

Memorandum



Subject

The Medellin Cartel's Future

Date

28 MAR 1994

To

Robert Nieves, Chief OK

From

Barry Abbott, Acting Chief OKC

Headquarters OKC and NKOC believe that the current state of the Medellin Cartel warrants continued enforcement and intelligence attention and that existing TKO 558 and TKO 559 cases should continue to be supported.

During the week of February 14-18, 1994, S/C Barry Abbott (OKC), S/C William Johnson (OKC) and I/A Patrick Kerner (NKOC) traveled to Bogota, Colombia to meet with representatives of the DEA Bogota Country Office (BCO) and the Colombian National Police (CNP) Medellin Task Force. The purpose of these meetings was threefold: 1) to discuss the current state of the Medellin Cartel; 2) to examine the near-term and long-term potential for future operations by the Medellin Cartel trafficking groups; and 3) to consider the CNP commitment to continue operations against the Medellin Cartel. In addition to the above Headquarters personnel, S/A Javier Pena (BCO), S/A Stephen Murphy (BCO), G/S Liz Zilli (BCO), ACA Jerry Rhinehart (BCO), and Lieutenant Colonel Norberto Pelaez-Restrepo (CNP), Director of the Medellin Task Force, all provided input. All of the above individuals are of the opinion that the Government of Colombia (GOC) and the U.S. Government must continue to direct enforcement and intelligence operations against the Medellin Cartel.

This paper is an analysis of the Medellin Cartel's past, present and future and is broken down into six major areas: 1) a Historical View of the Medellin Cartel, 2) Pablo ESCOBAR's Family and Organization, 3) Current Organizations, 4) Emerging Medellin Groups, 5) Recent Seizures and Arrests associated with the Medellin Cartel, and 6) the present state of the CNP Medellin Task Force.

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A Historical View of the Medellin Cartel

The Medellin Cartel, whose former leaders were Pablo ESCOBAR, Gustavo GAVIRIA, Jose Gonzalo RODRIGUEZ-Gacha, Jorge Luis OCHOA and Carlos LEHDER, dominated the cocaine market in the mid and late 1980s. The Medellin Cartel was composed of five or more separate and distinct trafficking organizations which operated in cooperation with the others to produce, transport and distribute cocaine HCl. There were friendships and associations between Medellin and Cali cartel members during these early years. Jorge OCHOA and Gilberto RODRIGUEZ were neighbors and were arrested together in Spain in 1984.

During the mid 1980s, one trafficker, Pablo ESCOBAR, began to stand out from the rest. ESCOBAR was gaining notoriety for the violent terrorist acts he carried out against politicians, newsmen, police officers, judges and anyone who opposed him or spoke out against him. Although ESCOBAR became the most infamous, he was not the sole leader of the Medellin Cartel. By the late 1980s, Pablo ESCOBAR was waging war with the GOC, the AUTODEFENSAS (a Medellin based self defense force) and the Cali Cartel. To wage this war ESCOBAR collected a "war tax" from traffickers who operated from Medellin. The "war tax" was a percentage of the value of the cocaine each trafficker shipped. As ESCOBAR became more preoccupied with the violence, the Medellin Cartel began to lose its share of U.S. cocaine markets to the Cali Cartel.

In the late 1980s and early 1990s the GOC began to effectively target the Medellin Cartel. Carlos LEHDER was arrested and extradited to the United States in February 1987. Gonzalo RODRIGUEZ-Gacha was killed in December 1989 and Gustavo GAVIRIA was killed in August 1990. Jorge Luis, Juan David and Fabio OCHOA surrendered to the GOC between December 1990 and February 1991. Even Pablo ESCOBAR surrendered to the GOC, in June 1991. With Pablo ESCOBAR in prison, the GOC declared a victory against the Medellin Cartel and turned its sights to the Cali Cartel. But being in prison was not going to stop Pablo ESCOBAR. ESCOBAR continued to run his organization from his prison mansion. He continued to personally approve cocaine shipments and order the murders of those who opposed him. ESCOBAR became so bold that he actually summoned the MONCADA and GALEANO brothers to the prison and tortured and killed them because they had not been paying their war tax. The GOC could no longer turn a blind eye to ESCOBAR. On July 22, 1992, the GOC attempted to move ESCOBAR to a real prison; their poorly planned operation led to ESCOBAR's escape and a sixteen-month manhunt which ended in ESCOBAR's death on December 2, 1993.

