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FEDERAL GRAND JURY
CENTRAL DISTRICT OF CALIFORNIA

Proceedings had before the Grand Jury of
the United States of America, in and for
the Central District of California, at
United States District Courthouse,
312 North Spring Street, Los Angeles,
California, on Thursday, September 7, 1989.

PRESENT:

MANNY MEDRANO
Assistant U.S. Attorney

WITNESS:

HECTOR BERRELLEZ

REPORTED BY:

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CSR No. 4351

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LOS ANGELES, CALIFORNIA, THURSDAY, SEPTEMBER 7, 1989

11:12 A.M.

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THE FOREPERSON: Good morning.

THE WITNESS: Good morning.

THE FOREPERSON: Do you solemnly swear that the testimony and evidence you shall give in the proceedings now before this Federal Grand Jury shall be the truth, the whole truth, and nothing but the truth, so help you God?

THE WITNESS: I do.

THE FOREPERSON: Would you please state your name and spell it for the reporter.

THE WITNESS: My name is Hector, H-e-c-t-o-r; my last name is Berrellez, B-e-r-r-e-l-l-e-z.

MR. MEDRANO: Ladies and gentlemen, again let me repeat. This is a case involving an allegation of a false declaration to a federal grand jury, or perjury. The indictment is in three counts and charges a violation of Title 18, United States Code, Section 1623.

Count One, just for your information, reads as follows:"

"That on or about August 24, 1989 within the Central District of

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1 California, defendant RUBEN ZUNO-ARCE
 2 appeared and testified under oath before a
 3 Grand Jury. In that testimony, defendant
 4 RUBEN ZUNO-ARCE knowingly and contrary to
 5 that oath testified falsely as to matters
 6 material to the proceeding before that
 7 Grand Jury. Specifically, defendant RUBEN
 8 ZUNO-ARCE gave the following testimony,
 9 the underlined portions of which were
 10 false, as he then and there well knew."

11 I'll just read portions of the testimony,
 12 ladies and gentlemen -- excuse me one moment.

13 (Brief interruption.)

14 MR. MEDRANO: As I go through the transcript, ladies
 15 and gentlemen, I'll mention the underlining, go over the
 16 underlined portions which alleges were false.

17 "Q. You are not denying
 18 that you now Rafael Caro-Quintero, are
 19 you?

20 "A. I would like you to
 21 specify in that question, what do you mean
 22 you when you say whether I know Rafael
 23 Caro-Quintero?

24 "Q. You met Rafael
 25 Caro-Quintero?

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"A. Only through radio, television, and newspapers, to the best of my knowledge. As far as I know, I have never met him personally."

The following portion is underlined, ladies and gentlemen, "As far as I know I have never met him personally," end of underline.

"Q. Pictures have been taken with you and Rafael Caro-Quintero?"

"A. I would like to see those photographs because at no time have I knowingly been with him. Maybe at a party or maybe a meeting, but as far as my having known that he was Caro-Quintero, that is not so.

"Q. Now you are saying you may have met him at a party or meeting?"

The following is underlined, ladies and gentlemen:

"A. I don't think that I ever met him. This is the best of my knowledge.

That's the end of the transcript.

"In truth and in fact, as defendant RUBEN ZUNO-ARCE well knew, he

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had met Rafael Caro-Quintero."

Count Two reads as follows:

"On or about August 24, 1989, within the Central District of California, defendant RUBEN ZUNO-ARCE appeared and testified under oath before a Grand Jury. In that testimony, defendant RUBEN ZUNO-ARCE knowingly and contrary to that oath testified falsely as to matters material to the proceeding before that Grand Jury. Specifically, defendant RUBEN ZUNO-ARCE gave the following testimony, the underlined portions of which were false, as he then and there well knew."

Here's the transcript, ladies and gentlemen.

"Q. Was Jaime Montoyo working for Miguel Felix Giardo (spelled phonetically) at this time?

"A. The name?

