybrid 5.56 pistol. On
19 August 7, 2019, Defendant Ammo AZ sold him three Pioneer Arms Corp. Hellpup,
20 7.62 x 39mm caliber pistols—another blatant red flag of trafficking given the same
21 makes and models of gun.
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24 90. Defendant Ammo AZ's sales to Sevilla showed similar patterns
25 suggestive of gun trafficking. Sevilla frequented Defendant Ammo AZ on some of
26

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1 the same days that Mora did. Defendant Ammo AZ sold to Sevilla a Century Arms
2 Micro Draco pistol on July 2, 2019, a CM Micro Draco, a Glock pistol and an ATI
3 pistol, in a multiple sale, on July 17, 2019, and three Pioneer Arms Corp. Hellpup,
4 7.62 x 39mm caliber pistols on August 7, 2019—the same type guns that Defendant
5 Ammo AZ sold to Mora on that same day. Defendant Ammo AZ sold to Sevilla three
6 more pistols on August 13, 2019.
7

8
9 91. On November 3, 2020, Yibran Lopez-Rosales was indicted in Arizona
10 federal court on charges of making false statements in the acquisition of firearms.

11 92. Upon further investigation, the ATF found three additional similar straw
12 sales to Rosales. These included Defendant Ammo AZ's straw sale on April 16, 2019
13 of an FN M249S 5.56 caliber rifle and its August 28, 2019 straw sale of a Barrett
14 M82A1 .50 caliber BMG rifle. As stated in court filings, Rosales was paid a total of
15 approximately \$2,000 to buy these guns and pass them on to his "director."
16

17 93. **2019—SnG Tactical and Diamondback.** On September 21, 2022, 11
18 individuals were indicted in Arizona federal court for conspiracy to illegally
19 transport more than 50 firearms to Mexico, including six Barrett 82A1 .50 caliber
20 rifles and other high-powered assault rifles they readily acquired from Tucson gun
21 stores.
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1 94. The accomplices individually circulated among selected gun stores
2 favored by other traffickers of firearms to Mexico and straw purchased the type of
3 assault weapons widely known in the industry to be in great demand by the cartels.
4

5 95. Victor Coronado provided the straw buyers with the direction and funds
6 to purchase the firearms. The buyers then immediately transferred the guns to
7 Coronado and others, and the arms were smuggled into Mexico.
8

9 96. On November 27, 2019 Defendant SnG Tactical straw sold to Fernando
10 Palomares, Jr. a Radom/Pioneer Arms Sporter 7.62x39mm rifle and a Romarm/Cugir
11 WASR 7 .62x39mm rifle; on January 24, 2020 straw sold to him, in another multiple
12 sale, a Century Arms VSKA 7.62x39mm rifle and a Radom/Pioneer Arms Sporter
13 7.62x39mm rifle; and on February 16, 2020 straw sold to him two more assault
14 rifles, both Century Arms M70AB2 7.62x39mm rifles. On or about September 22,
15 2020, one of the Century Arms M70AB2 7.62x39mm rifles was recovered in
16 Mexico.
17

18 97. Palomares' buying patterns—specifically both the number of visits to
19 Defendant SnG Tactical and the make and models of guns he bought—were obvious
20 red flags of a Mexican gun smuggling scheme in action. Yet Defendant SnG Tactical
21 never turned him away.
22

23 98. Defendant Diamondback was not to be left out. On October 10, 2019 it
24 straw sold to Kyle Rene Fazlollah a Century Arms VSKA 7.62x39mm rifle. On
25
26

1 October 24, 2019 it straw sold to accomplice Fernando Palomares, Jr. a DPMS A15
2 5.56mm rifle and a Riley Defense RAK47 7.62x39mm rifle.

3
4 99. **2019-2020—The Hub.** The Hub also supplied the smuggling ring with
5 multiple assault rifles. Fernando Palomares, Jr. acquired both an AR-15 and an AK-
6 47 on the same day, October 17, 2019, when The Hub sold him a Radical Firearms
7 RF 15 multiple caliber rifle and a Riley Defense RAK47 7.62x39mm rifle. Five days
8 later, it straw sold co-conspirator Kyle Rene Fazlollah a Romarm/Cugir RH10
9 7.62x39mm rifle—which was later seized at a crime scene in Mexico. It straw sold
10 Fazlollah a Romarm/Pioneer Arms WASR10 7.62x39mm rifle on May 6, 2020, and
11 sold co-conspirator Elizar Olivares a Riley Defense RAK47 7.62x39mm rifle on
12 February 15, 2020, providing the cartel with 5 assault rifles in under 6 months.

13
14
15 100. **2020—SnG Tactical.** The pattern continued when Fazlollah walked
16 into Defendant SnG Tactical on January 24, 2020, and it straw sold to him two
17 Radom/Pioneer Arms Sporter 7.62x39mm rifles on behalf of Victor Coronado. On
18 June 4, 2020, Fazlollah returned to Defendant SnG Tactical, which again straw sold
19 to him a FA Cugir M&M Inc M10-762 7.62x39mm rifle.

20
21 101. On February 15, 2020 Defendant SnG Tactical made straw sales to
22 accomplice Elizar Olivares, in yet another multiple sale: a FA Cugir M&M Inc.
23 M10-762 7.62x39mm rifle and a Century Arms M70AB2 7.62x39mm rifle.
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1 102. On April 18, 2020 Defendant SnG Tactical straw sold to accomplice
2 Ray Alberto Laborin a Sig Sauer P320 9mm pistol.

3 103. Defendant SnG Tactical had quite a week in early February 2020. It
4 started on February 3 by making an unlawful straw sale to the ringleader of another
5 smuggling ring—Jose Gilberto Inzunza—of a Century Arms-Romarm WASR10 7.62
6 rifle, a military style weapon that Defendant SnG Tactical knows is a favorite of the
7 cartels in Mexico. The following day, Defendant SnG Tactical straw sold the same
8 model assault rifle to Inzunza’s coconspirator Kaleb Jacob Valencia. After taking a
9 day off, on February 6 Defendant SnG Tactical made another straw sale to their
10 affiliate Jacob Valencia, this time of a Century Arms-Romarm Mini Draco 7.62
11 pistol—another known cartel favorite.

12 104. **2019-2020—Diamondback.** Defendant Diamondback also made a
13 straw sale of a Ruger AR-556 to Kaleb Jacob Valencia on August 10, 2019. He was
14 back at the store on January 30, 2020 and Defendant Diamondback delivered a Del-
15 Ton DTI-15 5.56 rifle to him in another straw sale; two days later Defendant
16 Diamondback sold him a Glock 17 Gen5 9mm pistol in another straw sale. The
17 proximity of the latter two sales indicated that Valencia was staggering them to
18 evade ATF multiple-sales reporting requirements—a standard tactic of gun
19 traffickers with which Defendant Diamondback is very familiar.

1 105. **2020—The Hub.** Defendant The Hub also made multiple illegal sales to
2 Kaleb Jacob Valencia and his coconspirator Jose Gilberto Inzunza in early 2020. On
3 January 28, 2020 it straw sold Valencia a Glock 17 Gen5 9mm pistol, and the very
4 next day it straw sold him a Century Arms RH10 7.62 rifle. One week later, it straw
5 sold Valencia a second AK-47—a Riley Defense RAK47 7.62 caliber rifle—to be
6 smuggled into Mexico by Inzunza. Inzunza visited Defendant The Hub on December
7 18, 2020 and it sold him a third AK-47—a Century Arms VSKA 7.62 rifle.
8

9 106. **2020—Sprague’s Sports.** In another incident, On March 25, 2020, Noe
10 Mendoza and Marcos Balderas Millan applied for entry from Mexico into the United
11 States at the San Luis Port of Entry in Arizona. They then traveled to Yuma, Arizona
12 where Defendant Sprague’s Sports sold to them 300 rounds of .50 caliber
13 ammunition. Then, the two men drove to the desert, removed the .50 caliber
14 ammunition from the boxes and hid it in the floorboard, dash compartment, and
15 under the hood of their vehicle.
16
17

18 107. They discarded the ammunition boxes as they traveled to the San Luis
19 Port of entry. Mendoza and Millan then re-entered Mexico. While at the port of
20 entry, they were subject to secondary inspection revealing the 300 rounds of
21 ammunition hidden in the vehicle.
22
23

24 108. Defendant Sprague’s Sports sold the several hundred rounds of
25 ammunition to Mendoza and Millan even though they may not have been American
26

1 citizens or residents; one or both were teenagers (Mendoza was 19 years old at the
2 time of the offense); and they were buying ammunition for .50-caliber rifles—heavy
3 artillery in demand by the cartels and not used by civilians for self-protection or
4 hunting.
5

6 109. **2021—SnG Tactical.** On or about November 20, 2021 Defendant SnG
7 Tactical straw sold to Richardo Caro a F.N. SCAR17s .308 caliber, semi-automatic
8 rifle. The rifle was smuggled or intended to be smuggled into Mexico.
9

10 110. **2021—The Hub.** Less than two weeks later, Richardo Caro's
11 accomplice Anthony Ortiz visited The Hub, which sold him a Barrett .50 caliber
12 rifle—a gun notorious for its armor-piercing capability.
13

14 111. **2022—Diamondback and SnG Tactical.** Another very recent case
15 confirms the same pattern of unlawful conduct by these same corrupt Defendants.
16 The criminal complaint in *United States v. Luis Fernando Cruz-Valenzuela et al.*,
17 No. 4:22-cr-00596 (D. Ariz. Mar. 2, 2022), ECF No. 1, alleges that on March 1,
18 2022, a vehicle driven by Luis Fernando Cruz-Valenzuela was stopped by CBP
19 officers who were conducting outbound inspections at the Mariposa Port of Entry in
20 Nogales, Arizona. At inspection, Cruz-Valenzuela denied having any currency over
21 \$10,000 or firearms to declare. CBP officers discovered four firearms and eight
22 firearm magazines hidden in his car. These included two Glock 17 9mm handguns,
23 one Glock 19 9mm handgun, one Glock 22 .40 caliber handgun, six 9mm caliber
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1 magazines, and two .40 caliber magazines. A further search revealed a receipt for a
2 Glock 17s purchased earlier that day from Defendant Diamondback in Tucson with
3 Cruz-Valenzuela's name. A subsequent indictment filed on March 30, 2022 (ECF
4 No. 9) filled out the following details.

5
6 112. Defendant SnG Tactical straw sold a Glock 22 Gen 5 .40 caliber pistol
7 to Cruz-Valenzuela on February 3, 2022. Defendant Diamondback straw sold a
8 Glock 17 9mm caliber pistol to Cruz-Valenzuela on March 1, 2022. The same day,
9 Diamondback straw sold a Glock 22 .40 caliber pistol to another accomplice, Carlos
10 Abel Cruz.

11
12 113. **2022—SnG Tactical.** From October 2021 through May 2022 Arizona
13 gun dealers—the same stores that repeatedly show up as the favored shopping stops
14 of the cartels—made straw sales of dozens of rifles and pistols to be smuggled into
15 Mexico.

16
17 114. Among the weapons cited in an indictment filed on September 15, 2022
18 in Arizona federal court: 16 Glock pistols; nine Century Arms assault rifles and
19 pistols; three Colt assault rifles; one Barrett 50-caliber rifle; one Smith & Wesson
20 assault rifle.

21
22 115. One of the primary suppliers of this smuggling ring was Defendant SnG
23 Tactical, which on January 18, 2022 straw sold to Nicolas Meraz three Glock pistols
24
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26

1 in the same transaction; on March 18, 2022, it straw sold to him a fourth Glock
2 pistol.

3
4 116. On March 15, 2022 Defendant SnG Tactical straw sold to Trujillo a
5 Pioneer Arms Hellpup 7.62x39mm pistol and a Zastava ZPAP M70 7.62x39mm
6 rifle; on April 18, 2022 it straw sold to him two Century Arms VSKA 7.62x39mm
7 rifles and a Glock 19X 9mm pistol. All of these weapons were destined for the
8 cartels in Mexico.

9
10 117. These examples illustrate that each Defendant knowingly sells its
11 military-style weapons to gun traffickers in straw sales, multiple sales, and repeat
12 sales. The above are provided simply as illustrative examples; they do not even begin
13 to catalogue all instances in which each Defendant has participated in gun trafficking
14 to Mexico. Such a list would be almost incomprehensible in scope.

15
16 **VI. DATA CONFIRM THAT DEFENDANTS' PARTICIPATION IN**
17 **THE TRAFFICKING IS SYSTEMATIC AND KNOWING.**

18 118. Each Defendant's knowing and systematic participation in gun
19 trafficking into Mexico is also confirmed by looking beyond the specific examples to
20 the broader data.

21
22 119. Every year authorities traced substantial number of guns to these
23 Defendants from crime scenes in Mexico. And the number of guns *recovered* (and
24 therefore traced) is just a small fraction of the guns that Defendants have participated
25 in *trafficking* into Mexico. It is the guns trafficked into Mexico, not just those that are
26

1 recovered at crime scenes, that allow the drug cartels to wreak havoc in Mexican
2 society.

3
4 120. Estimates of the number of guns trafficked from the U.S. to Mexico, to
5 the number of guns traced from the U.S. to Mexico, range from 18:1 to 45:1. Based
6 on those estimates, and the annual traces from Mexico to each of these Defendants,
7 the range of the number of guns that each Defendant participates in trafficking into
8 Mexico annually is:

- 10 a. Diamondback: 140 - 352
- 11 b. SnG Tactical: 55 -137
- 12 c. Ammo AZ: 227 - 567
- 13 d. The Hub: 90 - 225
- 14 e. Sprague's Sports: 328 - 822

15 121. Each Defendant participates in this trafficking for the extra profits that it
16 brings. For each of these Defendants, as for many gun dealers, the unlawful flow of
17 arms into Mexico is their economic lifeblood. Researchers have estimated that
18 without the demand for weapons trafficking to Mexico, roughly 47% of licensed gun
19 dealers would go out of business. Topher McDougal et al., *The Way of the Gun:*
20 *Estimating Firearms Traffic Across the U.S.-Mexican Border*, Igarapè Institute, 17
21 (March 2013), https://catcher.sandiego.edu/items/peacestudies/way_of_the_gun.pdf.
22 That percentage is almost certainly significantly higher for dealers in border states
23 that arm cross-border traffickers like Defendants.
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1 122. Each Defendant sells firearms to straw purchasers and gun traffickers
2 even though it knows, based on the circumstances of these transactions and its own
3 training, that these “customers” are not making bona fide purchases for themselves.
4 By disregarding its legal obligations, each Defendant gains access to the lucrative
5 criminal secondary market for firearms in Mexico and profits from the sale of
6 firearms to criminals and other prohibited persons.
7

8 123. These profits come primarily from aggressive sales of military-style
9 assault weapons. The sales of these weapons have skyrocketed since the expiration of
10 the U.S. assault weapons ban in 2005. In the last decade alone, gun manufacturers
11 have made more than \$1 billion selling assault-style weapons to civilians, with gun
12 dealers riding the wave of exponential profits.
13

14 124. Border-state gun dealers, such as Defendants, sell twice as many
15 firearms as dealers in other areas of the country. Catherine R. Dooley and Ariadne
16 Medler, *A Farewell to Arms: Managing Cross-border Weapons Trafficking*,
17 HEMISPHERE FOCUS (Ctr. for Strategic & In’t Studies, Wash, D.C.) (Sept. 9,
18 2008), [https://csis-website-prod.s3.amazonaws.com/s3fs-](https://csis-website-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/media/csis/pubs/hf_v16_02.pdf)
19 [public/legacy_files/files/media/csis/pubs/hf_v16_02.pdf](https://csis-website-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/media/csis/pubs/hf_v16_02.pdf). Participating in the illicit
20 trafficking to Mexico, and partaking in the immense profits to be made, has swelled
21 the number of dealers in the border states. In 2010, there were 8,354 gun dealers
22 (including pawn shops) in California, Texas, New Mexico, and Arizona. By 2019,
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more than 1,569 new gun dealers set up shop in those states, in contrast to the nationwide number of gun dealers, which is actually decreasing. Devika Agrawal, *Combating U.S. Gun Trafficking to Mexico*, U.C. Berkeley, 25 (2019), <https://stopusarmstomexico.org/wp-content/uploads/2019/10/U.S.-Guns-to-Mexico-Final.pdf>.

