

Memorandum

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Subject Operation Millennium - Miami CS Baruch Vega	Date 01/20/00
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To
 William Ledwith
 Chief,
 International Operations

From
 Leo Arreguin
 Country Attache
 Bogota Country Office

I am writing this memorandum to address several recent developments that have caused me great concern and have created serious problems and potential damage to the [redacted] investigation and prosecution as well as other important investigations here in Colombia. All of these problems revolve around a DEA Miami documented Cooperating Source named Baruch Vega who operates out of Miami, Florida. Vega is controlled by DEA Miami Group HIDTA 43 and has contact with numerous high level Colombian traffickers. It appears that Vega is utilizing his position as a DEA CS to extort money from high level Colombian traffickers under the pretense that he works with corrupt DEA agents and prosecutors, who if paid large sums of money will arrange extremely lenient sentences for these traffickers in the United States.

Baruch Vega originally came to the attention of the Bogota Country Office during the initial phases of the [redacted] investigation. [redacted] from [redacted] and [redacted] discuss Baruch Vega as a person who has high level contacts with U.S. law enforcement, and with the payment of large amounts of money can arrange things in the United States. As a result of these intercepts, the Colombian National Police began an investigation of Vega. The BCO learned through other sources, a few months later, that Vega was a Cooperating Source for DEA Miami HIDTA Group 43.

After the takedown phase of [redacted] in October of 1999, representatives contacted Agents of the BCO; family members and U.S. based defense attorneys of several of the defendants in the [redacted] investigation concerning their possible cooperation. These representatives told agents of the BCO that Baruch Vega was well known in the Colombian drug trafficking community as a person with high level contacts with U.S. law enforcement. These representatives also told agents of the BCO that Vega was telling defendants in the [redacted] investigation that the agents he worked with in Miami were in charge of all investigations in Colombia and that the agents in Colombia reported to the agents in Miami. Vega has also told numerous defendants that he is an employee of the DEA with the title of "Political Officer". They also stated that Vega told them that if they paid Vega significant amounts of money, he could corruptly influence the agents involved in the investigation as

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well as the U.S. prosecutors.

Vega also admitted to BCO S/A's Paul Craine and Nicholas Kolen during meetings in Panama, that he has told defendants in the [REDACTED] investigation, and other significant Colombian traffickers, that he has corruptly influenced DEA agents and prosecutors in charge of the [REDACTED] investigation, and other U.S. investigations, in order to get a significant reduction in sentence or an outright dismissal of the charges. Vega also stated that he received payments from numerous other trafficking organizations, who has asked Vega to utilize his corrupt contacts to ascertain if traffickers, or members of their families, are wanted or currently under investigation by U.S. law enforcement. Vega stated to S/A's Craine and Kolen that the reason he does this is because the Colombian defendants will be more willing to surrender if they think they are going to corruptly receive benefits from the agents and prosecutors. Vega stated that once the defendants arrived in the U.S. to surrender and realized that there was no corrupt deal, it would be too late because they were already in custody. These statements made by Vega to S/A's Craine and Kolen were witnessed by MFD S/A Larry Castillo and Panama Country Office S/A Art Ventura. Vega also told S/A Kolen that he has previously received large sums of money from traffickers (\$200,000 to \$300,000) for services he has provided. On one specific occasion, Vega showed S/A Kolen [REDACTED]. Vega stated that he received [REDACTED] directly from a trafficker, under the auspices of having Vega determine if the remainder of the family members were wanted or under investigation by U.S. law enforcement personnel. S/A Craine then instructed Vega that concerning the [REDACTED] investigation, that he was to, under no circumstances, communicate to any of the defendants or fugitives, that anyone in the U.S. could be corruptly influenced.

Obviously Vega's statements to defendants concerning his ability to corrupt agents and prosecutors in the U.S. creates very serious problems for the [REDACTED] investigation and prosecution, as well as the possibility of false allegations of corruption being made against my agents here in Bogota, as well as the federal prosecutors in Ft. Lauderdale. Vega's actions have seriously damaged our attempts to gain the cooperation of defendants in the [REDACTED] investigation, as well as other investigations. In accordance with instructions from the prosecutor in this investigation (AUSA Theresa Van Vliet), my agents are instructing all representatives of [REDACTED] defendants, that since the defendants have been indicted in the U.S., there are strict regulations concerning the contact between defendants or their representatives with DEA agents. My agents are also instructing all defendants, that in order to cooperate with the United States or begin plea negotiations, they must first retain an attorney in the United States who can negotiate directly with AUSA Van Vliet. On numerous occasions, when BCO S/A's have told representatives of the [REDACTED] defendants that this is the only avenue available to cooperate, my agents have been told that Vega has given them contrary information. These representatives have told my agents that because the defendants in this investigation believe what Vega is telling them, they are reluctant to begin cooperation under the terms offered by AUSA Van Vliet.