"Q. Miguel Felix Giardo?

"A. I'm totally unaware of that.

"Q. You met Miguel Felix Giardo?

"A. He was in the paper in

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1 Guadalajara when he was arrested a few
 2 months back. That is when I found out
 3 about him. As far as I know, I had never
 4 meant him, and the Mexican police had been
 5 looking for him for a long time. And this
 6 was -- and there was a lot said in the
 7 paper about his being -- that they were
 8 looking for him.

9 "Q. Wasn't he -- didn't he
 10 own the hotel Las Americanas in
 11 Guadalajara?

12 "A. Who.

13 "Q. Miguel Felix Giardo?

14 "A. I'm unaware of it.

15 "Q. Haven't you been at
 16 that hotel with Giardo?

17 "A. Where is the Las
 18 Americana Hotel?

19 "Q. This one is in
 20 Guadalajara.

21 "A. But you don't know
 22 where exactly?

23 "Q. I can give you the
 24 street.

25 "A. Please because I can't

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identify it.

"Q. It's Chimalpopoca Street. Chimalpopoca Street.

Are you familiar with that street?

"A. No, it doesn't ring a bell.

"Q. What about Jorge Medina?"

Ladies and gentlemen, the following is underlined.

"A. In the same manner. I've only known of him through the media, television, when he was arrested in Puerto Vallarta and that is one proof or evidence of the corruption of the Mexican police because when he was arrested there were with him several different police officers from different police agencies.

"In truth and in fact, as defendant RUBEN ZUNO-ARCE well knew, he personally knew Ernesto Fonseca-Carrillo."

Count Three, finally, ladies and gentlemen, reads:

"On or about August 31, 1989,

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within the Central District of California,
defendant RUBEN ZUNO-ARCE appeared and
testified under oath before a Grand Jury.
In that testimony, defendant RUBEN
ZUNO-ARCE knowingly and contrary to that
oath testified falsely as to matters
material to the proceeding before that
Grand Jury. Specifically, defendant RUBEN
ZUNO-ARCE gave the following testimony,
the underlined portions of which were
false, as he then and there well knew."

And here's the transcript.

"Q. Between May 30, 1984,
and January 11, 1985, did you ever speak
to Rafael Caro-Quintero?

The answer there is underlined.

"A. To the best of my
knowledge, I never met him in person."

End of underline.

"Q. Did you ever speak to
him during that time period I just
referenced?

And this is underlined.

"A. I don't remember that
I've ever spoken to him in my life.

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End of underline.

"Q. During that same time period, Mr. Zuno, did you ever speak to any representative of Rafael Caro-Quintero?

"A. At no time in my life do I ever recall talking or meeting any representative of Rafael Caro-Quintero."

That's the end of the transcript.

"In truth and in fact, as defendant RUBEN ZUNO-ARCE well knew, he had met Rafael Caro-Quintero in person, and had spoken to him."

Ladies and gentlemen, those are the three counts referenced in this indictment.

Would any members of the Grand Jury like me to read for you the specific statute, Section 1623 that's alleged in the indictment?

Let the record reflect there is no hand.

Would any of you like me to read you the elements that you have to find to return a true bill for a perjury case?

THE FOREPERSON: Yes.

MR. MEDRANO: Those elements are as follows, ladies and gentlemen. There's essentially three elements to be

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able to return a true bill for an allegation of perjury and they are as follows:

One, that the defendant gave testimony under oath before a United States Grand Jury as alleged in the indictment.

Two, that while so testifying before the Grand Jury the defendant made one or more materially false declarations as charged in the indictment.

And three, ladies and gentlemen, that in making such false declaration or declarations the defendant did so knowingly.

Now, those are the three elements that are necessary in order to return a true bill for perjury.