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The clandestine cocaine labs which supplied ESCOBAR and the OCHOAs have not stopped their business solely because ESCOBAR is dead-- just as business did not cease when Gustavo GAVIRIA and Jose Gonzalo RODRIGUEZ-Gacha were killed. The remaining Medellin Cartel traffickers will continue their respective trades whether operating labs, transporting cocaine or laundering money. The questions which remain are who will they support with their services and which groups will emerge as Medellin's major trafficking organizations.

Because of the violent acts he ordered, ESCOBAR was the most infamous cocaine trafficker in history. ESCOBAR, however, was not the only cocaine trafficker operating out of Medellin. With ESCOBAR out of the way, the door is open for these other Medellin traffickers to rise to the surface.

Pablo ESCOBAR's Organization and Family:

Pablo ESCOBAR is dead and his former organization is in shambles, however, several important ESCOBAR lieutenants remain some incarcerated some free. Two of the most powerful of these lieutenants are John Jairo VELASQUEZ-Vasquez AKA POPEYE and Otoniel GONZALEZ-Franco AKA OTTO. These and other former lieutenants remain incarcerated and are negotiating sentence terms with the GOC. With sentence reductions they could receive a sentences of as short as a few years. Recent Colombian news reports indicate that ESCOBAR's lieutenants are attempting to negotiate a peace agreement with the Cali Cartel. According to LTC Pelaez, these ESCOBAR lieutenants are negotiating peace with the Cali Cartel and reduced sentences with the GOC, but they continue cocaine trafficking.

Since ESCOBAR's death, his widow Victoria HENAO de Escobar has visited ESCOBAR's former lieutenants, John Jairo VELASQUEZ and Otoniel GONZALEZ, at La Modelo Prison.

As early as the summer of 1993, ESCOBAR began to send family members and high-level associates to the United States and other countries, ostensibly for their protection. One of their missions was to collect money and send it to Pablo ESCOBAR in Colombia so that ESCOBAR could continue his fight. Domestic investigations have identified ESCOBAR family and associates in New York, Miami, Rhode Island, and New Orleans. With ESCOBAR dead, these associates and family members continue to operate in the United States. DEA investigations have resulted in the arrest of alleged ESCOBAR assassins in New York and New Orleans and they have identified an alleged assassin in Rhode Island. Also DEA investigations have identified ESCOBAR family members and associates who are in contact with known traffickers and money launderers in Miami, New York and Rhode Island. The CNP believes that ESCOBAR's sisters-in-law are controlling ESCOBAR's properties from the United States.

According to LTC Pelaez, ESCOBAR's family has also been busy spending large sums of money and have no explained income. The family recently purchased a finca for \$300,000.

Current Organizations:

In the three months since Pablo ESCOBAR's death, there has been time for the tense situation in Medellin to settle. The murder rate in Medellin has dropped from an average of 20 homicides per day to five homicides per day. The remaining Medellin groups have begun to reorganize after sixteen months of war among Pablo ESCOBAR's supporters, LOS PEPES and the Colombian Government.

Several major traffickers, with ties to Medellin, currently are in operation. Many of these traffickers are operating from cities other than Medellin because of the turmoil caused by the Medellin war and the hunt for ESCOBAR. LTC Pelaez stated the Medellin Task Force has noticed that, since ESCOBAR's death, traffickers who were abroad or in other Colombian cities are beginning to return to Medellin. The major Medellin traffickers who have continued to operate and who pose a significant threat in the future are:

Jorge Luis OCHOA and his brothers Juan David and Fabio, TKO 559, are incarcerated in Itagui Prison in Medellin, CB serving sentences of 6-8 years each for cocaine trafficking. While ESCOBAR was on the run, the OCHOAs tried to publicly distance themselves from ESCOBAR yet they continued to support him financially. The OCHOAs have tried to maintain a low profile with regards to cocaine trafficking but they have also maintained ties with major Medellin traffickers. Intelligence indicates the OCHOAs still have a hand in cocaine shipments. New intelligence also indicates their father Fabio OCHOA-Restrepo is once again involved in planning cocaine shipments

Leonidas VARGAS-Vargas, according LTC Pelaez, is virtually free to run his business even though he has been in prison since January 1993. VARGAS-Vargas was a cocaine conversion laboratory operator who worked for Jose Gonzalo RODRIGUEZ-Gacha. Leonidas VARGAS learned the cocaine business well during the years he worked with RODRIGUEZ-Gacha. VARGAS-Vargas was intimately involved in the production and transportation of cocaine HCl. Following RODRIGUEZ-Gacha's death in December 1989, VARGAS-Vargas rose in power within the Medellin Cartel. VARGAS-Vargas was a major owner and supplier of 23 tons of cocaine seized in Monteria, CB between February and April 1991. Pablo ESCOBAR described Leonidas VARGAS-Vargas as one of his most trusted lieutenants. Today, VARGAS-Vargas is known to control cocaine labs and to own two air cargo companies which are used to ship cocaine.