VII. EACH DEFENDANT HAS VIOLATED ITS LEGAL DUTIES TO SELL ITS GUNS SAFELY AND AVOID ARMING CRIMINALS IN MEXICO.

125. The flow of guns from each Defendant's stores to the streets of Mexico is the foreseeable and intended result of its decision to participate in gun trafficking to Mexico for profit.



126. Gun dealers have a duty to act as agents of enforcement of U.S. federal and state gun laws, and play an important role on the front lines in keeping guns out of dangerous hands. Federally licensed firearms dealers have “the responsibility to ‘[e]nsure that, in the course of sales or other dispositions ..., weapons [are not] obtained by individuals whose possession of them would be contrary to the public interest.’” *Abramski v. United States*, 573 U.S. 169, 190 (2014).

1 127. Each Defendant knows it has an obligation to help enforce the gun laws,
2 and not to circumvent them. But each Defendant continually violates and actively
3 undermines these laws in order to profit from the criminal market in Mexico.
4

5 128. The cartels that cause such bloodshed and terror in Mexico are able to
6 do so only because of each Defendant's deliberate decisions made in Arizona.
7

8 129. Guns are restricted, lethal weapons, sought by persons who cannot
9 legally possess them. Therefore U.S. law allows only persons who commit to fully
10 comply with all applicable laws, and to act as agents of law enforcement, to engage
11 in the gun business at any level.
12

13 130. Each Defendant chose to apply for and obtain a U.S. federal license to
14 engage in the gun business. When it did so, it effectively took an oath to the United
15 States that, to obtain the privilege of selling guns, it would fully comply with and
16 help enforce the law to prevent its guns from being obtained by criminals. Each
17 Defendant voluntarily assumed a duty to market and sell guns while carefully
18 adhering to all relevant law in the U.S., as well as the law in Mexico where it knows
19 its guns are routinely trafficked and used to maximize violence.
20

21 131. By engaging in the conduct alleged above, each Defendant violated its
22 legal obligations summarized below.
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1 **A. Each Defendant violated U.S. Federal Prohibitions on Straw Sales.**

2 132. U.S. federal laws and regulations closely regulate commercial sales of
3 firearms. Lawful dealers, known as “licensees,” must get a U.S. federal license to
4 operate a business that manufactures, distributes, or sells firearms. A person is
5 categorically prohibited from “engag[ing] in the business of importing,
6 manufacturing, or dealing in firearms” without a federal firearms license. 18 U.S.C.
7 §§ 922(a)(1)(A), 923(a). Persons must be licensed if they “devote [] time, attention,
8 and labor to dealing in” the selling of firearms with the purpose of making a profit.
9 *See* 18 U.S.C. § 921(a)(21)(C). Even a person who deals in guns part-time is required
10 to obtain a license. *See* 27 C.F.R. § 478.11.

11
12 133. U.S. federal law also prohibits dealers and anyone else from assisting an
13 individual’s unlawful dealing in firearms: it is illegal to aid and abet or conspire with
14 another to deal in firearms without a license. *See* 18 U.S.C §§ 2, 3. Concealing an
15 individual’s unlawful dealing in firearms is also prohibited: dealers or other persons
16 violate 18 U.S.C. § 4 when they know of the commission of a felony firearms offense
17 but conceal it rather than report it to law enforcement.
18
19

20 134. These statutory offenses are designed to prevent crime by keeping guns
21 out of the hands of certain persons who have a heightened risk of misusing guns or
22 are not otherwise entitled to possess them, such as persons who have a felony
23 conviction or are not U.S. citizens. *See generally* 18 U.S.C. § 921 *et seq.*
24
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1 135. The U.S. Congress designed federal law to achieve this aim by
2 channeling firearms commerce through licensees. Regulating the distribution of guns
3 is intended to prevent trafficking and reduce access to firearms by persons prohibited
4 from possessing them. Gun dealers are trained on how to spot traffickers and straw
5 purchasers through multiple publications and programs sponsored by the the ATF
6 and the gun industry, including the “Don’t Lie for the Other Guy” program,
7 newsletters, reference guides, regulatory updates, and ATF seminars.
8

9
10 136. As the National Shooting Sports Foundation's standards as part of
11 “Don’t Lie for the Other Guy” make clear, “If suspicions arise, it is more prudent to
12 **follow the precautionary principle of politely refusing the sale** to protect yourself
13 from the risk of contributing to a possible illegal transaction. It’s not just good
14 business. *It’s your responsibility.*” (Bold emphasis theirs; italics emphasis added).
15

16 137. Before transferring a gun to any person who is not a licensed dealer, a
17 licensed dealer must conduct a background check, examine the individual’s
18 identification, and record the transaction on a firearms transaction record (“ATF
19 Form 4473”). *See* 18 U.S.C. § 922(t)(1), 27 C.F.R. §§ 478.102, 478.124(a).
20

21 138. Before completing a purchase of a gun from a licensee, a buyer must fill
22 out ATF Form 4473, which asks the following question with the following bolded
23 warning:
24

25 **Are you the actual transferee/buyer of the firearm(s) listed on this**
26 **form? . . . Warning: You are not the actual transferee/buyer if you**

1 **are acquiring the firearm(s) on behalf of another person. If you are**
2 **not the actual transferee/buyer, the dealer cannot transfer the**
3 **firearm(s) to you.**

4 139. This warning puts the buyer and the dealer on notice: the buyer is
5 prohibited from buying a gun on someone else's behalf while falsely claiming that it
6 is for the buyer. Correspondingly, the dealer is prohibited from selling the gun in
7 these circumstances. Such an unlawful transaction is known as a "straw purchase" or
8 a "straw sale," and the transferee is known as a "straw purchaser." On ATF Form
9 4473, buyers must certify that their answers on the form are true, correct, and
10 complete. The buyer violates U.S. federal law by filling out the form inaccurately.

11 140. The dealer violates U.S. federal law by selling the gun while knowing or
12 having reason to know that the form is filled out inaccurately. Dealers certify on ATF
13 Form 4473 that it is their "belief that it is not unlawful [] to sell, deliver, transport, or
14 otherwise dispose of the firearm(s) listed on this form to the person identified in
15 Section B." Dealers must truthfully complete this portion of the form.

16 141. ATF Form 4473 makes clear that the dealer must do more than simply
17 run a background check. The notices and instructions on the form explain that "[t]he
18 transferor/seller of a firearm must determine the lawfulness of the transaction and
19 maintain proper records of the transaction." The form also explains that a dealer
20 "must stop the transaction if there is reasonable cause to believe that the
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1 transferee/buyer is prohibited from receiving or possessing a firearm[.]” The form
2 contains a clear admonition:

3 **WARNING:** Any person who transfers a firearm to any person he/she
4 knows or has reasonable cause to believe is prohibited from receiving or
5 possessing a firearm violates the law, even if the transferor/seller has
6 complied with the Federal background check requirements.

7 142. The dealer must keep a record of all transactions with unlicensed
8 persons in an acquisition and disposition book. 27 C.F.R. §§ 478.123(b), 478.125(e).
9 A dealer violates U.S. federal law by knowingly making false statements or
10 misrepresentations, failing to make appropriate entries in, or failing to properly
11 maintain acquisition and disposition records, firearms transaction records, or reports
12 of multiple sales of handguns. 18 U.S.C. §§ 922(m), 924(a)(3); *see also* 18 U.S.C. §
13 924(a)(1)(A).
14

15 143. Effective June 25, 2022, 18 U.S.C. § 932(b) made it a separate, defined
16 criminal offense for persons to make straw purchases. The statute defines a straw
17 purchase as one made on behalf of a person who the nominal purchaser “know[s] or
18 ha[s] reasonable cause to believe ... intends to use, carry, possess, or sell or
19 otherwise dispose of the firearm in furtherance of a felony.” *Id.* 933(a)(1). The statute
20 also specifically criminalizes the “transfer ... of any firearm to another person ... if
21 [the transferor] knows or has reasonable cause to believe that the use, carrying, or
22 possession of a firearm by the recipient would constitute a felony” It is also a
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1 criminal offense for a gun dealer to conspire with anyone to commit either of those
2 crimes. *Id.* §§ 932(b), 933(a)(3).

3
4 144. U.S. federal law also enlists dealers in working to detect illegal
5 transactions and trafficking *after* a gun is used unlawfully. When a law enforcement
6 agency recovers a gun at a crime scene or in the course of a criminal investigation,
7 the agency may request a trace report from ATF's National Tracing Center. The
8 National Tracing Center tracks the path of the gun from its manufacturer through the
9 distribution chain to the last retail purchaser. Dealers must provide information from
10 their records about crime guns that the dealer sold. *See* 18 U.S.C. § 923(g)(7); 27
11 C.F.R. § 478.25a.

12
13
14 145. Dealers are required to know the U.S. federal firearms laws and
15 regulations. ATF agents review the applicable laws and regulations with dealers
16 when they initially receive their license and during ATF audits. At the conclusion of
17 an audit, the ATF requires dealers to certify acknowledgement of U.S. federal laws
18 and regulations. The acknowledgement form includes certification that the dealer has
19 reviewed laws and regulations regarding: (i) completing and maintaining firearm
20 transaction records; (ii) conducting transfers between licensees; (iii) engaging in the
21 business of firearms dealing; and (iv) straw purchasing.

22
23
24 146. By engaging in the conduct alleged above, each Defendant
25 systematically violated the foregoing legal obligations.
26

B. Each Defendant Violated Mexican and U.S. Federal Prohibitions on Gun Trafficking to Mexico.

147. Mexico has stringent gun laws, enacted at the federal level, that closely monitor, regulate, and restrict private gun ownership. *See Ley Federal de Armas de Fuego y Explosivos* (“LFAFE”) *Artículo 20, Diario Oficial de la Federación* [DOF] 11-1-1972, *últimas reformas* DOF 19-02-2021 (Mex.). The United Nations has called these laws among the most restrictive in the world.

148. LFAFE prohibits gun traffickers—and those aiding and abetting them—from bringing any of Defendants’ guns into the country.

149. LFAFE provides that importing *any* gun into Mexico without a permit is unlawful and carries a prison term of up to 10 years. LFAFE, Article 84bis. And importing without a permit guns classified as exclusively for military use carries a prison term of up to 30 years. LFAFE, Article 84bis.

150. Gun traffickers do not have the required permits, and Defendants are prohibited from aiding and abetting their importing guns into Mexico.

151. In addition, applicants for gun permits must prove their need to carry weapons as well as their prior history of honesty and prudence, with the testimony of five persons well-known to the authority. Citizens who pass the background check receive a one-year permit. Applicants must be members of a “shooting club” and are limited to purchasing and owning one handgun. This handgun is available for self-defense only and must be kept inside the home.

1 152. Guns are available from only one dealer and store in the entire
2 country—the UCAM (*Unidad de Comercialización de Armamento y Municiones*).
3 The store is located in Mexico City and is owned, operated, and heavily guarded by
4 the Mexican military. The gun store sells on average just 38 guns a day to civilians.
5

6 153. LFAFE, Article 11 reserves for the exclusive use of the Army, Navy,
7 and Air Force numerous types of handguns, rifles, and shotguns. LFAFE prohibits,
8 for example, semi-automatic pistols with a caliber greater than .380 and all guns
9 using the .223 caliber round, commonly used in AR-style rifles.
10

11 154. The United States also prohibits exporting guns to Mexico without an
12 export license.
13

14 155. The Export Control Reform Act of 2018 (“ECRA”) provides that “the
15 national security and foreign policy of the United States require that the export ... of
16 items, and specific activities of United States persons, wherever located, be
17 controlled” 50 U.S.C. § 4811. The ECRA therefore grants to the President of the
18 United States the authority “(1) to control the export, reexport, and in-country
19 transfer of items subject to the jurisdiction of the United States, whether by United
20 States persons or by foreign persons; and (2) the activities of United States persons,
21 wherever located, relating to” specific categories of items and information. 50 U.S.C.
22 § 4812(a).
23
24
25
26

1 156. The U.S. Department of Commerce implements ECRA through the
2 Export Administration Regulations (“EAR”), 15 C.F.R. §§ 730-774. Those
3 regulations impose licensing and other requirements for regulated items to be
4 lawfully exported from the United States. The most sensitive items subject to these
5 controls are identified on the Commerce Control List, or “CCL,” published at 15
6 C.F.R. part 774, Supp. No. 1, and are known as “dual-use items.”
7

8
9 157. It is unlawful to export dual-use items to certain nations, including
10 Mexico, without first getting a license or authorization from the Department of
11 Commerce. Semi-automatic guns (other than shotguns), such as AR-15s and AK-
12 47s, are designated under ECCN 0502.a and flagged as requiring the exporter to
13 apply for a license to transport them to Mexico. Supp. No.1 to 15 C.F.R. 774; Supp.
14 No. 1 to 15 C.F.R. 738.
15

16 158. Exporting these guns without a license, or aiding and abetting such
17 export, is a crime. Pursuant to ECRA, “[i]t shall be unlawful for a person to violate,
18 attempt to violate, conspire to violate, or cause a violation of this part or of any
19 regulation, order, license, or other authorization issued under this part,” and, “[a]
20 person who willfully commits, willfully attempts to commit, or willfully conspires to
21 commit, or aids or abets in the commission of, an unlawful act described in
22 subsection (a) shall” be guilty of a crime. 50 U.S.C. § 4819.
23
24
25
26

1 159. Effective June 25, 2022, U.S. federal law made it a separate, defined
2 criminal offense to participate in smuggling guns into Mexico. Gun dealers, among
3 others, are prohibited from “smuggl[ing] or knowingly tak[ing] out of the United
4 States a firearm or ammunition, or attempt[ing] or conspir[ing] to do so, with intent
5 to engage in or to promote conduct that . . . would constitute a felony” if the conduct
6 had occurred in the United States. 18 U.S.C. § 924(k)(2).
7

8
9 160. The drug cartels in Mexico systematically engage in conduct—murder,
10 drug dealing, extortion, and much else—that would constitute a felony if it had
11 occurred in the United States. So the statute prohibits smuggling or conspiring to
12 smuggle guns to the drug cartels in Mexico.
13

14 161. By engaging in the conduct alleged above, each Defendant
15 systematically violated the foregoing legal obligations.
16

17 **C. Each Defendant Violated Applicable Tort Law.**

18 162. By marketing and selling highly dangerous products, each Defendant
19 assumed a duty to ensure that its guns are sold lawfully and carefully, in full
20 compliance with all applicable laws, and not to circumvent those laws through their
21 business practices.
22

23 163. Mexico’s Federal Civil Code regulates tort liability (responsabilidad
24 civil extra-contractual) and wrongful acts, in articles 1910 to 1934bis. Under the
25
26

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1 Code, each Defendant has a duty not to create any risk that harms a person or entity
2 in Mexico.

3
4 164. The Code imposes on each Defendant an obligation not to engage in any
5 unlawful, negligent, or harmful conduct that causes injury to another. Specifically,
6 Article 1910 of the Code provides:

7
8 Whoever acting illicitly or against good customs causes damage to
9 another, is obliged to repair it, unless they prove that the damage was
10 produced as a consequence of inexcusable fault or negligence of the
11 victim.

12 165. Article 1910 requires each Defendant to act with the greatest possible
13 skill and care, taking necessary precautions to avoid causing any damage to others.

14 166. Each Defendant must also comply with applicable U.S. state tort law
15 which, like the tort law of Mexico, requires each Defendant to use reasonable care in
16 avoiding harm to the Government of Mexico and its citizens.

17 167. By selling guns in circumstances in which it is foreseeable that they will
18 be transported into Mexico, each Defendant assumed an obligation to refrain from
19 knowingly or recklessly supplying the criminal market in Mexico.