HECTOR BERRELLEZ,

having been first duly sworn was examined and testified as follows:

EXAMINATION

BY MR. MEDRANO:

Q. Now, Mr. Berrellez, you're a special agent with the Drug Enforcement Administration; is that correct?

A. Yes, sir. I am a supervisor within the U.S.

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1 Drug Enforcement Administration. I am in charge of the unit
2 that is investigating the Enrique Camarena murder that
3 happened in 1985 at Guadalajara, Jalisco, Mexico.

4 Q. How many years have you been a drug agent with
5 the DEA?

6 A. It will be 17 years this coming November.

7 Q. How long have you been designated the
8 supervisor of this special investigation that you're
9 currently handling?

10 A. I have supervised this unit for the last nine
11 months.

12 Q. Mr. Berrellez, would you tell the members of
13 the Grand Jury what this case involving the perjury
14 allegation is about and what information or evidence that
15 you're aware of and where you got that information, please?

16 A. I was made aware that Mr. Ruben Zuno-Arce had
17 made statements to the Grand Jury to the fact that he had
18 never met Rafael Caro-Quintero or Ernesto Fonseca-Carrillo.
19 I have talked to a source of information, reliable sources
20 that have told me to the contrary that in fact they were --
21 in one particular meeting where they were all together to
22 include both Rafael Caro-Quintero, and Ernesto
23 Fonseca-Carrillo along with Ruben Zuno-Arce.

24 Q. You say sources of information. Was there more
25 than one that you spoke to?

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1 A. Yes. I spoke to two different sources of
2 information.

3 Q. Let's deal with the first one and let's
4 designate it Source of Information One, if that's okay with
5 you.

6 A. That's fine.

7 Q. Now, would you tell us when it was that you
8 spoke to Source of Information Number One?

9 A. I spoke to Source of Information Number One
10 yesterday in the early afternoon hours.

11 Q. Now, can you tell us what this source told you,
12 Source Number One?

13 A. Source Number One told me that he had attended
14 a party back in November of 1983. The party was on San
15 Rafael's Day and that he was at a residence in Guadalajara,
16 Jalisco where he and others were celebrating Rafael
17 Caro-Quintero's birthday. He told me that present at the
18 same party had been Ruben Zuno-Arce.

19 He stated that he observed Ruben Zuno-Arce to
20 converse with Ernesto Fonseca-Carrillo and also to converse
21 with Rafael Caro-Quintero. He told me that he recalls
22 Rafael Caro-Quintero on two occasions to have addressed
23 Mr. Ruben Zuno-Arce as compadre, a term of endearment.
24 Godfather is what it means in Spanish. He told me that, I
25 had seen them converse in the dining room area of the

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1 residence and that later as the evening progressed he had
2 seen or he had been in the office area of the residence
3 where he joined Rafael Caro-Quintero and Ruben Zuno-Arce.

4 He told me that he had an opportunity to hear
5 their conversation and that they were discussing narcotics,
6 specifically, plantations of marijuana that they were going
7 to be planting in Chihuahua, Mexico.

8 Q. Let me ask you a few questions, Mr. Berrellez.
9 This meeting or this party that you referenced was on
10 November 1st of 1983, approximately?

11 A. Approximately, yes, sir.

12 Q. And in what city?

13 A. It was in the city of Guadalajara, Jalisco,
14 Mexico.

15 Q. Do you know, sir, from this Source of
16 Information Number One, who the owner of that residence at
17 that time was?

18 A. He told me that the residence was owned by
19 Ernesto Fonseca-Carrillo.

20 Q. Now, did this source of information indicate
21 whether or not he personally knew Ruben Zuno-Arce?

22 A. Yes. This person told me that he has known
23 Ruben Zuno-Arce for numerous years.

24 Q. And did this Source of Information Number One
25 indicate whether he knew personally Rafael Caro-Quintero?

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1 A. Yes, sir. The same Source of Information told
2 me that he had also known Rafael Caro-Quintero for a number
3 of years.

4 Q. Did he know Ernesto Fonseca-Carrillo?

5 A. Yes, he told me he had known him and worked for
6 Ernesto Fonseca-Carrillo for numerous years and at the time
7 was working for Ernesto Fonseca-Carrillo.