A recent example of this occurred in a meeting on January 19, 2000, in Bogota, with [REDACTED] [REDACTED] had requested to meet with the agents in charge of the [REDACTED] investigation. This meeting was attended by G/S Chris Feistl and the case agents in charge of the [REDACTED] investigation as well as private attorney's from the U.S. who represent [REDACTED] and [REDACTED]. In this meeting the [REDACTED] and the attorney's mentioned the problems being created by Vega's erroneous instructions [REDACTED] and the other [REDACTED] defendants and the delays that Vega's interference is causing.

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One of the private attorney's told S/A's Craine and Kolen that they had been told by several defendants that Vega is attempting to extort millions of dollars from numerous [REDACTED] defendants, and defendants in other cases, under the pretense of making corrupt payments to U.S. law enforcement personnel. The attorney also reported that Vega had told the defendants that he would set up a front company for the pretense of laundering the defendants money. Vega told the defendants that they would give the information to DEA agents and U.S. prosecutors who would seize the money thinking it was a legitimate money laundering operation, when in reality it is only the defendants sacrificing their own money. Vega told the defendants that they would get a reduction in sentence for their cooperation in seizing the money and Vega would get up to 25% as a reward. The attorney told S/A's Craine and Kolen that Vega's conduct had been reported to AUSA Richard Skruggs, the Chief of the Public Corruption Section in the U.S. Attorney's Office in Miami and that the allegations were being investigated. Another one of my agents, S/A Robert Versis, recently had contact with another Miami based attorney who represents one of the main defendants in the [REDACTED] investigation. This attorney told S/A Versis that he was concerned with what Vega was telling defendants in U.S. indictments and the guarantees that Vega was making to these defendants concerning the sentences they will receive once they arrived in the U.S. My agents have also been told by numerous other attorney's, defendants and their representatives the same exact story about Vega's allegations of having bought off DEA Agents and prosecutors and his attempts to extort money.

AUSA Theresa Van Vliet, who is in charge of the [REDACTED] prosecution, has notified me that she has been contacted by private attorney's in Miami, as well as agents of other federal law enforcement agencies who have reported to her the same information, that Vega is telling defendants that the agents and the prosecutors in the [REDACTED] investigation can be corruptly influenced. AUSA Van Vliet has told me that this can potentially cause serious legal problems in the prosecution of the [REDACTED] defendants as Vega is an active source for DEA and statements or promises he makes to the [REDACTED] defendants can be used by the defendants, in the future, in a 5K motion to argue they are entitled to a reduction in sentence based on their belief that Vega was acting on behalf of DEA and the U.S. government in negotiations for cooperation. AUSA Van Vliet also told me that Vega's unauthorized contact with representatives of indicted persons raise serious "McDade" issues which could potentially cause her personal liability in the state of Florida as well as be politically embarrassing for DEA and DOJ if Vega's activities became public. AUSA Van Vliet has forwarded the information concerning Vega's allegations of corruption to her superiors in the U.S. Attorney's Office who have initiated an investigation of the matter.

Another instance of interference by Vega in an important indicted case is [REDACTED], an investigation which was conducted by the Barranquilla RO and the prosecution of which is being supervised by Neil Stevens the Chief of the Narcotics Section at the U.S. Attorney's Office in Miami. A Colombian defendant in this case, [REDACTED] is presently in jail in Colombia awaiting extradition to the United States. On August 25, 1999, the DEA case agent in Barranquilla RO, S/A Rick Bendekovic, as instructed by AUSA Stevens, met in Colombia, with the [REDACTED] the husband of [REDACTED] S/A Bendekovic advised [REDACTED] that no deals would be made with [REDACTED] until she retained an attorney in the United States and agreed to plead guilty because of strict DOJ guidelines concerning contact with indicted persons. S/A Bendekovic told [REDACTED] that this was the only avenue to cooperate and there would be no further contact with [REDACTED] It was subsequently learned that Vega had arranged for agents of Miami Group 43 to meet with [REDACTED] in Panama to discuss his wife's cooperation. This meeting

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occurred without the knowledge of S/A Bendekovic or AUSA Stevens. S/A Larry Castillo then contacted AUSA Stevens concerning the meeting and AUSA Stevens told S/A Castillo that [REDACTED] was associated with the [REDACTED] investigation and not to have any further contact with [REDACTED] without coordinating with S/A Bendekovic. It was also subsequently learned that Vega and the Miami Group 43 agents continued to talk to [REDACTED] and met with [REDACTED] on other occasions in Panama after being instructed by AUSA Stevens that no other contact with [REDACTED] was authorized.