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Luis Enrique RAMIREZ-Murillo AKA Mickey RAMIREZ, is a major Medellin trafficker who broke with ESCOBAR following ESCOBAR's escape from La Catedral prison. Mickey RAMIREZ was responsible for shipping multi-hundred kilo quantities of cocaine through the Bahamas and Puerto Rico. During the hunt for ESCOBAR, RAMIREZ provided information against ESCOBAR to the Fiscalia. On February 17, 1994, Mickey RAMIREZ met with S/As Pena and Murphy and S/C Abbott to discuss RAMIREZ cooperation with DEA. RAMIREZ was asked if the ESCOBAR organization was dead. RAMIREZ responded "no" and said that Jose Fernando POSADA-Fiero and Oscar ALZATE-Urquijo AKA ARETE would take control of the remnants of Pablo ESCOBAR's organization. RAMIREZ denied being a cocaine trafficker but throughout the meeting made statements which left no doubt of his involvement in the cocaine trade. RAMIREZ is the subject of DEA investigations in Bogota and Florida and the SOS for Fernando FERNANDEZ and Vladimir COLLAZO who are major traffickers in the Bahamas and Puerto Rico, respectively.

Four significant Medellin traffickers who are known as "EL GRUPO" continue to operate in Medellin, CB. "EL GRUPO" consists of Gustavo TAPIAS AKA TECHO; Guillermo BLANDON AKA William; Juan ARANGO; and Guillermo ANGEL-RESTREPO. The members of "EL GRUPO" split with ESCOBAR and joined forces with the Cali Cartel after ESCOBAR murdered the MONCADA and GALEANO brothers. During the hunt for Pablo ESCOBAR, "EL GRUPO" provided information to the CNP and DEA. However, "EL GRUPO" has not retired from the cocaine trade as is evidenced by the September 1993 CNP raids against the Jose Guillermo GALLON organization. The GALLON organization took its orders from Guillermo BLANDON. Subsequent to the GALLON raids BLANDON was murdered in November, 1993. Now that ESCOBAR is dead, the members of EL GRUPO are free to expand their businesses.

The MONCADA and GALEANO Families have long been the leaders of two powerful Medellin trafficking groups. In July 1992, ESCOBAR killed Gerardo and William MONCADA and Fernando and Mario GALEANO over money owed to ESCOBAR. Following these murders and ESCOBAR's escape, the MONCADAs and GALEANOs supported the GOC efforts to capture and destroy ESCOBAR's organization. Reporting indicates that the MONCADAs and GALEANOs backed the vigilante group LOS PEPES. Now that ESCOBAR is dead, the remaining members of these two trafficking families are free to resume their cocaine trafficking activities.

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Antonio BERMUDEZ-Uribe AKA El Arquitecto was first identified as a major Colombian trafficker who coordinated the transportation of cocaine from Colombia to the United States via Mexico and the movement of drug proceeds from the United States to Colombia. In July 1992, BERMUDEZ and his Mexico City based lieutenants negotiated with a DEA C/I to coordinate the shipment of forty tons of cocaine from Colombia through Mexico to the United States. At that time, BERMUDEZ was coordinating the shipment of this and other cocaine shipments for Pablo ESCOBAR and the OCHOA brothers through ESCOBAR's lieutenant, Jose CORREA, AKA OREJAS. When OREJAS was killed, BERMUDEZ returned to Medellin and assumed CORREA's position. Although the investigation of BERMUDEZ' organization in Mexico has resulted in large cocaine seizures and the arrests of key organization members, BERMUDEZ immediately reorganized and continues to transport cocaine through Mexico using an alternate Mexican organization. Intelligence indicates that BERMUDEZ may be establishing a cocaine conversion laboratory. Intelligence has also linked BERMUDEZ to financial assets in the United States, Mexico, Colombia and Ecuador. DEA Bogota CO reporting indicates that BERMUDEZ has become one of the most important Medellin Cartel traffickers in the aftermath of Pablo ESCOBAR's death.