8 Q. Now, did this Source of Information Number One,
9 did he indicate to you whether he recalled any unusual
10 incident or event that occurred at the November 1st party at
11 this house?

12 A. Yes, sir. He told me that he remembered that
13 during the party there had been a fight between a person by
14 the name of Manuel Salcido Zazueta, also known as El Cochi
15 Loco. In English, The Crazy Pig, and Manuel had a fist
16 fight with his brother Gambino at this same party.

17 He also recalled that Rafael Caro-Quintero was
18 showing off dancing horses, horses that Rafael Caro-Quintero
19 had bought from a Mexican movie actor, Antonio Aguilar.

20 He also remembered that party because during
21 that party Rafael Caro-Quintero had also displayed an
22 armored plated vehicle, a bulletproof car, and during that
23 same party Ernesto Fonseca-Carrillo had fired at this car
24 with a full automatic machine gun, an AK-47, to show that
25 the car, in fact, was bulletproofed.

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1 Q. Let me talk to you about the dancing horses.
2 The Source of Information Number One, did he see
3 Caro-Quintero on any one of these horses?

4 A. Yes. He told me that he recalled that upon
5 arriving at the party he had observed Rafael Caro-Quintero
6 riding a very pretty white, totally white dancing horse.

7 Q. And this was a horse that Caro-Quintero had
8 purchased from an actor?

9 A. Yes, actor Antonio Aguilar, who is known for
10 his show horses, dancing horses.

11 Q. Now, did these specific incidences, the armored
12 car, the dancing horses, the fight, are these incidents that
13 helped this Source of Information Number One recall
14 specifically this party?

15 A. That is what he referred to, yeah. He told me
16 he remembered that party because it was at that party that
17 these three things happened and they stuck in his mind.

18 MR. MEDRANO: Madam Foreperson, with your permission
19 can I show the Grand Jury Exhibit Two photographs to this
20 witness?

21 THE FOREPERSON: Please do.

22 Q. BY MR. MEDRANO: Mr. Berrellez, you have in
23 front of you Grand Jury Exhibit Two which is a set of
24 several photographs; is that correct?

25 A. That is correct, sir.

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Q. Now, if I can point you directly to picture number 40, four-zero, can you identify that photograph for us?

A. Yes. Photograph 40 is a photograph of Ernesto Fonseca-Carrillo.

Q. Would you look at photograph 47, can you identify that photograph?

A. Photograph number 47 is a photograph of Rafael Caro-Quintero.

Q. Now, your ability to identify these photographs, is that based on the fact you've been working on an investigation relating to these two gentlemen?

A. Yes, sir. I recognize it because I've been, like I stated before, in charge of the Enrique Camarena murder investigation and these two persons are suspects of having killed Enrique Camarena.

MR. MEDRANO: Ladies and gentlemen, let me just admonish you that that statement by Mr. Berrellez about the fact he's working on that murder investigation is really not relevant to this perjury case and I want you to keep that in mind. It should not affect you in any way in your determination of the probable cause for the perjury allegation that's solely before you right now.

Q. Now, Mr. Berrellez, you mentioned a second source of information; is that right?

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A. Yes, sir.

Q. Let's call him Source of Information Number Two just to distinguish him from the first one.

Now, when did you have an opportunity to speak to this Source of Information Number Two?

A. I also spoke to Source of Information Number Two yesterday afternoon.

Q. Now, did he indicate to you whether he was present at this party that you've described for us?

A. Yes. He told me that at the time the party occurred he was living at that residence, that Ernesto Fonseca-Carrillo had loaned him the house to reside in and he stated that yes, he recalled that party vividly.