20
21 168. Aspects of this duties imposed by the tort law of Mexico and of U.S.
22 states include, but are not limited to:

23 a. adopting protocols and safety standards to prevent the unlawful or
24 negligent diversion of guns to bad actors in Mexico;
25
26

1 b. monitoring and disciplining employees where trace data or other
2 indicators suggest that they are likely engaging in reckless or unlawful practices
3 supplying the criminal market;
4

5 c. where it appears that a Defendant's guns are being trafficked into
6 Mexico, creating special point-of-sale restrictions on the relevant classes of guns;
7

8 d. employing safe and reasonable business practices to enforce and adhere
9 to legal obligations, including but not limited to asking screening questions of
10 customers to identify purchasers likely to illegally sell or misuse guns or transport
11 them into Mexico;
12

13 e. requiring that purchasers show multiple forms of state identification
14 beyond those necessitated by federal or state law;
15

16 f. limiting bulk, multiple, and repeat sales and imposing other limitations
17 designed to prevent illicit gun trafficking into Mexico;
18

19 g. obtaining, retaining, and analyzing relevant information to determine if
20 Defendant's business practices are supplying criminals in Mexico with guns, and
21 taking appropriate responsive action to prevent that continued supply, including but
22 not limited to:
23

- 24 • providing timely information to law enforcement, distributors, and
25 manufacturers regarding Defendant's business practices including alleged
26 or proven violations of law, straw purchasing, or trafficking incidents at

1 their stores, “missing” guns, trace requests, inspections and audits, sales of
2 assault weapons and sniper rifles, multiple and bulk sales, and repeat
3 purchasers;

- 4 • noting and recording all instances of federal or state law enforcement
5 officials tracing guns recovered during criminal investigations in Mexico
6 back to Defendant;
- 7 • noting and recording all connections between any of Defendant’s guns and
8 criminal misuse in Mexico identified in the media or other sources;
9 conducting continuous, routine analyses of trace or other data so as to
10 determine, among other things, whether Defendant’s sales are associated
11 with diversion of guns to the criminal market in Mexico; whether certain
12 types of a Defendant’s guns (such as semi-automatic assault rifles and
13 sniper rifles) appear to be disproportionately used by criminals in Mexico;
14 and whether there are any patterns in the manner in which a Defendant’s
15 guns are being diverted to the criminal market in Mexico.

16 169. By engaging in the conduct alleged above, each Defendant
17 systematically violated the foregoing legal obligations.

18 **D. Defendants Cannot Avoid Their Duties by Being Willfully Blind to the**
19 **Facts.**

20 170. The statutes, regulations, and law identified above reflect a standard of
21 conduct and care below which reasonably prudent gun dealers may not lawfully fall.
22 Together, these requirements make clear that each Defendant is required to possess
23 and exercise specialized and sophisticated knowledge, skill, information, and
24 understanding of the market for guns. Each Defendant must also be aware of, and
25 prevent, the risks and dangers of gun trafficking that arise when it chooses to use
26 standardless sales and distribution practices without proper monitoring and
discipline.

1 171. Further, these proscriptions make clear that each Defendant has a duty
2 and responsibility to exercise its specialized and sophisticated knowledge,
3 information, skill, and understanding to prevent the diversion of its guns into
4 Mexico.
5

6 172. Prominent among each Defendant's obligations is the duty to be aware
7 of the reality of how its guns are sold and used, to take that reality into account when
8 it decides how to sell and market its guns, and not to be willfully blind to the facts.
9

10 173. Each Defendant also has, and is required to have, access to specialized
11 and detailed knowledge of suspicious sales activities. ATF traces, extensive public
12 reports of unlawful trafficking activity, and sophisticated sales data allow each
13 Defendant to monitor the volume and type of sales that would alert it to suspicious
14 sales activity. These information points enable and require each Defendant to stop
15 the supply of its guns to the cartels in Mexico.
16

17 174. Each Defendant's sales of dangerous products make it an accessory or
18 co-conspirator to illicit conduct by gun traffickers where the Defendant continues to
19 supply, support, or assist the traffickers and has actual or constructive knowledge of
20 the illicit conduct.
21

22 175. "Willful blindness" to clear indicators of unlawful conduct constitutes
23 constructive knowledge of it. "Red flags," when assessed in the aggregate, can render
24 it obvious that a purchaser is engaging in criminal or unlawful activity. A gun dealer
25
26

1 that continues to supply, support, or assist purchasers, despite the red flags, is a
2 culpable and intentional participant in that unlawful conduct.

3
4 176. The flags that put each Defendant on notice that it was facilitating
5 unlawful trafficking of guns into Mexico were blazingly red and astoundingly
6 numerous. No Defendant can shield itself from responsibility by claiming to be
7 ignorant of the fact that it routinely supplies, and profits from, trafficking to
8 criminals in Mexico.

9
10 177. Nor can any Defendant justly complain that the United States and
11 Mexico have been unable to stop the Defendant's unlawful conduct. The two nations
12 have undertaken many measures to try to stem the flow of illegal weapons into
13 Mexico, including, for example: the 2007, Mérida Initiative in which the U.S.
14 government pledged to address domestic drug demand and the illicit trafficking of
15 guns to Mexico; the 2009 "Binational Conference on Arms Trafficking between
16 Mexico and the United States;" coordinated law enforcement efforts in gun cases;
17 U.S. training of Mexican law enforcement officials to identify gun traffickers; ATF
18 tracing of all U.S. guns recovered in Mexico, to identify traffickers, trends, patterns,
19 and networks; "mirror operations" conducted jointly by CBP, the Mexican Federal
20 Police, and the Secretary of National Defense; regular meetings between Mexican
21 officials and representatives from ATF, the U.S. Department of Homeland Security,
22 CBP, the U.S. Department of State, and the International Narcotics and Law
23
24
25
26

1 Enforcement Bureau, within the framework of the Arms Trafficking Subgroup of the
2 U.S.-Mexico High-Level Security Group; the October 2019, Mexico-US Bilateral
3 Workshop entitled “Dismantling the Tools of Transnational Crime-Arms Trafficking
4 and Money Laundering”; a joint strategy (publicly revealed in January 2020)
5 between Mexico and the United States to seal the borders and reduce arms
6 trafficking; and many other joint efforts.
7

8
9 178. What has been missing is reasonable and responsible efforts by these
10 Defendants and other gun dealers to avoid fueling violence in Mexico by
11 participating in straw sales and other unlawful practices.
12

13 **VIII. EACH DEFENDANT KNOWINGLY PARTICIPATES IN**
14 **RACKETEERING ACTIVITIES.**

15 179. U.S. federal law also prohibits Defendants from participating in criminal
16 enterprises, including gun-trafficking rings. The Racketeer Influenced and Corrupt
17 Organizations Act (“RICO”), 18 U.S.C. § 1961, et seq., prohibits persons, including
18 gun dealers, from conducting the affairs of an enterprise through a pattern of
19 racketeering activity. The “predicate violations” that can comprise a pattern of
20 racketeering activity include:
21

22 a. 18 U.S.C. §§ 1341 and 1343 (mail and wire fraud), which a gun dealer
23 violates by participating in making false entries in gun-transaction records in
24 connection with straw sales;
25
26

1 b. 18 U.S.C. § 1956 (money laundering), which a gun dealer violates by
2 participating in gun trafficking to the cartels in Mexico, knowing that the purchase
3 funds for the guns is money that the cartels make through drug trafficking.
4

5 180. Notably, the U.S. recently designated two additional “predicate
6 violations” under RICO, specifically directed to the problem of gun trafficking to
7 Mexico.
8

9 181. Effective June 25, 2022, it is a predicate violation under RICO for a
10 person, including a gun dealer, to violate 18 U.S.C. § 932, which prohibits straw
11 sales of firearms. Likewise, it is now a predicate violation under RICO for a gun
12 dealer to violate 18 U.S.C. § 933, which prohibits gun trafficking. *See* 18 U.S.C.
13 §§ 1961(1)(B). The same legislation also designated violations of the prohibition on
14 straw sales (18 U.S.C. § 932) and gun trafficking (18 U.S.C. § 933) as “specified
15 unlawful activity” for purposes of defining prohibited money laundering. *See* 18
16 U.S.C. § 1956(c)(7)(D).
17
18

19 **A. Each Defendant Systematically Commits Mail and Wire Fraud—18**
20 **U.S.C. §§ 1341, 1343.**

21 182. Each Defendant has knowingly devised or knowingly participated in a
22 scheme or artifice to defraud the United States or to obtain the money or property (e.g.,
23 the profits from illegal guns sales) by means of false or fraudulent pretenses,
24 representations, or promises.
25
26

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1 183. U.S. federal law implements a series of checks to, first, try to prevent gun
2 trafficking and, second, try to identify the traffickers when it does occur. All of those
3 checks depend upon gun dealers accurately identifying the persons to whom the dealer
4 has sold guns. Each of the Defendants systematically undermines these checks by
5 providing false information to U.S. authorities about the identities of those purchasers.
6 Each Defendant falsely identifies as purchasers the persons who fill out Form 4473 as
7 the buyers while knowing that in fact the true buyer was an agent of the cartels or other
8 criminal organizations in Mexico.
9

10 184. For example, specifically in order to try to prevent gun trafficking to
11 Mexico, U.S. federal law requires gun dealers in the border states, including Arizona, to
12 submit ATF Form 3310.12 and ATF Form 3310.4 to report the sale of multiple rifles
13 that are semiautomatic, have a caliber greater than .22, or have the ability to accept
14 detachable magazines. Each Defendant knows that “ATF uses the information gathered
15 from multiple sales transactions to investigate possible trafficking cases.” ATF,
16 “Reporting Multiple Firearms Sales” [https://www.atf.gov/firearms/reporting-multiple-](https://www.atf.gov/firearms/reporting-multiple-firearms-sales)
17 [firearms-sales](https://www.atf.gov/firearms/reporting-multiple-firearms-sales).
18
19
20

21 185. Each Defendant systematically misrepresents the identity of the
22 purchasers when submitting these forms to the ATF. Each Defendant submits these
23 false forms via U.S. Mail, facsimile, or email.
24
25
26

1 186. For each sale of a firearm, U.S. federal law requires the dealer to conduct
2 an NCIS background check to ensure that the buyer is eligible to make the purchase.
3 Each Defendant systematically misrepresents the identity of the purchasers when
4 submitting the information for the background checks. Each Defendant submits the
5 false information for these background checks by phone or online.
6

7 187. When U.S. authorities trace guns that are recovered at crime scenes in
8 Mexico, they contact the gun dealer to determine the identity of the person to whom the
9 dealer sold the gun. When contacted by U.S. authorities in connection with these trace
10 requests, each Defendant again systematically misrepresents the identity of the
11 purchasers. Each Defendant submits the false information for these trace requests by
12 phone or online.
13
14

15 188. Each Defendant could foresee that the U.S. Postal Service and interstate
16 wires would be used “for the purpose of” advancing, furthering, executing, concealing,
17 conducting, participating in or carrying out the scheme, within the meaning of 18
18 U.S.C. §§ 1341 and 1343.
19

20 189. In particular, each Defendant knew or could foresee that the U.S. Postal
21 Service and interstate wires would be used to receive and/or deliver communications
22 between the Defendant and federal agencies (including but not limited to the ATF) for
23 the purpose of obtaining and maintaining the dealer’s federal license and for the
24 purpose of appearing to comply with U.S. law regarding the sale of guns.
25
26

190. Each Defendant, personally or through its agents, used the U.S. Postal Service and interstate wires or caused the U.S. Postal Service or interstate wires to be used “for the purpose of” advancing, furthering, executing, concealing, conducting, participating in, or carrying out a scheme to defraud the United States and others, within the meaning of 18 U.S.C. §§ 1341 and 1343.

191. By way of example, upon information and belief, each Defendant used the U.S. Postal Service or interstate wires or caused the U.S. Postal Service or interstate wires to deliver to ATF certain forms required for reporting the sales of multiple firearms, included but not limited to those described below, for the purpose of advancing, furthering, executing, and concealing the scheme to defraud. The Defendants’ individual acts of wire fraud are not limited to these incidents—they are merely illustrative:

Type of Communication	Date	To/From	Description
Email, Fax, or U.S Mail ²	10/01/18	ATF/Diamondback	ATF Form 3301.12 reporting the sale of multiple rifles [Century Arms 7.62x39mm rifle & Romarm Cugir WASR 10 7.62x39mm rifle] to Denise Faye Burress on October 1, 2018, knowing or having reason to know that the ATF

² The ATF Form 3301.12 may be submitted to the National Tracing Center via email at multiplelonggunssalesforms@atf.gov, fax to (877) 283-0288, or U.S. Mail to the U.S. Department of Justice, NTC, 244 Needy Road, Martinsburg WV 25405. See <https://www.atf.gov/resource-center/docs/guide/qas-report-multiple-sale-or-other-disposition-certain-rifles/download>

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			Form 4473 falsely stated and represented that Denise Faye Burress was the actual buyer of the rifles and was not buying them on behalf of another person.
Email, Fax, or U.S Mail	10/17/19	ATF/The Hub	ATF Form 3301.12 reporting the sale of multiple rifles [Radical Firearms RF 15 multi-caliber rifle & Riley Defense RAK47 7.62x39mm rifle] to Fernando Palomares, Jr. on October 17, 2019, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Fernando Palomares, Jr. was the actual buyer of the rifles and was not buying them on behalf of another person.
Email, Fax, or U.S Mail	9/18/18	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [2 Century Arms RAS47 7.62x39mm rifles] to Michael Anthony Sweigart on September 18, 2018, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Michael Anthony Sweigart was the actual buyer of the rifles and was not buying them on behalf of another person.

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1 2 3 4 5 6 7 8 9 10 11	Email, Fax, or U.S Mail	9/19/18	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [Century Arms RAS47 7.62x39mm rifle & Romarm Cugir WASR10, 7.62x39mm rifle] to Michael Anthony Sweigart on September 10, 2018, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Michael Anthony Sweigart was the actual buyer of the rifles and was not buying them on behalf of another person.
12 13 14 15 16 17 18 19 20	Email, Fax, or U.S Mail	9/25/18	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [2 Century Arms RAS47 7.62x39mm rifles] to Michael Anthony Sweigart on September 25, 2018, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Michael Anthony Sweigart was the actual buyer of the rifles and was not buying them on behalf of another person.
21 22 23 24 25 26	Email, Fax, or U.S Mail	9/28/18	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [2 Century Arms RAS47 7.62x39mm rifles] to Denise Faye Burress on September 28, 2018, knowing or having reason to know that the ATF Form

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			4473 falsely stated and represented that Denise Faye Burress was the actual buyer of the rifles and was not buying them on behalf of another person.
Email, Fax, or U.S Mail	10/5/18	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [2 Century Arms RAS47 7.62x39mm rifles] to Tamra Michelle Potts on October 5, 2018, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Tamra Michelle Potts was the actual buyer of the rifles and was not buying them on behalf of another person.
Email, Fax, or U.S Mail	11/27/19	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [Radom/Pioneer Arms Sporter 7.62x39mm rifle & Romarm/Cugir WASR 7.62x39mm rifle] to Fernando Palomares, Jr. on November 27, 2019, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Fernando Palomares, Jr. was the actual buyer of the rifles and was not buying them on behalf of another person.

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Email, Fax, or U.S Mail	1/24/20	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [Century Arms VSKA 7.62x39mm rifle & Radom/Pioneer Arms Sporter 7.62x39mm rifle] to Fernando Palomares, Jr. on January 24, 2020, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Fernando Palomares, Jr. was the actual buyer of the rifles and was not buying them on behalf of another person.
Email, Fax, or U.S Mail	2/16/20	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [] to Fernando Palomares, Jr. on February 16, 2020, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Fernando Palomares, Jr. was the actual buyer of the rifles and was not buying them on behalf of another person.
Email, Fax, or U.S Mail	1/24/20	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [2 Radom/Pioneer Arms Sporter 7.62x39mm rifles] to Kyle Rene Fazlollah. on January 24, 2020, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Kyle Rene

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			Fazlollah was the actual buyer of the rifles and was not buying them on behalf of another person.
Email, Fax, or U.S Mail	02/15/20	ATF/SnG Tactical	ATF Form 3301.12 reporting the sale of multiple rifles [FA Cugir M&M Inc. M10-762 7.62x39mm rifle & Century Arms M70AB2 7.62x39mm rifle] to Elizar Olivares. on February 15, 2020, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Elizar Olivares was the actual buyer of the rifles and was not buying them on behalf of another person.
Fax, Email, or U.S. Mail	05/24/18	ATF/Sprague's Sports	ATF Form 3301.4 reporting the sale of multiple pistols and revolvers [2 Glock Pistols] to Daniel Langstaff Mirazo on May 24, 2018, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Daniel Langstaff Mirazo was the actual buyer of the rifles and was not buying them on behalf of another person.
Fax, Email, or U.S. Mail	2/20/19	ATF/Diamondback	ATF Form 3301.4 reporting the sale of multiple pistols and revolvers [Browning Buckmark .22 caliber pistol & Ruger LCP .380 caliber pistol] to Daniel Pacheco on

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			February 20, 2019, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that x was the actual buyer of the rifles and was not buying them on behalf of another person.
Fax, Email, or U.S. Mail	1/18/22	ATF/SnG Tactical	ATF Form 3301.4 reporting the sale of multiple pistols and revolvers [3 Glock Pistols] to Nicholas Meraz on January 18, 2022, knowing or having reason to know that the ATF Form 4473 falsely stated and represented that Nicolas Meraz was the actual buyer of the rifles and was not buying them on behalf of another person.