On November 3, 1999, the Colombian National Police (CNP) notified the BCO that they [REDACTED] [REDACTED] in Medellin, Colombia and Vega in South Florida. [REDACTED] [REDACTED] discussed with [REDACTED] the possibility of arranging for [REDACTED] to meet with S/A Castillo and S/A Versis in the near future in Bogota, Colombia. [REDACTED]

[REDACTED] in a separate investigation targeting criminal activities being conducted by [REDACTED]. When the CNP provided the BCO [REDACTED] [REDACTED] BCO Group II G/S Feistl called HIDTA 43 G/S Tinsley and notified him [REDACTED] and reiterated that there was to be no contact with [REDACTED] by S/A Castillo or Vega and that the Colombian National Police are aware of their negotiations with Orrego. This document was provided to the MFD during a meeting in December 1999 between the BCO and the MFD. [REDACTED]

[REDACTED] Four days after the information [REDACTED] of Vega and [REDACTED] was passed to the MFD, [REDACTED] suddenly moved out of his apartment in the middle of the night and [REDACTED]. This seriously damaged a joint CNP/DEA investigation in Medellin. At this time, it is unknown as to the source of this compromise.

On December 3, 1999, BCO S/A Kolen was notified by the CNP SIU that they had received information from a reliable source of information in Medellin that agents of Miami Group HIDTA 43 had recently met with [REDACTED] in Panama at the same time they had scheduled meetings with other Colombia traffickers, as well as representatives of fugitives in the [REDACTED] investigation. While the agents were meeting with [REDACTED] was seen by [REDACTED], a representative of an [REDACTED] [REDACTED] fugitive, who was meeting with the agents in a hotel in Panama. The CNP SOI reported that [REDACTED] had returned to Medellin and reported to several Colombian traffickers that he had seen [REDACTED] in Panama talking to DEA agents. The Medellin traffickers obviously inferred that [REDACTED] was attempting to cooperate with DEA on behalf of his wife, and according to the SOI, the traffickers issued orders to kill [REDACTED] and her husband [REDACTED] because of the meeting in Panama. (See Attachment # 2, re: DEA Twx dated 12/07/99).

On January 20, 2000, G/S Chris Feistl and S/A Paul Craine spoke with AUSA Van Vliet by telephone. AUSA Van Vliet explained to G/S Feistl and S/A Craine that approximately 2 months ago, U.S. Customs Supervisory Special Agent Ed Kazeroski and a private Miami attorney contacted her. S/A Kazeroski told AUSA Van Vliet that Vega was telling defendants in Colombia and in Miami that AUSA Van Vliet was corrupt and could be influenced to give lenient sentences by the payment of money. Allegedly Vega was also making the same claims about S/A Kazeroski. AUSA Van Vliet reported these allegations against Vega to AUSA Richard Scruggs who is the Chief of the public Corruption Unit for the U.S. Attorney's Office in Miami.

AUSA Van Vliet told G/S Feistl and S/A Craine that AUSA Jenna King from the Public Corruption Unit, contacted her on January 20, 2000. AUSA King told AUSA Van Vliet that the allegations concerning Vega had been referred to DEA OPR but OPR had declined to open an investigation and had referred the

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allegations to the DEA Miami DO to be investigated administratively. AUSA King stated there were presently FBI Special Agents from the Public Corruption unit assigned to investigate the allegations against Vega. AUSA Van Vliet stated she also spoke with the FBI agents assigned to the investigation who were in the beginning stages of their investigation and asked AUSA Van Vliet if she could arrange a meeting with the BCO [redacted] case agents to get background on the investigation. G/S Feistl told AUSA Van Vliet that obviously we would need permission from DEA HQS/OF, OPR and C/A Leo Arreguin before we could meet with the FBI agents concerning the Vega investigation.