Q. Did he mention the date specifically of November 1, '83?

A. Yes, he again told me that it was on San Rafael's Day in November of 1983, would have been November 1st.

Q. Did this Source of Information Number Two at that time, November of '83, did he indicate to you who he worked for?

A. He told me that he worked for Ernesto Fonseca-Carrillo.

Q. Did he indicate who this party was in honor for in November?

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A. He told me that the party was held in honor of Rafael Caro-Quintero as it was Rafael, San Rafael's Day and it was in the honor of Rafael Caro-Quintero.

Q. Did Source Number Two indicate to you who was present at this party?

A. Yes. He told me that present at the party had been Rafael Caro-Quintero, Ernesto Fonseca-Carrillo, Manuel Salcido Zazueta.

Q. Is that El Cochi Loco?

A. El Cochi Loco.

Q. The Crazy Pig in English?

A. Yes.

Q. And who else?

A. His brother Gambino Salcido Zazueta, numerous other major narcotics traffickers.

Q. Was there any reference by Source Number Two to the appearance of any dancing horses at this party?

A. Yes. The same source of information told me that he recalled on that date Rafael Caro-Quintero was showing off his horses to the people that were present at that party.

He also recalled Rafael Caro-Quintero firing a machine gun into the armor-plated car and that same source of information recalled in fact there had been a fight, a fist fight between El Cochi Loco, Manuel Salcido Zazueta,

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1 and his brother, Gambino Salcido Zazueta.

2 Q. Now, Mr. Berrellez, are you aware of any
3 evidence, sir, that points directly to the innocence of
4 Ruben Zuno-Arce as to the perjury allegation in this
5 indictment?

6 A. None whatsoever, sir.

7 MR. MEDRANO: Now, ladies and gentlemen, do any of
8 you have any questions for Mr. Berrellez at this time?

9 A JUROR: Did the second source of information also
10 indicate that Ruben was at that same party?

11 THE WITNESS: He told me that at the time he didn't
12 know Ruben Zuno-Arce by name and he's told me that he could
13 have been there. There was a lot of politicians there, a
14 lot of people there. He told me that he could have been
15 there but he said if he was there I couldn't tell him to say
16 he wasn't.

17 A JUROR: How reliable are your Source Number One and
18 Number Two is one question?

19 Are those number one and two informants, are
20 they incarcerated at the present time? What axe have they
21 got to grind to testify, let's say, falsely?

22 Q. BY MR. MEDRANO: Why don't you deal with Number
23 One first. Let's break it up.

24 A. Yes. Source Number One has no axe to grind
25 with Mr. Ruben Zuno-Arce. He has been very reliable in the

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1 past. Through his assistance we have been able to arrest a
2 murder suspect here just recently involving the death of one
3 of our agents, Enrique Camarena. As far as I know, he has
4 never had any problems, political or personal problems with
5 Ruben Zuno-Arce.

6 Q. How about Number Two?

7 A. Number Two has been a source of information of
8 the Drug Enforcement Administration for, I would say now,
9 five years. He -- as I testified before, he can't even say
10 that Ruben Zuno-Arce was there. He didn't know Ruben
11 Zuno-Arce at the time the party took place or did not even
12 know of him. So he would have no reason to lie, that this
13 party, in fact, existed.

14 A JUROR: What did they testify to? When did you get
15 this information that you're presenting today? When did you
16 learn this information?

17 THE WITNESS: I learned it yesterday, sir.

18 MR. MEDRANO: And, ladies and gentlemen, just for
19 your information, the second witness that I referenced to
20 you is a third person who is going to testify about some of
21 the things Mr. Berrellez just testified for you so I just
22 want you to know that's still coming down the road.

23 A JUROR: What prompted these sources to come forward
24 now and to testify against Zuno-Arce?

25 THE WITNESS: What was your question, sir, again?

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1 A JUROR: I said what prompted these men to come
2 forward and testify or inform on Zuno-Arce?

3 THE WITNESS: Well, Source Number One had already
4 talked to me about Zuno-Arce. It wasn't like he was
5 prompted to just -- it wasn't like I just got the
6 information on what he knew about Zuno-Arce yesterday. It's
7 just yesterday I asked him were you ever present when these
8 people were together and he answered, yes, I was present. I
9 was present at a party. This function that I just
10 described.