192. On information and belief, some of the wire communications described above occurred between persons in the same state but crossed interstate borders by reason of the technology and other mechanisms used to transmit the communication.

193. Each and every use of the U.S. Postal Service or interstate wires described above was committed by each Defendant with the specific intent to defraud the U.S. Government or for obtaining the money or property (e.g., the profits from illegal guns sales) by means of false or fraudulent pretenses or representations.

1 194. It is not possible for the Government to plead with particularity all
2 instances of mail and wire fraud that advanced, furthered, executed, and concealed the
3 scheme because the particulars of many such communications are within the exclusive
4 control and within the exclusive knowledge of Defendants.

5
6 195. Each Defendant's acts of mail and wire fraud in violation of 18 U.S.C. §§
7 1341 and 1343 constitute racketeering activity as defined by 18 U.S.C. § 1961(1)(B).
8

9 196. The Government suffered, continues to suffer, and will suffer substantial
10 injures by reason of each Defendant's acts of mail and wire fraud.

11
12 **B. Each Defendant Systematically Makes Straw Sales of Firearms—18**
13 **U.S.C. § 932.**

14 197. For many years each Defendant's policy has been to knowingly
15 participate in straw sales of weapons favored by the cartels and in circumstances in
16 which Mexico was the likely destination of the guns. Each Defendant has continued
17 that policy from and after June 25, 2022.

18 198. Each Defendant violated 18 U.S.C. § 932(b) by knowingly participating in
19 gun traffickers' purchases of firearms in or otherwise affecting interstate or foreign
20 commerce. Each Defendant knowingly participated in those transactions knowing or
21 having reasonable cause to believe that the straw purchasers:
22

23 a. met one or more of the criteria listed in 18 U.S.C. § 922(d),
24
25
26

b. intended to use, carry, possess, or sell, or otherwise dispose of the firearm in furtherance of a felony, a federal crime of terrorism, or a drug trafficking crime, or

c. intended to sell or otherwise dispose of the firearm to a person described in 18 U.S.C. § 932(b)(1) or (2).

199. Each Defendant's acts of straw selling of firearms in violation of 18 U.S.C. § 932(b) constitute racketeering activity as defined by 18 U.S.C. § 1961(1)(B).

200. The Government suffered, continues to suffer, and will suffer substantial injures by reason of each Defendant's acts of straw selling of firearms.

C. Each Defendant Systematically Participates in Trafficking Firearms—18 U.S.C. § 933(a).

201. Each Defendant violated 18 U.S.C. § 933(a) by shipping, transporting, causing to be transported, or otherwise disposing of any firearm to another person in or otherwise affecting interstate or foreign commerce with knowledge or reasonable cause to believe that the use, carrying, or possession of the firearm by the recipient would constitute a felony as defined in 18 U.S.C. § 933(a).

202. Each Defendant's conduct in violation of 18 U.S.C. § 933 includes, but is not limited to, the conduct set forth in detail above.

203. Each Defendant's acts of trafficking of firearms in violation of 18 U.S.C. § 933(a) constitute racketeering activity as defined by 18 U.S.C. § 1961(1)(B).

1 204. The Government suffered, continues to suffer, and will suffer substantial
2 injures by reason of each Defendant's acts of participation in straw purchasing of
3 firearms.
4

5 **D. Each Defendant Systematically Engages in Money Laundering—18**
6 **U.S.C. § 1956(a)(3).**

7 205. As set forth above, each Defendant violated the following federal statutes:
8 18 U.S.C. §§ 1341 (mail fraud), and 1343 (wire fraud), 932 (straw purchasing of
9 firearms), and 933 (trafficking in firearms). All of these violations constitute "specified
10 unlawful activity," and the transactions concerning these activities are regulated by the
11 federal money laundering statute. 18 U.S.C. § 1956(c)(7)(A).
12

13 206. Each Defendant violated 18 U.S.C. § 1956(a)(3)(A) by intending to
14 promote the carrying on of its specified unlawful activities and by conducting or
15 attempting to conduct financial transactions involving property represented to be the
16 proceeds of specified unlawful activities or property used to conduct or facilitate
17 specified unlawful activities.
18

19 207. Each Defendant violated 18 U.S.C. § 1956(a)(3)(B) by intending to
20 conceal or disguise the nature, location, source, ownership, or control of property
21 believed to be the proceeds of specified unlawful activity and by conducting or
22 attempting to conduct financial transactions involving property represented to be the
23
24
25
26

1 proceeds of specified unlawful activities or property used to conduct or facilitate
2 specified unlawful activities.

3 208. Each Defendant's conduct in violation of 18 U.S.C. § 1956(a)(3) includes,
4 but is not limited to, the conduct set forth in detail above.

5
6 209. Not all of each Defendant's sales prices for its unlawful sales are known at
7 this time, each Defendant likely laundered in the tens of thousands of dollars, if not
8 hundreds of thousands, of drug cartel money. For example, a Barrett .50 BMG caliber
9 rifle, like the one SnG Tactical sold Isaias Delgado on March 7, 2019, currently retails
10 online at SnG Tactical's website for between \$8,852.70 and \$12,414.00. *See*
11 <https://www.sngtactical.com/s/barrett>. As noted in detail above, Defendants Ammo AZ,
12 The Hub, and Sprague's Sports have also made unlawful sales of Barrett .50 caliber
13 rifles.
14

15
16 210. Each Defendant decided to make a part of its operating business plan to
17 sell guns as a means of laundering criminal proceeds—that is, to sell guns to and
18 through criminal organizations and to accept criminal proceeds in payment for guns.
19

20 211. Each Defendant created and participated in a circuitous and clandestine
21 distribution chain to sell its guns to organizations engaged in illicit activities and to
22 receive unlawful proceeds as payment for its products, while concealing its activities
23 from U.S. law enforcement.
24
25
26

1 212. Each Defendant money launderer uses the money from its unlawful
2 straw sales to purchase more guns to sell to the straw purchasers, who in turn use the
3 guns to run their criminal organizations and obtain more money to buy guns— and
4 the cycle repeats itself. In the end, each Defendant received—and continues to
5 receive—the proceeds of narcotics sales in U.S. and Mexico in exchange for its guns.
6 And they know it.
7

8 213. Each Defendant created and operates this enterprise because
9 participation in the money laundering enterprise allows Defendants to sell into a huge
10 market. Each Defendant’s operations allow the cartels and other criminals to buy
11 large quantities of guns which are then smuggled into and used to devastating effect
12 in Mexico.
13

14 214. Each Defendant knows that its customers are involved in the drug trade—
15 because this has been revealed to them repeatedly by U.S. law enforcement agencies. In
16 the end, Defendants are not simply innocent bystanders at a gun smuggling scene.
17 They are the directors of and active participants in the money laundering enterprises,
18 and are themselves money launderers.
19

20 215. Each Defendant’s acts of money laundering in violation of 18 U.S.C. §
21 1956(a)(3) constitute racketeering activity as defined by 18 U.S.C. § 1961(1)(B).
22

23 216. The Government suffered, continues to suffer, and will suffer substantial
24 injures by reason of Defendants’ acts of straw purchasing of firearms.
25
26

**IX. EACH DEFENDANT VIOLATES THE CONSUMER FRAUD
STATUTE.**

217. Each Defendant's marketing and sales of these weapons of war is also independently unlawful under Arizona state law. Each Defendant violated Arizona's Consumer Fraud Act ("CFA"), by selling guns into the commercial market while characterizing and promoting them as military-style weapons. CFA applies to such false and reckless marketing even where the resulting harm occurs outside of the state but the marketing originated from within the state.

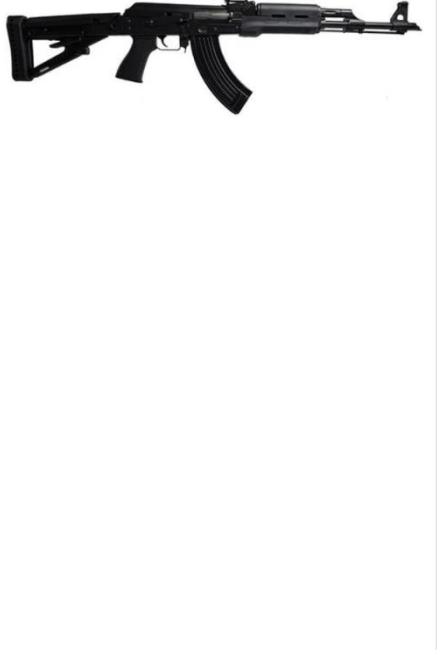
218. The tort law of Mexico and of U.S. states, independent of obligations under CFA, also requires Defendants to avoid inflammatory or reckless marketing tactics likely to attract and motivate criminals or other dangerous users of their guns.

1. Diamondback

219. Defendant Diamondback markets and sells assault rifles like the Zastava ZPAPM70 semi-automatic assault rifle, the FN America FFN15 Patrol Carbine AR-15 style rifle, and the MAUSER MP-40 semi-automatic assault rifle from its base of operations in Tucson, Arizona. It is thus subject to Arizona's CFA, which prohibits "any deception, deceptive or unfair act or practice, fraud, false pretense, false promise, misrepresentation, or concealment, suppression or omission of any material fact." A.R.S. 44-1522.

220. On its website, Defendant Diamondback advertises these assault weapons using war imagery, for example by directly comparing them to "the official

1 weapon of many armies all over the world,” “firearms built to withstand the varied
 2 and unrelenting harsh conditions of battlefields around the world,” or “the original
 3 WWII firearm the MAUSER-MP40” machine gun—or by encouraging shoppers to
 4 “add something special to your arsenal.” Here are examples:



\$1004.22 ...

Zastava, ZPAPM70, Semi-automatic, 7.62X39mm, 16.5" Chrome lined Barrel, Blued, Right Hand, 30Rd, Black Polymer Furniture, Hogue Handguards, Tango Down Grip

Quantity:

ADD TO CART

Product Details

Product Specifications

The semi-automatic ZPAPM70 series sporting rifle was created on the operating principle of the M70 automatic rifle. Over the decades, Zastava has produced millions of these durable rifles as the official weapon of many armies all over the world. Capable of functioning in all environments, its lightweight, rugged, reliable, no-nonsense features make the ZPAPM70 an excellent addition to your hunting and sporting rifle collection.

<https://store.dbackshootingsports.com/rifles/semi-automatic-rifles/zas-zpapm70-ak-762x39mm-blk-poly-hogue-handguard-29>

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Tucson, AZ 85716-5300



\$1187.43 ...

FN America, FFN15 Patrol Carbine, Semi-automatic, AR, 223 Remington, 556NATO, 16", Black, A2 Grip, 30 Round, Flip Up Rear, Hard Coat Anodized, 6 Position Collapsible A2 Stock, Magpul MOE MLOK Handguard

Quantity:

1

ADD TO CART

Product Details

Product Specifications

Based on firearms built to withstand the varied and unrelentingly harsh conditions of battlefields around the world, FN brings you the FN 15 Patrol. It features a Magpul MOE handguard, M4 collapsible buttstock and fixed A2 front sight.

<https://store.dbackshootingsports.com/rifles/semi-automatic-rifles/fn-fn15-carbine-mlok-556-16-30rd845737013103>

**\$474.27**

BLG MAUSER MP-40 22LR 9.96 23RD

Quantity:

1

ADD TO CART

Product Details

Product Specifications

Own a piece of history without the expensive price tag. The MAUSER MP-40 comes in a cost-effective .22 rimfire package! - Manufactured as a pistol with no stock this replica classic firearm is the closest version of an MP-40 available on the market today. While maintaining a very close overall appearance to the original WWII firearm the MAUSER-MP40 is manufactured with undeniable attention to detail and quality craftsmanship. - Caliber 22 LR - Barrel Length 9.96 - Overall Length 32.48 - Rate of Twist 1 in 16 - Magazine Capacity 23 - Weight 7 1/4 lb

<https://store.dbackshootingsports.com/rifles/semi-automatic-rifles/blg-mauser-mp-40-22lr-996-23rd-88>

**\$2016.50 ...**

**Steyr AUGM1BLKEXT
AUG A3 M1 with Extended
Rail 223 Rem,5.56 NATO
16" 30+1 Black Fixed
Bullpup Stock**

Quantity:

1

ADD TO CART

Product Details

Product Specifications

The iconic bullpup-style Steyr AUG has been one of the most recognizable rifles in the world since its adoption by the Austrian army in 1977 and is now available for civilian use as the Steyr AUG A3 M1. The short-stroke gas-piston operation of the AUG runs exceptionally cleaner by nature because all of the operational exhaust gas vents out of the front of the rifle. The AUG A3 M1 has all the classic features and benefits that established it as the pinnacle of modern rifle design. It also features a quick-change barrel with a collapsible forward grip as well as a two-position cross-bolt safety that locks the trigger. This firearm is chambered in 223 Rem/5.56 NATO, has a 16" barrel with a black metal finish, a black synthetic stock, and has an extended rail for optics.

<https://store.dbackshootingsports.com/rifles/semi-automatic-rifles/steyr-augm1blkext-aug-a3-m1-with-extended-rail-223-rem556-nato-16-301-black-fixed-bullpup-stock>

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\$800.00 ...

**Beretta, CX4 Storm,
Semi-automatic, 9MM,
16.5" Barrel, Black, 92
Series Magazine, Polymer
Stock, 20Rd, 1 Magazine**

Quantity:

1

ADD TO CART


Product Details

Product Specifications

The CX4 is a semiauto pistol-caliber carbine designed to give you the familiar controls of your favorite Beretta combat handgun. The cold-hammer forged barrel delivers easy to use, ultra-reliable and low-recoil, its versatility and accessory options have made it a favorite of recreational shooters. The operating handle, safety and magazine release are reversible and the case ejection can also be switched from right to left. The length of pull is adjustable (one spacer included), making the CX4 easily and intuitively come up to the shoulder of most shooters. The aperture and post sights are user-adjustable, meaning that you can train with your favorite brand of ammo without taking the carbine to a gunsmith.

<https://store.dbackshootingsports.com/rifles/semi-automatic-rifles/bta-cx4-storm-92mag-9mm-20rdjx49221m>

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\$1353.14 ...

**BLACK RAIN
ORDNANCE
SPEC15+5.56MM 16
CRYT SKULLS**

Quantity:

ADD TO CART

Product Details

Product Specifications

Black Rain Ordnance has made a promise to make your firearm exactly that, YOUR firearm. With the addition of the Spec + Series, you have over 100 different build configurations and 21 different finish options to choose from. If you are looking to add something special to your arsenal, without breaking the bank. The all new Black Rain Ordnance Spec + Series would be a good choice for you.

<https://store.dbackshootingsports.com/rifles/semi-automatic-rifles/br-spec15556mm-16-cryt-skulls>

221. Defendant Diamondback has hosted Tactical Response Fighting Rifle courses that it heavily advertises on social media platforms such as Facebook. The course description reads: “You know how to shoot your rifle or subgun now let us teach you how to FIGHT with it!” Components of the course include “battlesight zero,” “urban applications,” “team drills,” “multiple targets,” and “the tactics required to employ this potent tool in combat.” Here are examples:

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Diamondback Shooting Sports

May 15 · 🌐

We are hosting Tactical Response's Fighting Rifle, Advanced Fighting Rifle, and Immediate Action Medical this Oct!

We believe mindset and training saves lives! Always add as many tools into the tool box as possible!

<https://www.tacticalresponse.com/.../fighting-rifle...>

<https://www.tacticalresponse.com/.../advanced-fighting...>

<https://www.tacticalresponse.com/.../immediate-action...>



TACTICALRESPONSE.COM

Fighting Rifle®

Tactical Response does not allow the recording of any video or audio during...