Lastly, in another extremely serious matter, G/S Feistl and S/A Versis were contacted approximately 2 months ago by S/A Castillo and told of recent contacts Vega had made with a very significant Colombian trafficker and [redacted] target. [redacted], who is also a DEA Fugitive. S/A Castillo stated that [redacted] wanted to meet with agents of DEA, but that he would under no circumstances, meet outside of Colombia since he was a fugitive of justice from the U.S. S/A Castillo was told to inform the BCO before a scheduled meeting was finalized. On January 19, 2000, BCO S/A Versis learned from a SOI that S/A Castillo had met the previous week in Panama, with [redacted] for two days without notifying anyone from the BCO, OF, DOJ or the Richmond R.O. When S/A Versis contacted S/A Castillo to ask why no one from the BCO had been contacted, S/A Castillo told S/A Versis he had tried to contact S/A Versis on his cell phone but was unable to reach him. When S/A Versis asked why no other agent or supervisor from Miami DEA had contacted the BCO concerning the meeting, S/A Castillo had no response. (See attachment # 3 and 4, re: Memorandum by S/A Versis concerning the purported meeting with [redacted] in Panama and [redacted] reflecting that [redacted] is in fact a DEA Fugitive).

On January 21, 2000, BCO S/A Nick Kolen telephonically spoke with Richmond RO S/A Richard Philpot. S/A Philpot stated that [redacted] is presently indicted in a DEA Richmond investigation and is an active DEA Fugitive. S/A Philpot stated that G/S Tinsley had contacted S/A Philpot approximately 2-3 weeks ago and told him that there was the possibility that DEA agents from Miami Group 43 and the BCO would meet with [redacted] in the near future in Colombia. G/S Tinsley told S/A Philpot that he would keep him advised of any further developments with respect to [redacted] and any meetings. S/A Philpot stated he was never notified that agents of Miami Group 43 had met with [redacted] in Panama, and that they did so without his permission or the permission of the AUSA in charge of the investigation. S/A Philpot stated that if he had known that [redacted] was meeting with DEA Agents in Panama, he would have sought [redacted] immediate arrest and extradition to the United States.

Again, obviously this meeting in Panama for 2 days by S/A Castillo, with a DEA Fugitive, without authorization from DEA HQS, DOJ, the AUSA in charge of this case, or with DEA case agents of the Bogota Country Office, raises serious concerns. Besides the disregard for DEA and DOJ guidelines, this could cause serious damage to our relationship with General Serrano and the Colombian National Police if it is discovered we were negotiating outside of Colombia with a significant Colombian trafficker who is a target of the [redacted] investigation.

In conclusion, the activities of Baruch Vega, (a documented Miami CS) and the apparent lack of controls placed on him have created serious problems for the BCO, especially in regards to the [redacted] investigation and prosecution. This matter has now gone outside of DEA and other agencies of the Department of Justice are now involved. These actions by Vega have the potential to seriously

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damage the prosecution of [REDACTED] defendants, as well as the possibility of being used by the defendants and their attorneys to allege misconduct by DEA and other U.S Government officials in order to thwart the extradition of the defendants from Colombia. This also has the potential to be a great embarrassment to DEA should Vega's conduct become public. For these reasons, this issue needs to be addressed immediately by the appropriate Headquarters elements in coordination with the Bogota Country Office, the Miami DO, and the U.S Attorney's office in Miami. I am attaching pertinent documents that are relevant to this matter.

Also, DEA HQS/OF needs to address the apparent disregard Domestic Divisions have in not notifying OF and the appropriate Country Offices of their activities with significant international targets. Domestic Divisions are using Panama as an avenue to meet with significant international traffickers without regard for ongoing investigations being conducted by foreign offices, and to circumvent notification of the appropriate Country Office. I suggest that new policy be implemented and that any meetings outside of the U.S. between Domestic DEA Agents and foreign nationals require not only the approval of the Country Attaché in the country to which they are travelling, but also from the Country Attaché from where the foreign national resides. I also suggest that OF require that a detailed request be forwarded to OF before approval of travel is granted.

Attachments (4)

Cc: Donnie Marshall/A
Julio Mercado/AD
Richard Fiano/OC
Larry Gallina/DO
R.C. Gamble/OPR
Bill Brown/OPR
Vincent Mazilli/SAC-MFD

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Classified By: Leo Arreguin, Jr., Country Attache, Bogota C.O.

Reason: 1.5 (C)

Declassify On: January 21, 2005