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11 And you saw them converse, you saw them shake
12 hands? You saw them talking? And he said, yes, I did.

13 But the information he had been giving the Drug
14 Enforcement Administration, information of Zuno-Arce which
15 has been documented, but the specific question was never
16 posed by me to the source, did you ever see, personally see
17 these people meet and talk. And his answer was, well, what
18 I just related to you. That's in regards to Source Number
19 One.

20 Source Number Two, as I stated before, Source
21 Number One told me that Source Number Two had been at the
22 same party, so in double checking and corroborating, double
23 checking as an investigator does with the information
24 provided by Number One whether Source Number Two was there,
25 I talked to Source Number Two, were you at a party on or

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1 about this date honoring this person's birthday. He says
2 that party was held in my house.

3 Then I asked Source Number Two, did you see
4 Mr. Ruben Zuno-Arce meet with these people at this party.
5 He says, I don't know Ruben Zuno-Arce but I can tell you
6 there was a party and I can tell you that these people were
7 at the party. Now, whether they talked, I don't know, and I
8 can't tell you that because I don't know Mr. Ruben
9 Zuno-Arce.

10 So that basically one thing lead together.
11 When I talked to Source Number One relays a party to me and
12 then tells me, well, this other person was there, not
13 knowing that the other person, Source Number Two, is a
14 source of ours, I thought, well, I'll go and talk to Source
15 Number Two to see if in fact this party took place. And as
16 I stated before, Source Number Two tells me, it was at my
17 house, a house that had been rented to me by Ernesto
18 Fonseca-Carrillo.

19 MR. MEDRANO: I'll get your questions in a second.
20 Let me advise you again, Mr. Berrellez made reference to the
21 murder investigation, to possible narcotics trafficking.
22 That's irrelevant to the perjury case and that should not be
23 a factor in your probable cause determination as far as the
24 perjury case.

25 Did you have a question?

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1 A JUROR: One of the questions he asked was not
2 answered and that is are either one of them incarcerated?

3 THE WITNESS: I'm sorry. Neither one of these
4 sources are in jail or have been charged with any crimes in
5 this country.

6 A JUROR: I just had a question. Are either one of
7 these sources being paid by -- are they paid informants?

8 THE WITNESS: Yes, both of these sources are being
9 paid subsistence moneys, moneys to be able to live in this
10 country. Both of these sources have come up from Mexico and
11 we are basically paying their per diems, their lodging and
12 their food for them and their families.

13 Q. BY MR. MEDRANO: Is any of that money,
14 Mr. Berrellez -- strike that.

15 Is any reason or justification for part of that
16 financial assistance security concerns for their safety or
17 well being?

18 A. Yes, sir. Part of that money is for their well
19 being, for their safety, insuring that they don't get killed
20 and so forth. So yes, they are receiving funds from the
21 government.

22 MR. MEDRANO: I saw a second hand.

23 A JUROR: The man who held the party at his house
24 didn't know Arce. How come Arce got invited to the party?

25 THE WITNESS: Because the party was held in honor of

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1 another person and of the person in whose honor the party
2 was held invited friends of his. That, according to the
3 Source Number Two, he didn't have to know them. He was in
4 honor of another person so he would have been at liberty to
5 invite his friends.

6 A JUROR: In other words, he was just holding the
7 party?

8 THE WITNESS: Yes. I asked him why did they hold the
9 party there and he said, well, the house wasn't owned by me.
10 It was owned by Ernesto Fonseca-Carrillo. And it was a very
11 large home with a patio and it could hold a party. That's
12 why my house was picked as a place to hold the party.

13 MR. MEDRANO: Other questions for Mr. Berrellez?

14 A JUROR: You mentioned that neither one of these
15 informants have been criminals of this country. How about
16 in the country of Mexico? And also, you mentioned one of
17 them had been an informant for five years. How about the
18 other one?