You know how to shoot your rifle or subgun now let us teach you how to FIGHT with it! This course is far more advanced than any other rifle course you can attend (with the exception of our advanced course) and covers trajectory, battlesight zero, gear set-up, sling configurations, transitions to pistol, use of cover and concealment, practical ready and firing positions, close- and medium-range snap shooting, weapons handling, urban applications, team drills, firing while moving, multiple targets, plus the tactics required to employ this potent tool in combat. Every student leaves this class with empty mags, a red hot rifle, and a smile from ear to ear! This is one of our most popular courses.

https://www.tacticalresponse.com/collections/training/products/fighting-rifle?variant=39937432584281&fbclid=IwAR0_JEUYa-jsyUeK2Uyko76q_yQdOpTtdfvBdXX4P5p6xgWUMZnvdOHEZeY

222. Defendant Diamondback also hosts its own monthly training courses which it advertises on social media and on its website. It markets the courses in militaristic terms—they teach shooters how to “set[] a proper battle sight zero;” “introduction to small team tactics;” “CQB [close quarter battle] drills;” and “battle drills.” Here are examples:

COURSE INFORMATION

The **Introduction to Carbine Level 1** course is 3-4 hours of ALL range instruction. Covering our safe gun handling procedures for a cold range, we then move into slow fire for accuracy and setting a proper battle sight zero. Then we move out to the firing line to cover all loading and unloading procedures, manipulation, malfunctions, and defensive shooting skills with carbines.

1 <http://dbacktraining.com/courses/intro-to-carbine-course/>

2 **COURSE INFORMATION**

3
4 Our **Carbine level 2 courses** focus on utilization of modern rifle platforms
5 (AR/AK) as a primary and handguns as a secondary.

6 **Combative Carbine 2;** Our level 2 carbine course focuses on utilizing a
7 carbine as a primary weapon system, with a handgun as a secondary
8 weapon. We cover malfunction drills, transitioning to/from the handgun,
9 turn and shoot drills, moving while shooting, speed v accuracy, utilization
of cover and concealment, and introduction to small team tactics. .

10 <http://dbacktraining.com/courses/combative-carbine/>

11 **WHAT THIS COURSE COVERS**

- 12 • Gear use and set up
- 13 • Fundamentals revisited (handgun and carbine)
- 14 • Several Fast-n-Slow drills
- 15 • Utilizing handheld flashlight methods
- 16 • Utilizing weapon mounted lights
- 17 • Using darkness as cover
- 18 • Multiple Target engagements
- 19 • How to manipulate a gun in darkness
- 20 • Vehicle Ops
- 21 • CQB Drills
- 22 • Team Drills
- Low-Light/No-Light operations

23 <http://dbacktraining.com/courses/combative-carbine-handgun-night-shoot/>

1 **Combative Carbine 3**; Our most intensive all around course. Students run
2 and gun on our 180 degree range, utilizing many techniques to stress the
3 shooter as much as possible, your skills will be challenged to either bend
4 or break. Our main focus in this course is small team tactics, battle drills,
5 communication, physical stresses and cognitive processing ability,
6 moving while shooting, cover and concealment, and close quarter
7 combat tactics.

8 <http://dbacktraining.com/courses/combative-carbine-lvl-3/>

9 **2. SnG Tactical**

10 223. Defendant SnG Tactical markets and sells assault rifles like the Zastava
11 Arms USA ZPAPM70 AK-47 rifle from its base of operations in Tucson, Arizona. It
12 is thus subject to Arizona's CFA, which prohibits the unethical, oppressive, immoral,
13 and unscrupulous manner in which Defendant SnG Tactical advertises its weapons.

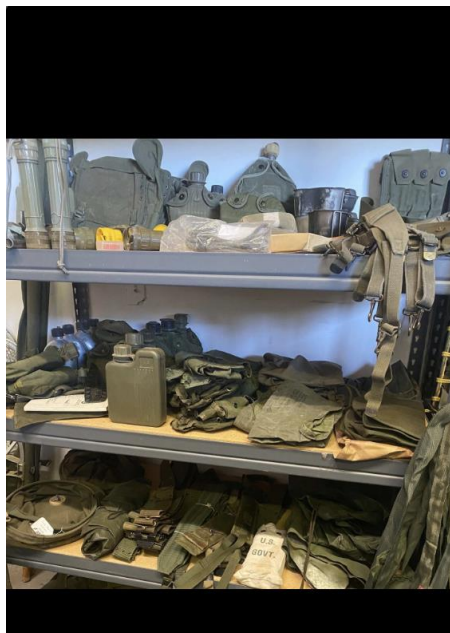
14 224. On its website, Defendant SnG Tactical advertises this rifle using
15 military imagery, likening it to "the main battle rifle for many country's [sic]." Here
16 are examples:
17
18
19
20
21
22
23
24
25
26

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Tucson, AZ 85716-5300

Zastava Arms USA ZPAPM70 AK 47 Rifle with Zhukov Stock from Magpul. Over the past few decades, Zastava Arms factory has built millions Kalashnikov patterned rifles and has been adopted as the main battle rifle for many country's. Zastava Arms USA was formed in 2018 as the US wing of the famous Zastava Arsenal. Zastava Arms was founded in 1853 & is proud to be one of the few companies in the world that can provide 165 years of experience in making firearms. They have been able to combine Old school experience with new modern technology to provide a variety of quality rifles and pistols. With this new US location they can extend factory service and parts for the US shooting community. The ZPAP M70 1.5mm rifle has all of the hard working features you are looking for on the AK 47 sporting rifle. This ZPAP model has an impressive list of features like Hammer Forged Chrome Lined barrel, Forged barrel trunnions, properly heat treat matched fire control & bolt carrier groups and more. This rifle also has the thicker 1.5 mm receiver with Bulged Trunnion that the Serbian rifles are well know for. All of this in a beautifully finished rifle backed up by the Zastava Arsenal name. Capable of functioning in all environments, its lightweight, rugged, reliable, no-nonsense features make the ZPAPM70 an excellent addition to your hunting and sporting rifle collection. Comes with 1 -30 round magazine. 7.62x39 Semi Automatic 1.5MM Receiver Buldged Trunnion Threaded 14x1 LH Slant Brake Barrel 16.3" Cold Hammer Forged, Chrome-Lined Bolt hold open notch on safety selector Accepts detachable AK-47 type mags and drums Hogue Handguard Magpul Zhukov Stock Magpul MOE AK Grip Overall Length: 37" Weight: 7.9 lbs One Year Zastava Arms USA Warranty 30 Round Capacity

<https://www.sngtactical.com/cproduct/10737/ZPAPM70762X39BKMAGPUL30RD>

225. Defendant SnG Tactical promoted its business on social media by advertising military surplus items to customers and using the war-related hashtags #wwi, #wwii, #vietnam, and #desertstorm:



sngtactical • Follow

...



sngtactical Old-School Military Surplus! You don't See this Every Day!

NOVEMBER 20th 9am-3pm is our WAREHOUSE SALE! This is only a small TEASER of the great items that will be available! SAVE THE DATE!

#militarycollectibles #militarysurplus #wwi #wwii #vietnam #desertstorm #comblock #ak47 #ar15 #tucson #arizona

46w



69 likes

NOVEMBER 14, 2021

3. Ammo AZ

226. Defendant Ammo-AZ markets and sells assault rifles like the Zastava ZPAPM70 AK-47 rifle, the FN 15 Patrol, and the Steyr AUG A3 M1 from its base of operations in Phoenix, Arizona. It is thus subject to Arizona's CFA, which prohibits the unethical, oppressive, immoral, and unscrupulous manner in which Defendant Ammo AZ advertises its weapons.

227. On its website, Defendant Ammo AZ advertises these assault weapons using war imagery by, for instance, directly comparing them to "the official weapon of many armies all over the world," "firearms built to withstand the varied and unrelenting harsh conditions of battlefields around the world." Here are examples:

The semi-automatic ZPAPM70 series sporting rifle was created on the operating principle of the M70 automatic rifle. Over the decades, Zastava has produced millions of these durable rifles as the official weapon of many armies all over the world. Capable of functioning in all environments, its lightweight, rugged, reliable, no-nonsense features make the ZPAPM70 an excellent addition to your hunting and sporting rifle collection.

<https://www.ammoaz.com/rifles/semi-automatic-rifles/zas-zpapm70-ak-762x39mm-blk-poly-hogue-handguard-29>

Based on firearms built to withstand the varied and unrelentingly harsh conditions of battlefields around the world, FN brings you the FN 15 Patrol. It features a Magpul MOE handguard, M4 collapsible buttstock and fixed A2 front sight.

<https://www.ammoaz.com/rifles/semi-automatic-rifles/fn-fn15-carbine-mlok-556-16-30rd845737013103>

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 Tucson, AZ 85716-5300

The iconic bullpup-style Steyr AUG has been one of the most recognizable rifles in the world since its adoption by the Austrian army in 1977 and is now available for civilian use as the Steyr AUG A3 M1. The short-stroke gas-piston operation of the AUG runs exceptionally cleaner by nature because all of the operational exhaust gas vents out of the front of the rifle. The AUG A3 M1 has all the classic features and benefits that established it as the pinnacle of modern rifle design. It also features a quick-change barrel with a collapsible forward grip as well as a two-position cross-bolt safety that locks the trigger. This firearm is chambered in 223 Rem/5.56 NATO, has a 16" barrel with a black metal finish, a black synthetic stock, and has a extended rail for optics.

<https://www.ammoaz.com/rifles/semi-automatic-rifles/steyr-augm1blkext-aug-a3-m1-with-extended-rail-223-rem556-nato-16-301-black-fixed-bullpup-stock>

The CX4 is a semiauto pistol-caliber carbine designed to give you the familiar controls of your favorite Beretta combat handgun. The cold-hammer forged barrel delivers easy to use, ultra-reliable and low-recoil, its versatility and accessory options have made it a favorite of recreational shooters. The operating handle, safety and magazine release are reversible and the case ejection can also be switched from right to left. The length of pull is adjustable (one spacer included), making the CX4 easily and intuitively come up to the shoulder of most shooters. The aperture and post sights are user-adjustable, meaning that you can train with your favorite brand of ammo without taking the carbine to a gunsmith.

<https://www.ammoaz.com/rifles/semi-automatic-rifles/bta-cx4-storm-92mag-9mm-20rdjx49221m>

228. On its website, Defendant Ammo AZ advertises and sells semi-automatic assault rifles and receivers bearing violent markings such as "War," "God Wills It," and "LET IT RAIN." Here are examples:

The Crusader is a great choice for tactical response or competition. This light weight modern sporting rifle features the Crusader shield in place of the normal spider. Fire control markings read "Peace", "War", and "God Wills It". This rifle features a 12" M-LOK rail system over a free floating 14.5" barrel with pinned and welded Spikes Tactical Dynacomp to satisfy legal length restrictions. The rifle has a soft-shooting mid length gas system and enhanced lower parts kit with the Spikes Tactical Battle Trigger.

<https://www.ammoaz.com/rifles/semi-automatic-rifles/spikes-tactical-crusader-semi-automatic-rifle-223-rem556nato-16-145-with-pinned-brake-black-finish-magpul-ctr-stock-30rd-w12-mlok-rail-and-dynacomp-2-str5525-m2d>

The Black Rain Fission rifle features aa aluminum receiver with a Flat Dark Earth Battleworn Cerakote finish, "LET IT RAIN" engraved on the dust cover, Salt Bath Nitride Coated Spec15 BCG, Direct Impingement gas system 750 Non-Adjustable Gas Block, Spec15 Forged Charge Handle, 15" M-LOK Slim aluminum hand-guard and a Magpul MOE black grip and stock.

<https://www.ammoaz.com/rifles/semi-automatic-rifles/bro-bross2020frfde-556-fission-16-battleworn-fde>

4. Sprague's Sports

229. Defendant Sprague's Sports markets and sells assault rifles like the Springfield Armory M1A Scout Squad rifle, Daniel Defense M4A1, Zastava M90, and FN 15 Patrol from its base of operations in Yuma, Arizona. It is thus subject to Arizona's CFA, which prohibits the unethical, oppressive, immoral, and unscrupulous manner in which Defendant Sprague's Sports advertised its weapons.

230. Defendant Sprague's Sports advertises these assault weapons using war and law enforcement imagery—for example, marketing the firearm as “a law enforcement favorite;” “the same high-performance firearm we offer the U.S. Military;” “created on the operating principle of the M70 automatic rifle;” and “built to withstand the varied and unrelenting harsh conditions of battlefields around the world.” Here are examples:

Fast becoming a law enforcement favorite, the M1A Scout Squad rifle with forward mounted optical sight base provides an excellent platform for the aimpoint military sight. Benefits are vastly improved target acquisition and unobstructed access to the receiver mechanism. Additional features include a quick handling 18" barrel, proprietary muzzle stabilizer blue and black matte finish, and black and mossy oak camouflage fiberglass or American walnut stock.

<https://shop.spragues.com/rifles/semi-automatic-rifles/springfield-armory-m1a-scout-squad-sa-308-win-18-101-walnut-stk-blue-3767821>

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This combat-proven, fast-handling rifle is the same high-performance firearm we offer the U.S. Military. It features a 14.5" barrel inside the M4A1 RIS II Rail System that's been trusted for use by U.S. Special Operations Command (SOCOM) since 2006. -LOWER RECEIVER: Mil-Spec with Enhanced Flared Magazine Well and Rear Receiver QD Swivel Attachment Point. CNC Machined of 7075-T6 Aluminum, Type III Hard Coat Anodized-UPPER RECEIVER: Mil-Spec with Indexing Marks and M4 Feed Ramps. CNC Machined of 7075-T6 Aluminum, Type III Hard Coat Anodized-BARREL: Chrome Moly Vanadium Steel, Cold Hammer Forged, 1:7 Twist, 14.5" M4 Profile, Chrome Lined, Mil-Spec Heavy Phosphate Coated, and HP/MPI Tested-GAS SYSTEM: Pinned Low Profile Gas Block CNC Machined of 4140 hardened steel with Mil-Spec Heavy Phosphate Coating, Carbine length, Direct Impingement-MUZZLE DEVICE: Pinned and Welded Daniel Defense Flash Suppressor, 17-4 PH Stainless Steel, Salt Bath Nitride Finished-BOLT CARRIER GROUP: M16 Profile, Mil-Spec MP Tested, Chrome Lined, Properly Staked Gas Key-BUFFER: H Buffer-SIGHTS: Sold Separately-HANDGUARD: Daniel Defense M4A1 Rail Interface System (RIS) II, CNC Machined of 6061-T6 Aluminum, Type III Hard Coat Anodized FDE-RECEIVER EXTENSION: 6 Position Mil-Spec 7075-T6 Aluminum-BUTTSTOCK: Daniel Defense Buttstock, Glass Filled Polymer with Soft Touch Overmolding-PISTOL GRIP: Daniel Defense Pistol Grip, Glass Filled Polymer with Soft Touch Overmolding-RAIL PANELS: Daniel Defense Rail Panels made from Santoprene, heat resistant to 300 Degrees Fahrenheit-Made in the USA!

<https://shop.spragues.com/rifles/semi-automatic-rifles/daniel-defense-m4a1-3770524>

The semi-automatic PAP M90 series sporting rifle was created on the operating principle of the M70 automatic rifle. Chambered in the popular 5.56x45/.223 caliber, the PAP M90 is an accurate, easy to control rifle platform for shooters of all types. It comes standard with an adjustable gas system to tune the rifle to various extreme environments. Capable of functioning in all environments, its lightweight, rugged, reliable, no-nonsense features make the PAP M90 an excellent addition to your hunting and sporting rifle collection.