Emerging Medellin Groups:

Even though the CNP efforts against Pablo ESCOBAR have resulted in the deaths or incarceration of a great many of ESCOBAR's most important lieutenants, several significant individuals remain free. The CNP/Medellin Task Force advised they have a great deal of intelligence indicating that new groups have surfaced in Medellin and are coordinating cocaine shipments. These groups are exporting between 20 and 500 kilograms of cocaine per shipment. Additionally the CNP is investigating the following emerging Medellin traffickers/organizations: the Oscar GONZALEZ (AKA DUKAKIS) Organization, the Gustavo AGUIRRE Organization, Julio FIERRO, Gabriel URIBE, Francisco OBREGON, Manuel BOTERO-Uribe, and Gustavo HOYOS. Oscar GONZALEZ is known by the CNP and BCO to have a direct link to the OCHOA brothers and is responsible for shipping routes. Title III intercepts (PROTECT) indicate that the above named organizations are planning cocaine shipments of 500-1000 kilograms monthly.

Recent Seizures and Arrests Involving the Medellin Cartel:

In January 1994, Roberto PANUZZI, an Italian organized crime figure, was arrested in Medellin, CB. PANUZZI had ties to three Italian organizations, LA CAMORRA DE LA CAMPANIA, LA MAFIA DE SICILIA and LA NDRANGHETA DE CALABRIA, all of which are involved in international narcotics trafficking. There are three fugitive warrants for PANUZZI in Italy and a narcotics charge against him in Colombia. Before PANUZZI went to Colombia in 1989, he arranged heroin shipments to Europe for the same three Italian organizations.

On February 4, 1994, the U.S. Customs Service seized 3,848 kilograms of cocaine from a containerized shipment which entered the Port of Miami. The intelligence for this seizure was developed and reported by DEA Bogota. DEA Bogota has substantiated that the shipment originated in Medellin, CB. This seizure indicates that although the Medellin Cartel has suffered setbacks, organizations within Medellin are still capable of shipping multi-ton quantities of cocaine.

The Present State of the CNP Medellin Task Force:

In response to ESCOBAR's escape in July 1992, the GOC created the Medellin Task Force to capture ESCOBAR and dismantle the Medellin Cartel. The Task Force focused on Pablo ESCOBAR and his immediate organization. Since ESCOBAR's death, the primary focus of the Task Force has centered on the remaining members of the Medellin Cartel as well as the up-and-comers who have begun to operate in Medellin.

LTC Pelaez believes the Medellin Cartel must be watched; although the Cartel may be in a state of turmoil at the present time, they will soon begin to reorganize and within a short time could be very powerful. LTC Pelaez said that CNP Director, General Vargas, began the fight with the Medellin Cartel in 1989 and that he is dedicated to continuing the fight. The GOC and the CNP recognize the need for continued vigilance toward Medellin and demonstrate their commitment to pursuing the Medellin Cartel through their continued support of the Medellin Task Force. The Medellin Task Force has an assigned strength of 311 officers, 250 uniformed officers and 61 intelligence agents. Additionally, the Medellin Task Force has considerable technical intelligence gathering capability permanently assigned.

Conclusions:

The Medellin Cartel will reorganize and rebuild; opportunities exist for the growth of both large and small Medellin trafficking organizations. While things may have slowed temporarily, it is only a matter of time until it is once again business as usual. With ESCOBAR gone and his organization in chaos, there are many other Medellin based traffickers who are looking for new contacts and business deals. The opportunities for traffickers in Medellin might be compared to the business/investment opportunities in Russia after the fall of communism and the break-up of the Soviet Union.

There will no doubt be a new level of cooperation between the Medellin Cartel and the Cali Cartel, but it is unlikely that the Cali Cartel will take control of the Medellin Cartel. Medellin has too many well-established, powerful traffickers who would not willingly submit to Cali control, especially after recently gaining freedom from the tyranny of Pablo ESCOBAR and his taxation.

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Presently, a few Medellin trafficking organizations are capable of sending multi-ton quantities of cocaine to the United States and are not out of business as was thought or hoped for by some optimists. The number of Medellin organizations capable of sending multi-ton cocaine shipments is expected to increase.

The Medellin situation requires continued observation and strong enforcement operations to keep the growth in check. If DEA and the GOC turn their backs on Medellin, in a short time, the problem will once again be out of control.

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