19 THE WITNESS: One of them had been an informant for
20 five years. The other one had been an informant for, I
21 would say, at the most a year. Source Number One was --
22 should I get into identifying them a little more, their
23 background?

24 Q. BY MR. MEDRANO: Sure.

25 A. Informant Number One was a state judicial

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1 police comandante in Mexico. He worked for the police. He
 2 started his law enforcement career in Mexico first in the
 3 state of Sinaloa in the state of Culiacan. From there he
 4 was transferred to a comandante in Guadalajara. While there
 5 he was in charge of the riot squad in Guadalajara.

6 As far as I know he has no criminal record in
 7 Mexico. I don't know that he's ever been indicted for
 8 anything down there.

9 Source Number Two has got or had been with the
 10 departmental federal security which is the federal security
 11 director which is the counterpart of our CIA. He was a
 12 commander of that agency. He was, I think he was with that
 13 unit for about 17 years as a commander. As a commander of
 14 that unit he served in Mexico City and also served in
 15 Guadalajara. I believe that prior to ever becoming DFS
 16 commander, he had some problems.

17 He was arrested on something and I don't recall
 18 the exact charges but he was never convicted. After getting
 19 that straightened out he went to work for the DFS and had
 20 been working for the DFS up to, I think he worked up through
 21 1984, '85.

22 MR. MEDRANO: Yes?

23 A JUROR: A party of that size, it would be possible
 24 for anyone to be exchanging but small talk. For instance,
 25 if he was seen speaking to one man it could have been just

6372

1 saying nice party, whatever, right? But if he was heard the
2 three of those men with Zuno-Arce were heard, would making
3 the dealings or was Zuno-Arce only perhaps in that room with
4 the other two who were talking about planting marijuana?

5 MR. MEDRANO: Let me -- we'll answer that question.
6 Let me just ask a few questions to nail that down for you.

7 Q. Now, Mr. Berrellez, let's go back to Source of
8 Information Number One. Now, did this source tell you first
9 of all that whether he saw Zuno conversing with Rafael
10 Caro-Quintero?

11 A. Yes, he did.

12 Q. Conversing with Ernesto Fonseca-Carrillo?

13 A. Yes, he did.

14 Q. Did he tell you whether or not he heard Rafael
15 Caro-Quintero make any term of endearment reference to Zuno?

16 A. Yes.

17 Q. Tell me again what he said.

18 A. He called him compadre, which is Godfather.
19 Compadre means Godfather in Spanish. And yes, it's a term
20 of endearment. I wouldn't say compadre to somebody I met
21 last night.

22 A JUROR: If you were drinking or there was a lot of
23 drinking going on at the party is it possible that something
24 flippant was said that was not meant?

25 THE WITNESS: Yes, I don't know. I can only --

6373

1 MR. MEDRANO: In all honesty, that calls for some
2 amount of speculation by Mr. Berrellez. He was not there.
3 He would not know the answer to that.

4 Q. And you mentioned too that there was -- this
5 Source of Information Number One heard Caro-Quintero discuss
6 narcotics transactions with Zuno?

7 A. Yes. He stated that at one point throughout
8 the evening these two had walked into what was referred to
9 as the office of this house and they were either talking and
10 he happened to walk in when they were discussing marijuana
11 fields that were to be planted in the state of Chihuahua,
12 Mexico.

13 Q. And when the source walked in who were the
14 people in the room conversing?

15 A. The only two in the room was Rafael
16 Caro-Quintero and Ruben Zuno-Arce.

17 Q. And no one else?

18 A. And no one else.

8

19 Q. You made reference to the planting of marijuana
20 fields?

21 A. Yes, sir.

22 Q. Did they say what city, what area?

23 A. According to him they were planting marijuana
24 in Chihuahua, Mexico.

25 MR. MEDRANO: Did I answer those questions for you by

6374

1 those questions?