<https://shop.spragues.com/rifles/semi-automatic-rifles/zast-pap-m90-556-zhukov-stk-30rd273312>

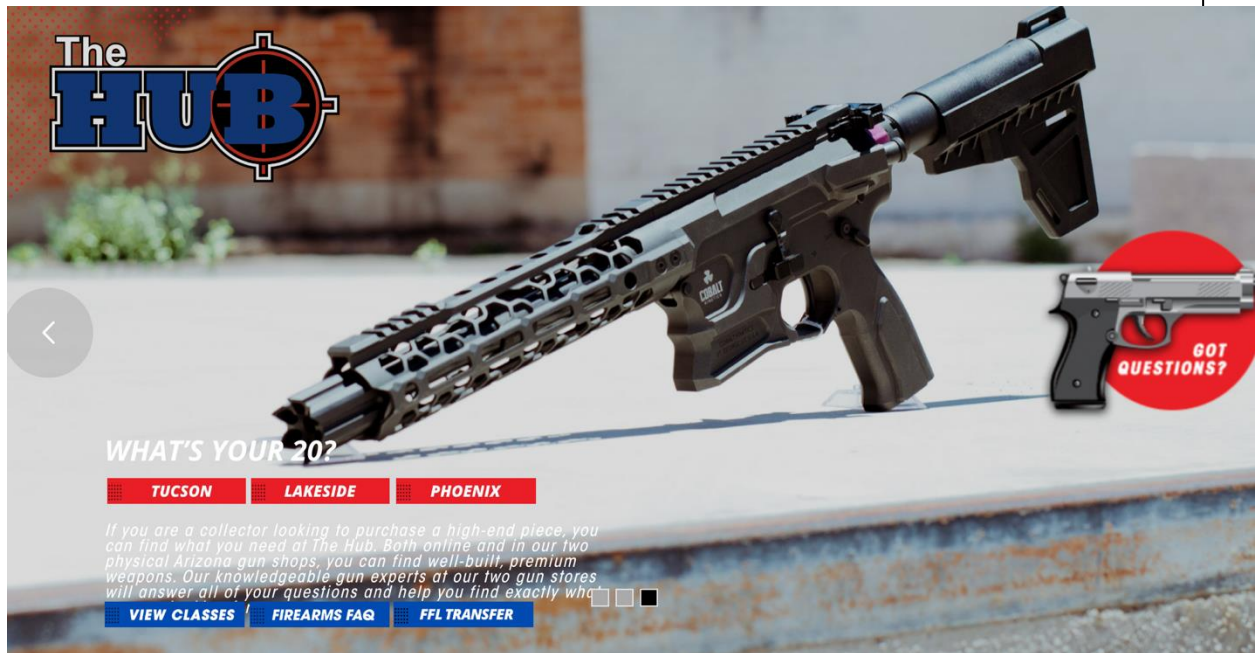
Based on firearms built to withstand the varied and unrelentingly harsh conditions of battlefields around the world, FN brings you the FN 15 Patrol. It features a Magpul MOE handguard, M4 collapsible buttstock and fixed A2 front sight.

<https://shop.spragues.com/rifles/semi-automatic-rifles/fn-fn15-carbine-mlok-556-16-30rd845737013103>

5. The Hub

231. Defendant The Hub markets and sells assault rifles like the Romarm/Pioneer Arms WASR 7.62x39mm rifle, Radical Firearms RF 15 multi-caliber rifle, and Riley Defense RAK47 7.62x39mm rifle from its base of operations in Tucson, Arizona. It is thus subject to Arizona's CFA, which prohibits the unethical, oppressive, immoral, and unscrupulous manner in which Defendant The Hub advertises its weapons.

232. Defendant The Hub frequently uses military, law enforcement, and violent imagery while marketing its products. Visitors to its website are immediately greeted with the law enforcement phrase "What's your 20?" and its home page prominently features its simulation-based shooting range where a customer can "shoot zombies or act out real-life scenarios that law enforcement and the military use" or "duel" one's friends for "entertainment." It also invites customers to visit and practice shooting fully automatic weapons that are illegal for civilian ownership. Here are examples:



HOW DOES MILO WORK?

The MILO system projects high-quality video or CGI scenarios onto the wall of our training room. You can choose which situations you prefer from our extensive library. You can shoot zombies or act out real-life scenarios that law enforcement and the military use to hone their decision-making skills. You will use a laser pistol to interact with the simulation and the system will directly react to the choices you make. This means that every outcome is different and depends directly on your decisions.

ENTERTAINMENT SESSIONS

The Hub's MILO simulator can be a great option for a fun activity to try in Tucson. You and your friends may find yourself in a rut of predictable outings. Our MILO Range is a great way to break out of this. An entertainment session allows you to choose from our selection of VR scenarios. You can fight off zombies or duel one another in a fun and lively MILO entertainment session. Our system allows up to four individuals at one time.



The Hub was live.

July 8 · 🌐

Check out another cool full-auto gun you can see and fire at The Hub





The Hub

August 31 · 🌐

Not only was the TANGO6T selected by the U.S. Army for both the Squad Designated Marksman Rifle System and for U.S. Special Forces, but it is also the optic of choice for Team SIG World Champion competitive shooters. It is the IDEAL optic for CQB/mid-range tactical engagements, 3 Gun competitions and hunting on bolt action and AR platforms.

#SIG #SIGSAUER #TANGO6T #NEVERSETTLE



233. Defendant The Hub recently shared a Tweet to its several hundred followers saying “Fuck FedEx” for ensuring its policies do not enable the criminal trafficking in illegal unserialized assault weapons parts.

1 ↻ The Hub AZ Retweeted



3 **Firearms Policy Coalition** @gunpolicy · Aug 17 ...

4 FUCK @FedEx @FedExHelp @FedExPolicy



6 **Keegan Hamilton** @keegan_hamilton · Aug 17

7 Update @VICENews:

8 Just received a statement from FedEx's spokesperson saying their ghost gun policy will change "to make it clear that unserialized frames and receivers... are prohibited, consistent with the new rule going into effect on Wednesday, August 24, 2022."

9
10 234. Each Defendant violated CFA by selling guns into the commercial
11 market while characterizing and promoting them as military-style weapons.

12
13 **X. EACH DEFENDANT HAS INFLICTED MASSIVE HARM ON THE**
14 **GOVERNMENT AND ITS CITIZENS.**

15 235. Each Defendant has done the opposite of what it knows is needed to
16 minimize the flow of guns to criminals in Mexico. Among other things, each
17 Defendants has increased sales of military-style assault weapons and high-capacity
18 magazines; increased marketing attractive to criminals; and continued to use
19 unlawful practices such as straw sales that arm criminals in Mexico.
20

21 236. The nature and magnitude of each Defendant's unlawful conduct has
22 materially and foreseeably contributed to massive injuries to the Government and its
23 citizens.
24
25
26

1 237. Each Defendant's deliberate conduct that floods Mexico with its guns
2 causes untold harm to the Government. Were it not for Defendants' wrongful
3 conduct, there would be far fewer guns in Mexico, and far fewer guns in the hands of
4 the cartels.
5

6 238. Life in Mexico would be a far different place if that were so—a safer
7 place, a place in which fewer tax dollars would be spent on preventing and
8 responding to violence and drug trafficking, and more could be spent on education,
9 social services, and other efforts to positively improve lives.
10

11 239. Everyday existence for the Mexican people would be far different if life
12 could be led without dangers and threats from the armed cartels—less fear, more
13 freedom to gather together and enjoy life.
14

15 240. And without the Defendants' supply of crime guns, the less-armed
16 cartels could be controlled and stopped far more easily and effectively. That would
17 help stem the drug trade that kills not only Mexicans but people in other nations,
18 including the United States. And it would reduce the violence that the cartels spread
19 north of the border.
20

21 241. Defendants' wrongful conduct also ends lives, extraordinary and
22 wonderful lives of Mexicans from every walk of life.
23
24
25
26

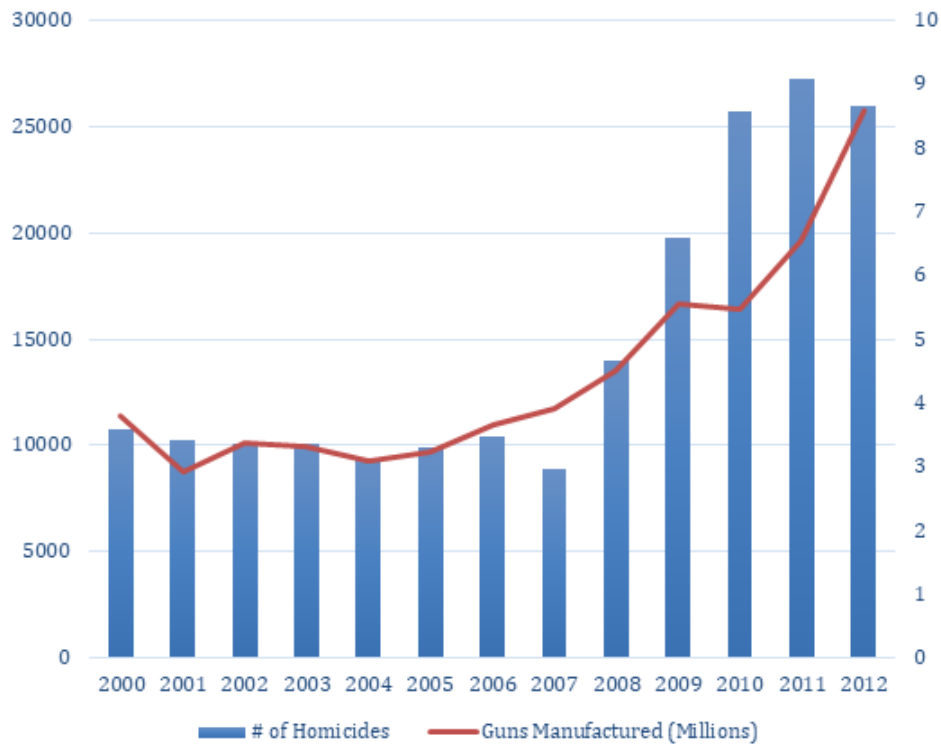
A. Gun Trafficking from the United States Causes Death and Destruction in Mexico.

242. Gun trafficking from the United States is undeniably linked to predictable but horrendous consequences in Mexico. U.S.-based gun dealers took advantage of the expiration of the U.S. assault-weapons ban in 2004 to significantly increase their sales of guns, particularly of assault weapons. Contemporaneously, illegal gun ownership per capita in Mexico increased tenfold and the homicide rate increased accordingly. From 2004 to 2008 the homicide rate in Mexico increased by 45%.

243. The chart below shows these two intertwined trends—sales of gun in the U.S. and the concomitant increased gun-homicide rate in Mexico:

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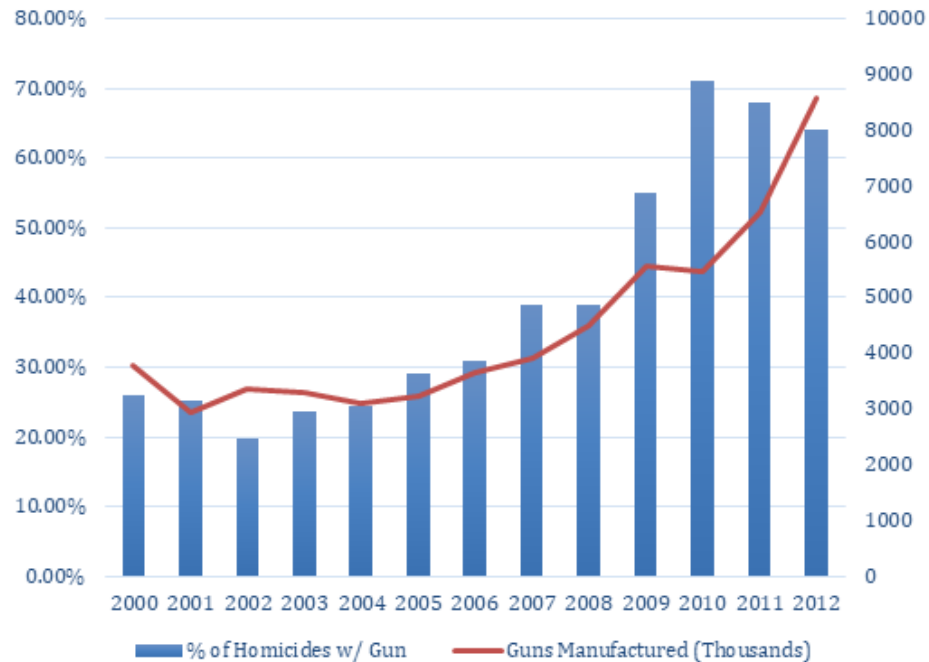
Number of Guns Manufactured in the US and Homicides in Mexico 2000-2012



244. The close link between gun trafficking from the U.S. and gun homicides in Mexico is confirmed by the correlation between the increase in U.S. gun sales and the percentage of homicides in Mexico committed with a gun. The percentage of homicides in Mexico committed with a gun rose from 25% in 2004 to more than 69% in 2018. This increase was exactly contemporaneous with increased U.S. gun sales beginning after the expiration of the U.S. assault-weapons ban:

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Number of Guns Manufactured in the US and Percentage of Homicides with a Gun in Mexico



245. The overwhelming majority of these deaths were caused by guns trafficked from the U.S.—including many weapons sold by Defendants. A gun manufactured in the U.S. is more likely to be used to murder a Mexican citizen (17,000 in 2019) than an American citizen (14,000 in 2019). And Mexico has only 40% of the population of the U.S. and only one gun store.

246. Other empirical and qualitative measures also confirm the strong connection between U.S.-origin gun trafficking and the devastating effects in Mexico.

B. Each Defendant's Gun Trafficking Causes Measurable and Compensable Harm to the Government and Its Citizens.

247. The epidemic of violence to which each Defendant has materially contributed has strained the Government's resources, including substantial and unusual costs for providing, for example, extraordinary health care, law enforcement and military and services, criminal justice administration, public assistance, and other social services and public programs.

248. The Government's injuries include, but are not limited to:

- a. Losses caused by the decrease in funding available for other public services because the funds were diverted to services designed to address the effects of Defendants' conduct;
- b. Costs of providing healthcare and medical care;
- c. Costs of additional and specialized training for military and police;
- d. Costs associated with the deaths of and substantial injuries to police and military personnel;
- e. Costs of mental-health services, treatment, counseling, rehabilitation services, and social services to victims and their families;
- f. Costs of law enforcement and public safety relating to the gun-violence epidemic, including but not limited to attempts to stop the flow of trafficked guns, to

1 arrest and prosecute the criminals who use those guns, to prevent the epidemic from
2 spreading and worsening, and to deal with the escalating levels of crimes caused by
3 the increased availability of trafficked guns;
4

5 g. Costs of the increased burden on the Government's judicial system,
6 including increased security, increased staff, and the increased cost of adjudicating
7 criminal matters due to the escalating levels of crime caused by Defendants' conduct;
8

9 h. Costs of providing care for children whose parents were victims of
10 Defendants' conduct;
11

12 i. Losses from the decreased efficiency and size of the working population
13 in Mexico;
14

15 j. Losses from the diminished property values in the communities affected
16 by Defendants' conduct;
17

18 k. Losses from decreased business investment and economic activity;
19

20 l. Losses incurred by the Government acting in its commercial capacity,
21 including from armed attacks on employees of state-owned enterprises and
22 compensation paid to such victims.
23

24 249. The magnitude of these deaths is so extensive that, beginning in 2005, it
25 significantly affected the life expectancy of all Mexicans. While life expectancy
26

1 increased by approximately .5 years throughout Mexico from 2000 to 2005, it
2 decreased by about the same amount from 2005 to 2010. Since 2010, in this age of
3 technical and medical progress, life expectancy in Mexico has continued to decrease.
4

5 250. The federal police and military in Mexico have been among the victims
6 in the horror story that Defendants have written. From 2006 to 2021, guns were used
7 to kill at least 415 members of the Mexican Federal Police or National Guard, and to
8 wound at least 840 more. The vast majority of these guns were trafficked from the
9 U.S.
10

11 251. From March 2009 to March 2021, U.S.-origin guns were used to kill 25
12 members of the Mexican military and to wound another 84.
13

14 252. Each Defendant's conduct has also materially contributed to the massive
15 economic harm suffered by the Government and its citizens. In 2019 more than 3.9
16 million crimes in Mexico were committed with a U.S.-origin gun. About 161,000 of
17 those crimes were committed against businesses.
18

19 253. The Institute for Economics & Peace's *Mexico Peace Index 2020*
20 estimates that the economic impact of violence in Mexico in 2019 was 4.7 trillion
21 pesos, or \$238 billion. This is equivalent to 21.3% of Mexico's gross domestic
22 product (GDP); on a per capita basis, it is approximately five times the average
23 monthly salary in Mexico.
24
25
26

1 254. These costs include: direct costs incurred by the victim, the government,
2 and the perpetrator; indirect costs, including physical and psychological trauma, lost
3 future income, and the impact of fear; and a multiplier effect that calculates the
4 additional economic activity that would have accrued if the direct costs of violence
5 had been avoided.

7 255. Homicides comprised 48% of this impact (\$114 billion), the vast
8 majority of which (69.3%) were due to gun violence; violent assaults with a firearm
9 imposed significant additional costs. The report documents that “[t]he rise in gun
10 violence has . . . been driven by the illegal import and sale of firearms from the
11 United States.”

13 256. Another study estimates the Government’s costs of trying to prevent the
14 escalating gun violence to be more than an additional 1.5% of GDP.

16 257. In addition, although immigration from Mexico to the U.S. has declined
17 substantially over the last decade, the drug violence perpetrated with trafficked
18 weapons nevertheless causes Mexicans to leave their homes to seek out security in
19 the United States.

21 258. Even beyond all of these losses, each Defendant’s unlawful conduct has
22 materially contributed to reduced overall quality of life in Mexico. Living with the
23 fear of fire from Defendants’ guns, and hearing and experiencing that gun violence,
24 diminishes countless aspects of Mexican life—psychological, educational, social,
25
26

1 and cultural, as well as economic. To take only one example, in 2020 more than 40%
2 of people in Mexico under the age of 18 heard or saw frequent gunfire.

3
4 259. If Defendants used reasonable care or chose to fully comply with and
5 enforce the law, Defendants would not sell their guns without reasonable measures,
6 and the trafficking of Defendants' guns into Mexico would be significantly reduced
7 or largely eliminated. But each Defendant's response to this knowledge has been to
8 continue to use the sales practices that put guns into the hands of the cartels. Each
9 Defendant unlawfully supplies the criminal market in Mexico because it makes
10 additional sales and profit.

11
12 260. Each Defendant has materially contributed to undermining the social
13 policy, in addition to the aspirations, of the Government of Mexico and its people.
14 The Government and its citizens bear many direct and indirect costs from these
15 harms, including those identified above.

16 17 **XI. CLAIMS FOR RELIEF**

18
19 **"It is time to say 'enough' to the indiscriminate trafficking of weapons. Let us**
20 **all make a commitment so that tragedies like this cannot happen again."**

21 **-Pope Francis**

22 **COUNT ONE**

23 **(NEGLIGENCE)**

24 261. The Government hereby repeats and incorporates by reference each
25 preceding and succeeding paragraph as though fully set forth herein.
26

1 262. Each Defendant has a duty to exercise ordinary and reasonable care in
2 selling and marketing its guns in order to reduce the risk that its guns would be
3 trafficked into Mexico.
4

5 263. Each Defendant knew or chose to be willfully blind to the fact that its
6 sales and marketing of guns posed a serious risk of harm to people in Mexico and to
7 the Government, but it nevertheless continued to sell and market its guns without
8 exercising reasonable care.
9

10 264. Each Defendant's negligence caused the actual injuries alleged above.
11 That negligence is the material and proximate cause of the epidemic of gun-
12 trafficking into, and gun violence within, Mexico.
13

14 265. As a foreseeable and proximate result of each Defendant's negligence,
15 the Government has suffered actual injury and damages including, but not limited to,
16 significant expenses for police, emergency, health, prosecution, corrections, and
17 other services, as well as other extensive economic losses, and its citizens have
18 suffered the losses described above.
19

20 **COUNT TWO**
21 **(PUBLIC NUISANCE)**

22 266. The Government hereby repeats and incorporates by reference each
23 preceding and succeeding paragraph as though fully set forth herein.
24
25
26

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1 267. Each Defendant's conduct arms criminals, constituting a dangerous
2 threat to the public in Mexico.

3 268. Each Defendant sells and markets guns with reckless disregard for
4 human life and for the peace, tranquility, and economic well-being of the Mexican
5 public. Each Defendant has knowingly refused to monitor and modify its sales
6 practices, making its guns easily available to anyone intent on crime. Each Defendant
7 knew or chose to be willfully blind to the fact that it facilitates and encourages easy
8 access by persons intent on murder, mayhem, or other crimes, including illegal
9 purchasers who foreseeably traffic the guns into Mexico. Each Defendant's conduct
10 has thereby created and contributed to a public nuisance by unreasonably interfering
11 with public safety and health and undermining Mexico's gun laws, resulting in the
12 specific and particularized injuries suffered by the Government and its citizens.
13

14 269. The Government and its citizens have a common right to be free from
15 conduct that creates unreasonable risk to the public health, welfare, and safety, and to
16 be free from conduct that creates a disturbance and reasonable apprehension of
17 danger to person and property.
18

19 270. Each Defendant intentionally and recklessly markets and sells guns that
20 Defendant knows, or reasonably should know, will be obtained by persons for
21 criminal purposes, causing hundreds or thousands of its guns to be possessed and
22 used in Mexico illegally. Each Defendant materially contributes to an elevated level
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1 of crime, death, and injuries to Mexican citizens, and a higher level of fear,
2 discomfort, and inconvenience to the citizens of Mexico.

3
4 271. As a result of the continued use and possession of many of these guns,
5 citizens of Mexico will continue to be killed and injured by these guns, and the
6 public will continue to fear for their health, safety, and welfare, and will be subjected
7 to conduct that creates a disturbance and reasonable apprehension of danger to
8 person and property.

9
10 272. Each Defendant's conduct materially contributes to a public nuisance
11 and, if unabated, will continue to threaten the health, safety, and welfare of the
12 citizens of Mexico, creating an atmosphere of fear that tears at citizens' sense of
13 well-being and security. The Government and its citizens have a clearly ascertainable
14 right to abate conduct that perpetuates this nuisance.

15
16 273. As a material, foreseeable, and proximate result of each Defendant's
17 conduct, the Government and its citizens have suffered actual injury and damages
18 including, but not limited to, significant expenses for police, emergency, health,
19 prosecution, corrections, and other services, as well as other extensive economic
20 losses.

21
22
23 **COUNT THREE**
24 **(NEGLIGENT ENTRUSTMENT)**

25 274. The Government hereby repeats and incorporates by reference each
26 preceding and succeeding paragraph as though fully set forth herein.

1 275. As alleged in detail above, each of the Defendants knew or reasonably
2 should have known that the purchasers to whom it sold its guns were engaged in
3 unlicensed dealing in firearms. Each Defendant knew or reasonably should have
4 known that these individuals were coconspirators in trafficking the guns to Mexico.
5

6 276. Each Defendant knew or reasonably should have known that these
7 purchasers' unlicensed dealing created an unreasonable risk of harm to third parties,
8 including the Government and its citizens, because gun violence is a foreseeable and
9 likely consequence of unlicensed dealing of firearms.
10

11 277. Each Defendant acted with complete indifference or with reckless
12 disregard for the rights of others in transferring firearms to the traffickers and their
13 coconspirators. These transfers were made under circumstances indicating a known
14 risk that the guns would be possessed by persons prohibited from possessing firearms
15 and used in gun violence incidents.
16

17 278. Each Defendant had possession and control of guns that it transferred or
18 caused to be transferred to the gun traffickers and their coconspirators.
19

20 279. Each Defendant knew or should have known that its employees and
21 agents who transferred firearms or caused firearms to be transferred to the
22 coconspirators and traffickers was obliged to use its judgment to refuse to transfer
23 firearms to a transferee whom the employees and agents knew or should have known
24 was involved in unlicensed dealing in firearms.
25
26

1 280. Each Defendant knowingly transferred guns to straw purchasers,
2 including but not limited to those identified and discussed in detail above. Each
3 Defendant knew or should have known that transferring these guns to the
4 coconspirators and traffickers posed a risk that the guns would be possessed by
5 persons prohibited from possessing the guns and used in gun violence incidents.
6

7 281. Guns negligently entrusted by each Defendant have been, and will likely
8 continue to be, found at crime scenes and recovered by law enforcement agents in
9 Mexico.
10

11 282. By transferring guns to the coconspirators and traffickers, each
12 Defendant materially and proximately caused harm to the Government and its
13 citizens.
14

15 283. As a material, foreseeable, and proximate result of each Defendant's
16 conduct, the Government and its citizens have suffered actual injury and damages
17 including, but not limited to, significant expenses for police, emergency, health,
18 prosecution, corrections, and other services, as well as other extensive economic
19 losses.
20

21 **COUNT FOUR**
22 **(NEGLIGENCE PER SE)**

23 284. The Government hereby repeats and incorporates by reference each
24 preceding and succeeding paragraph as though fully set forth herein.
25
26

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1 285. Each Defendant violated statutory duties, the Government and its
2 citizens are within the class intended to be protected by the statutes, the statutory
3 violations are a proximate cause of the injuries to the Government and its citizens,
4 and the injuries are of the type against which the statutes are designed to protect.

5
6 286. Each Defendant breached the duties it owes to the Government and its
7 citizens by, among other things, failing to monitor and modify the Defendant's sales
8 practices so as to prevent or reduce the trafficking of its guns into Mexico. In so
9 doing, all Defendants acted with actual malice.

10
11 287. As a material, foreseeable, and proximate result of Defendant's conduct,
12 the Government and its citizens have suffered actual injury and damages including,
13 but not limited to, significant expenses for police, emergency, health, prosecution,
14 corrections, and other services, as well as other extensive economic losses.

15
16 **COUNT FIVE**
17 **(GROSS NEGLIGENCE)**

18 288. The Government hereby repeats and incorporates by reference each
19 preceding and succeeding paragraph as though fully set forth herein.

20
21 289. Each Defendant was negligent as described in detail above.

22 290. Each Defendant's active participation in the trafficking of guns into
23 Mexico, and its other reckless and unlawful conduct described in detail above,
24 materially contributed to the epidemic of gun violence in Mexico and has
25 strengthened the cartels. Each Defendant's reckless and unlawful conduct has
26

1 materially contributed to thousands of deaths and cost hundreds of millions of dollars
2 in harm—circumstances that constituted an imminent or clear and present danger
3 amounting to more than normal and usual peril.
4

5 291. Each Defendant in fact knew of the imminent danger that its conduct
6 posed to the Government and its citizens.

7 292. Each Defendant was aware of the devastating and dangerous
8 consequences of failing to monitor and modify its sales practices, of facilitating the
9 unlawful trafficking of guns into Mexico, and of engaging in the other unlawful
10 conduct described in detail above. Each Defendant nevertheless continued, and
11 continues today, to engage in all of that conduct, demonstrating its conscious
12 disregard of the consequences of its actions. Each Defendant's conduct was so
13 reckless and wanting in care that it constituted a conscious disregard of and
14 indifference to the life, safety, and rights of persons in Mexico and of the
15 Government.
16
17

18 293. As a material, foreseeable, and proximate result of each Defendant's
19 gross negligence, the Government and its citizens have suffered actual injury and
20 damages including, but not limited to, significant expenses for police, emergency,
21 health, prosecution, corrections, and other services, as well as other extensive
22 economic losses.
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COUNT SIX
(UNJUST ENRICHMENT AND RESTITUTION)

294. The Government hereby repeats and incorporates by reference each preceding and succeeding paragraph as though fully set forth herein.

295. Each Defendant has reaped enormous profits and gains from the sale of its guns that have foreseeably been trafficked into Mexico.

296. Those sales have resulted in enormous increases in the Government's expenditures, including but not limited to the following areas: medical care, police investigations, emergency personnel, public health resources, human services, courts, prisons, and related expenses.

297. The Government has also been negatively affected by each Defendant's sales due to the decrease in property values throughout Mexico, loss of businesses, difficulty in developing the economy and society of Mexico, and loss of substantial productivity.

298. Each Defendant undertook the wrongful conduct for the purpose of increasing its sales and profits, while at the same time avoiding responsibility for the massive costs caused by those sales, shifting those costs to the Government and its citizens.

299. Each Defendant has, without justification, unjustly refused and failed to pay for the consequences of its unreasonable conduct and, as a result, the

1 Government and its citizens have been required to pay for the associated costs
2 resulting from each Defendant's reckless and unlawful conduct.

3
4 300. The Government's expenditure of substantial sums to pay for the
5 associated costs resulting from the use of guns that each Defendant sold for
6 enormous profit has unjustly benefited and enriched each Defendant at the expense
7 of the Government and its citizens, to their detriment.

8
9 301. By virtue of the foregoing, the Government and its citizens have
10 incurred expenses that, in law, equity and fairness, ought to have been borne by each
11 Defendant. Each Defendant has unjustly enriched itself at the expense of the
12 Government and its citizens.

13
14 302. As a material, foreseeable, and proximate result of each Defendant's
15 conduct, the Government and its citizens have suffered actual injury and damages
16 including, but not limited to, significant expenses for police, emergency, health,
17 prosecution, corrections, and other services, as well as other extensive economic
18 losses.

19
20 **COUNT SEVEN**
21 **(VIOLATION OF ARIZONA'S CONSUMER FRAUD ACT)**

22 303. The Government hereby repeats and incorporates by reference each
23 preceding and succeeding paragraph as though fully set forth herein.
24
25
26

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1 304. Each Defendant violated Arizona's Consumer Fraud Act ("CFA"),
2 A.R.S. § 44-1522 by marketing that emphasized the ability of civilians to use assault
3 rifles in unlawful, military-style attacks.
4

5 305. Each Defendant knowingly violated Arizona's CFA by marketing
6 products like its semi-automatic assault rifles to the civilian market in ways that
7 highlighted their efficacy for civilians wanting to carry out unlawful military-style
8 combat missions and that encouraged and promoted that misuse.
9

10 306. Each Defendant knew that its marketing and advertising would attract
11 persons and organizations that intended to use the Defendant's products to battle
12 against the military and police, including the military and police in Mexico.
13

14 307. Each Defendant further knew that its products would be trafficked into
15 Mexico for use by the drug cartels there. Each Defendant knew that its marketing of
16 those products created an unreasonable risk of physical injury to persons in Mexico.
17

18 308. Each Defendant's conduct in marketing its military-style assault
19 weapons is a knowing violation of Arizona's CFA, and those violations were a
20 substantial factor in causing the injuries that the Government and its citizens have
21 sustained.
22

23 309. As a material, foreseeable, and proximate result of each Defendant's
24 conduct, the Government and its citizens have suffered actual injury and damages
25 including, but not limited to, significant expenses for police, emergency, health,
26

1 prosecution, corrections, and other services, as well as other extensive economic
2 losses.

3
4 **COUNT EIGHT**
5 **(PUNITIVE DAMAGES)**

6 310. The Government hereby repeats and incorporates by reference each
7 preceding and succeeding paragraph as though fully set forth herein.

8 311. All of each Defendant's acts and omissions stated above were willful
9 and malicious, evidenced a conscious disregard for the rights and safety of other
10 persons, and had a great probability of causing substantial harm.

11 312. As a direct and proximate result of each Defendant's conduct, the
12 Government and its citizens have suffered actual injury and damages including, but
13 not limited to, significant expenses for police, emergency, health, prosecution,
14 corrections, and other services, as well as other extensive economic losses.
15

16 313. Each Defendant's unconscionable conduct warrants an assessment of
17 exemplary and punitive damages in an amount appropriate to punish the Defendant
18 and set an example that will deter similar conduct in the future.
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COUNT NINE
(RACKETEER INFLUENCED AND CORRUPT ORGANIZATION ACT)
18 U.S.C. § 1962(c)

(Defendant SnG Tactical)

314. The Government hereby repeats and incorporates by reference each preceding and succeeding paragraph as though fully set forth herein.

(Defendant Persons / Enterprises)

315. The cartels' straw purchasers, including Michael Anthony Sweigart, Denise Faye Burress, Tamra Michelle Potts, Isaias Delgado, Fernando Palomares, Jr., Kyle Rene Fazlollah, Elizar Olivares, Ray Alberto Laborin, Jose Gilberto Inzunza, Kaleb Jacob Valencia, Richardo Caro, and Luis Fernando Cruz-Valenzuela (among MANY others), and SnG Tactical constituted an "enterprise," within the meaning of 18 U.S.C. §§ 1961(4) & 1962(c), in that they are "a group of individuals associated in fact" (hereinafter referred to as the "SnG Tactical Straw Sale Enterprise").

- a. The members of the SnG Tactical Straw Sale Enterprise share the common purpose, among others, of advancing, facilitating, and furthering the cartel's efforts to acquire firearms in the United States.
- b. The members of the SnG Tactical Straw Sale Enterprise are related in that they, among other things, have engaged in numerous transactions involving the purchase and sale of firearms.
- c. The SnG Tactical Straw Sale Enterprise possesses sufficient longevity for its members to carry out their purpose(s) in that through the SnG

1 Tactical Straw Sale Enterprise the cartels have succeeded illegally
2 acquiring a multitude of firearms in the United States.

3
4 316. Defendant SnG is a “person,” within the meaning of 18 U.S.C.
5 §§ 1961(3) & 1962(c), that individually conducted, participated in, engaged in, and
6 operated and managed the affairs of SnG Tactical Straw Sale Enterprise through a
7 pattern of racketeering activity within the meaning of 18 U.S.C. §§ 1961(1), 1961(5)
8 & 1962(c). The pattern of racketeering activity consisted of, but was not limited to,
9 the acts of straw purchasing of firearms, trafficking in firearms, mail fraud, wire
10 fraud, and money laundering in detail above.
11

12 **(Pattern of Racketeering Activity)**
13

14 317. All of the acts of racketeering described in detail above were related so as
15 to establish a pattern of racketeering activity, within the meaning of 18 U.S.C. §
16 1962(c). The actions of Defendant SnG Tactical and the cartels, personally or through
17 their agent or agents, directly or indirectly, shared a common purpose to unlawfully sell
18 and purchase firearms in the United States. The common result of their actions was the
19 unlawful sale and purchase of military-style weapons in the United States that were
20 then trafficked to drug cartels in Mexico. Defendant SnG Tactical and the cartels,
21 personally or through their agent or agents, directly or indirectly participated in all of
22 the acts and employed the same or similar methods of commission; the straw sale and
23 purchase of firearms made through and facilitated by some of the most notorious gun
24
25
26

dealers in Arizona, along the southern U.S. border. The Government of Mexico and the citizens of Mexico were the victims of the acts of racketeering.

318. All of the acts of racketeering described in detail above were continuous so as to form a pattern of racketeering activity in that Defendant SnG Tactical has engaged in the predicate acts since January 2018 (at a minimum) and/or the acts of racketeering threaten to continue indefinitely because the acts of racketeering are the regular way in which Defendant SnG Tactical does business.

319. Pursuant to 18 U.S.C. § 1964(a), the Court should restrain Defendant SnG Tactical from further violating 18 U.S.C. § 1962(c), order it to disgorge all ill-gotten profits earned by its violation of 18 U.S.C. § 1962(c), appoint a monitor to oversee its sales practices, and provide other appropriate relief.

COUNT TEN
(RACKETEER INFLUENCED AND CORRUPT ORGANIZATION ACT)
18 U.S.C. § 1962(c)

(Defendant Diamondback)

320. The Government hereby repeats and incorporates by reference each preceding and succeeding paragraph as though fully set forth herein.

(Defendant Persons / Enterprises)

321. The cartels' straw purchasers, including Denise Faye Burress, Leonid Cornejo, Jesse Cortez-Arguelles, Francisco Dario Mora, Pedro Adan Sevilla, Fernando Palomares, Jr., Kyle Rene Fazlollah, Kaleb Jacob Valencia, and Luis Fernando Cruz-Valenzuela (among others), and Diamondback constituted an "enterprise," within the

1 meaning of 18 U.S.C. §§ 1961(4) & 1962(c), in that they are “a group of individuals
2 associated in fact” (hereinafter referred to as the “Diamondback Straw Sale
3 Enterprise”).
4

- 5 a. The members of the Diamondback Straw Sale Enterprise share the
6 common purpose, among others, of advancing, facilitating, and
7 furthering the cartel’s efforts to acquire firearms in the United States.
8
- 9 b. The members of the Diamondback Straw Sale Enterprise are related in
10 that they, among other things, have engaged in numerous transactions
11 involving the purchase and sale of firearms.
12
- 13 c. The Diamondback Straw Sale Enterprise possesses sufficient longevity
14 for its members to carry out their purpose(s) in that through the
15 Diamondback Straw Sale Enterprise the cartels have succeeded illegally
16 acquiring a multitude of firearms in the United States.
17

18 322. Defendant Diamondback is a “person,” within the meaning of 18 U.S.C.
19 §§ 1961(3) & 1962(c), that individually conducted, participated in, engaged in, and
20 operated and managed the affairs of Diamondback Straw Sale Enterprise through a
21 pattern of racketeering activity within the meaning of 18 U.S.C. §§ 1961(1), 1961(5)
22 & 1962(c). The pattern of racketeering activity consisted of, but was not limited to,
23 the acts of straw purchasing of firearms, trafficking in firearms, mail fraud, wire
24 fraud, and money laundering described in detail above.
25
26

(Pattern of Racketeering Activity)

323. All of the acts of racketeering described in detail above were related so as to establish a pattern of racketeering activity, within the meaning of 18 U.S.C. § 1962(c). Defendant Diamondback and the cartels, personally or through their agent or agents, directly or indirectly, shared a common purpose to unlawfully sell and purchase firearms in the United States. The common result of their actions was the unlawful sale and purchase of military-style weapons in the United States that were then trafficked to drug cartels in Mexico. Defendant Diamondback and the cartels, personally or through their agent or agents, directly or indirectly, participated in all of the acts and employed the same or similar methods of commission; the straw sale and purchase of firearms made through and facilitated by some of the most notorious gun dealers in Arizona, along the southern U.S. border. The Government of Mexico and the citizens of Mexico were the victims of the acts of racketeering.

324. All of the acts of racketeering described in detail above were continuous so as to form a pattern of racketeering activity in that Defendant Diamondback has engaged in the predicate acts since October 2018 (at a minimum) and/or the acts of racketeering threaten to continue indefinitely because the acts of racketeering are the regular way in which Defendant Diamondback does business.

325. Pursuant to 18 U.S.C. § 1964(a), the Court should restrain Defendant Diamondback from further violating 18 U.S.C. § 1962(c), order it to disgorge all ill-

1 gotten profits earned by its violation of 18 U.S.C. § 1962(c), appoint a monitor to
2 oversee its sales practices, and provide other appropriate relief.

3
4 **COUNT ELEVEN**
5 **(RACKETEER INFLUENCED AND CORRUPT ORGANIZATION ACT)**
6 **18 U.S.C. § 1962(c)**

7 **(Defendant Sprague's Sports)**

8 326. The Government hereby repeats and incorporates by reference each
9 preceding and succeeding paragraph as though fully set forth herein.

10 **(Defendant Persons / Enterprises)**

11 327. The cartels' straw purchasers, including Rafael Palomares, Jr., Jose
12 Rodrigo Felix-Quiroz, Daniel Langstaff Mirazo, Jesus Sanchez Vega, Juan Rafael
13 Casteneda, Jr., Josue Isai Valdez-Reyes, Noe Mendoza, Marcos Balderas Millan
14 (among others), and Defendant Sprague's Sports constituted an "enterprise," within the
15 meaning of 18 U.S.C. §§ 1961(4) & 1962(c), in that they are "a group of individuals
16 associated in fact" (hereinafter referred to as the "Sprague's Sports Straw Sale
17 Enterprise").
18
19

- 20 a. The members of the Sprague's Sports Straw Sale Enterprise share the
21 common purpose, among others, of advancing, facilitating, and
22 furthering the cartel's efforts to acquire firearms in the United States.
23
24
25
26

1 b. The members of the Sprague's Sports Straw Sale Enterprise are related in
2 that they, among other things, have engaged in numerous transactions
3 involving the purchase and sale of firearms.
4

5 c. The Sprague's Sports Straw Sale Enterprise possesses sufficient
6 longevity for its members to carry out their purpose(s) in that through
7 the Sprague's Sports Straw Sale Enterprise the cartels have succeeded
8 illegally acquiring a multitude of firearms in the United States.
9

10 328. Defendant Sprague's Sports is a "person," within the meaning of 18
11 U.S.C. §§ 1961(3) & 1962(c), that individually conducted, participated in, engaged
12 in, and operated and managed the affairs of Sprague's Sports Straw Sale Enterprise
13 through a pattern of racketeering activity within the meaning of 18 U.S.C. §§
14 1961(1), 1961(5) & 1962(c). The pattern of racketeering activity consisted of, but
15 was not limited to, the acts of straw purchasing of firearms, trafficking in firearms,
16 mail fraud, wire fraud, and money laundering described in detail above.
17
18

19 **(Pattern of Racketeering Activity)**

20 329. All of the acts of racketeering described in detail above were related so as
21 to establish a pattern of racketeering activity, within the meaning of 18 U.S.C. §
22 1962(c). Defendant Sprague's Sports and the cartels, personally or through their agent
23 or agents, directly or indirectly, share a common purpose to unlawfully sell and
24 purchase firearms in the United States. The common result of their actions was the
25
26

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1 unlawful sale and purchase of military-style weapons in the United States that were
2 then trafficked to drug cartels in Mexico. Defendant Sprague's Sports and the cartels,
3 personally or through their agent or agents, directly or indirectly, participated in all of
4 the acts and employed the same or similar methods of commission; the straw sale and
5 purchase of firearms made through and facilitated by some of the most notorious gun
6 dealers in Arizona, along the southern U.S. border. The Government of Mexico and the
7 citizens of Mexico were the victims of the acts of racketeering.
8

9
10 330. All of the acts of racketeering described in detail above were continuous
11 so as to form a pattern of racketeering activity in that Defendant Sprague's Sports has
12 engaged in the predicate acts since May 2018 (at a minimum) and/or the acts of
13 racketeering threaten to continue indefinitely because the acts of racketeering are the
14 regular way in which Defendant Sprague's Sports does business.
15

16 331. Pursuant to 18 U.S.C. § 1964(a), the Court should restrain Defendant
17 Sprague's Sports from further violating 18 U.S.C. § 1962(c), order it to disgorge all
18 ill-gotten profits earned by its violation of 18 U.S.C. § 1962(c), appoint a monitor to
19 oversee its sales practices, and provide other appropriate relief.
20
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COUNT TWELVE
RACKETEER INFLUENCED AND CORRUPT ORGANIZATION ACT
18 U.S.C. § 1962(c)

(Defendant Ammo AZ)

332. The Government hereby repeats and incorporates by reference each preceding and succeeding paragraph as though fully set forth herein.

(Defendant Persons / Enterprises)

333. The cartels' straw purchasers, including Jose Montoya, Francisco Dario Mora, Pedro Adan Sevilla, and Yibrán Lopez-Rosales (among others), and Defendant Ammo AZ constituted an "enterprise," within the meaning of 18 U.S.C. §§ 1961(4) & 1962(c), in that they are "a group of individuals associated in fact" (hereinafter referred to as the "Ammo AZ Straw Sale Enterprise").

- a. The members of the Ammo AZ Straw Sale Enterprise share the common purpose, among others, of advancing, facilitating, and furthering the cartel's efforts to acquire firearms in the United States.
- b. The members of the Ammo AZ Straw Sale Enterprise are related in that they, among other things, have engaged in numerous transactions involving the purchase and sale of firearms.
- c. The Ammo AZ Straw Sale Enterprise possesses sufficient longevity for its members to carry out their purpose(s) in that through the Ammo AZ Straw Sale Enterprise the cartels have succeeded illegally acquiring a multitude of firearms in the United States.

334. Defendant Ammo AZ is a “person,” within the meaning of 18 U.S.C. §§ 1961(3) & 1962(c), that individually conducted, participated in, engaged in, and operated and managed the affairs of Ammo AZ Straw Sale Enterprise through a pattern of racketeering activity within the meaning of 18 U.S.C. §§ 1961(1), 1961(5) & 1962(c). The pattern of racketeering activity consisted of, but was not limited to, the acts of straw purchasing of firearms, trafficking in firearms, mail fraud, wire fraud, and money laundering described in detail above.

(Pattern of Racketeering Activity)

335. All of the acts of racketeering described in detail above were related so as to establish a pattern of racketeering activity, within the meaning of 18 U.S.C. § 1962(c). Defendant Ammo AZ and the cartels, personally or through their agent or agents, directly or indirectly shared a common purpose to unlawfully sell and purchase firearms in the United States. The common result of their actions was the unlawful sale and purchase of military-style weapons in the United States that were then trafficked to drug cartels in Mexico. Defendant Ammo AZ and the cartels, personally or through their agent or agents, directly or indirectly, participated in all of the acts and employed the same or similar methods of commission; the straw sale and purchase of firearms made through and facilitated by some of the most notorious gun dealers in Arizona, along the southern U.S. border. The Government of Mexico and the citizens of Mexico were the victims of the acts of racketeering.

337. Pursuant to 18 U.S.C. § 1964(a), the Court should restrain Defendant Ammo AZ from further violating 18 U.S.C. § 1962(c), order it to disgorge all ill-gotten profits earned by its violation of 18 U.S.C. § 1962(c), appoint a monitor to oversee its sales practices, and provide other appropriate relief.

(Defendant The Hub)

(Defendant Persons / Enterprises)

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1 individuals associated in fact” (hereinafter referred to as the “The Hub Straw Sale
2 Enterprise”).

- 3
- 4 a. The members of The Hub Straw Sale Enterprise share the common
- 5 purpose, among others, of advancing, facilitating, and furthering the
- 6 cartel’s efforts to acquire firearms in the United States.
- 7
- 8 b. The members of The Hub Straw Sale Enterprise are related in that they,
- 9 among other things, have engaged in numerous transactions involving
- 10 the purchase and sale of firearms.
- 11
- 12 c. The Hub Straw Sale Enterprise possesses sufficient longevity for its
- 13 members to carry out their purpose(s) in that through The Hub Straw
- 14 Sale Enterprise the cartels have succeeded illegally acquiring a multitude
- 15 of firearms in the United States.

16 340. Defendant The Hub is a “person,” within the meaning of 18 U.S.C.
17 §§ 1961(3) & 1962(c), that individually conducted, participated in, engaged in, and
18 operated and managed the affairs of The Hub Straw Sale Enterprise through a pattern
19 of racketeering activity within the meaning of 18 U.S.C. §§ 1961(1), 1961(5) &
20 1962(c). The pattern of racketeering activity consisted of, but was not limited to, the
21 acts of straw purchasing of firearms, trafficking in firearms, mail fraud, wire fraud,
22 and money laundering described in detail above.
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(Pattern of Racketeering Activity)

341. All of the acts of racketeering described in detail above were related so as to establish a pattern of racketeering activity, within the meaning of 18 U.S.C. § 1962(c). Defendant The Hub and the cartels, personally or through their agent or agents, directly or indirectly, shared a common purpose to unlawfully sell and purchase firearms in the United States. The common result of their actions was the unlawful sale of military-style weapons in the United States that were then trafficked to drug cartels in Mexico. Defendant The Hub and the cartels, personally or through their agent or agents, directly or indirectly, participated in all of the acts and employed the same or similar methods of commission; the straw sale and purchase of firearms made through and facilitated by some of the most notorious gun dealers in Arizona, along the southern U.S. border. The Government of Mexico and the citizens of Mexico were the victims of the acts of racketeering.

342. All of the acts of racketeering described in detail above were continuous so as to form a pattern of racketeering activity in that The Hub has engaged in the predicate acts since October 2019 (at a minimum) and/or the acts of racketeering threaten to continue indefinitely because the acts of racketeering are the regular way in which Defendant The Hub does business.

343. Pursuant to 18 U.S.C. § 1964(a), the Court should restrain Defendant The Hub from further violating 18 U.S.C. § 1962(c), order it to disgorge all ill-gotten

profits earned by its violation of 18 U.S.C. § 1962(c), appoint a monitor to oversee its sales practices, and provide other appropriate relief.

XII. DEMAND FOR JUDGMENT

WHEREFORE, the Government respectfully demands that this Court:

- a. Enter joint and several judgments against each Defendant and in favor of the Government;
- b. For each Defendant, appoint a monitor who shall have full authority to oversee and direct that Defendant's sales practices, with the costs to be borne by the Defendant;
- c. Enter injunctive and equitable relief against each Defendant requiring it to:
 1. Abate and remedy the public nuisance it has created in Mexico;
 2. Create and implement standards sufficient to reasonably monitor and modify its sales practices; and
 3. Fund studies, programs, advertising campaigns, and other events focused on preventing unlawful trafficking of guns;
- d. Enter an injunction against each Defendant requiring it to take all necessary action to abate the current and future harm that its conduct is causing and would otherwise cause in the future in Mexico;
- e. Award damages to the Government in an amount to be determined at trial;
- f. Award civil penalties to the Government as permitted by law;
- g. Award punitive damages to the Government in an amount to be determined at trial, and sufficient to punish each Defendant or deter it and others from continuing or repeating its unlawful conduct;
- h. Require each Defendant to disgorge the revenue and profits that it has unjustly obtained from its unlawful conduct;
- i. Award to the Government pre-and post-judgment interest as permitted by law;
- j. Award the Government its costs of suit, including reasonable attorneys' fees, as provided by law; and

k. Award such further and additional relief as the case may require and the Court may deem just and proper.

DATED this 10th day of October, 2022.

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