2 A JUROR: When you mentioned they, who do you mean
3 they planted? Maybe somebody else was planting. If he just
4 walked in and heard, how many words did they hear? Maybe
5 they were talking about -- I don't know. Do we know?

6 MR. MEDRANO: I think a fair answer to that, and
7 again it calls for some degree of speculation because the
8 point here has nothing do with narcotics trafficking
9 clearly. I think one possible inference from that is if two
10 people are together and they're talking about something of
11 that substance then it's more than just a casual
12 acquaintanceship perhaps. I think that's the reason
13 Mr. Berrellez has thrown that out for your information.
14 They could have been talking to buy a dishwasher. It's not
15 the fact that what they were discussing but the fact they
16 were talking.

17 A JUROR: When you bring in the word compadre, are
18 there other definitions for compadre other than a Godfather?

19 Q. BY MR. MEDRANO: Mr. Berrellez, first of all,
20 you're fluent in Spanish, are you not?

21 A. Yes, sir, I am.

22 Q. And your ethnic origin, is that Mexican?

23 A. Yes, sir, it is.

24 Q. And in fact, have you lived in Mexico at any
25 point in your life?

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1 A. Yes, sir, I have. I was, prior to being
2 stationed here, I was the resident agent in charge of the
3 Mazatlan, Sinaloa office with the Drug Enforcement
4 Administration office.

5 The gentleman is correct. The word Godfather,
6 compadre, in a dictionary would translate to Godfather. But
7 it is a term of endearment. Not always does that actually
8 exist. In fact, he is a Godfather. A lot of times when
9 Mexicans are close to one another they refer to each other
10 as compadres even though one might not be the Godfather of
11 his child of the other person. It's a term of endearment.
12 It's a term of closeness. However, when in fact one has
13 baptized the son of another they are compadres. And they
14 will refer to them as compadres. But oftentimes as they
15 develop a friendship they call them compadre when they are
16 not.

17 I can't think of another meaning for the word
18 compadre right now. Maybe there are but if there are, right
19 now I can't think of another one.

20 A JUROR: Could he have used this term compadre
21 sarcastically?

22 MR. MEDRANO: I think -- and let me interject -- it's
23 a question he wouldn't know. I think that's speculation.

24 A JUROR: One more question. Did anybody indicate
25 how many people were at this party?

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1 THE WITNESS: Not by numbers. Just that there was a
2 large amount of people there.

3 MR. MEDRANO: The next witness may be able to give
4 you more detail.

5 THE WITNESS: Right. He was there.

6 MR. MEDRANO: And that will be Mr. Lorenzo Harrison
7 who will follow Mr. Berrellez. After we finish with Lorenzo
8 Harrison, if you have additional questions for Mr. Berrellez
9 we can bring him back for that purpose.

10 Are there any other questions at this juncture
11 for Mr. Berrellez?

12 Seeing no hands --

13 A JUROR: Just one. Did the first party and second
14 party, are they good friends?

15 THE WITNESS: Source Number One and Source Number
16 Two? Source Number One and Source Number Two know each
17 other. They're not close friends. And I know that they
18 know each other as an agent, okay, so I know as an
19 investigator if I talk to Source Number One and I ask him,
20 well, who was there, do you remember names, and he mentions,
21 which he did, he mentioned several names who were there and
22 he hits on Source Number Two, okay, which I knew was a
23 source, so then I said, okay, fine. So as an investigator
24 we like to not just go on what one person said but we're
25 investigators to corroborate. So it's a natural thing to do

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1 is I'll ask Source Number Two. He said he was there. So
2 that's when I went to Source Number Two after I went to
3 Source Number One.

4 As I stated before, I asked him do you remember
5 a party back more or less on this date in honor of this
6 other person, oh, yes, it was at my house, he says. And
7 that's what I asked him were you -- did you see Mr. Ruben
8 Zuno-Arce there and he tells me, I didn't know a person by
9 that name. But at least it made me feel better about the
10 information that Source Number One was giving me because
11 he's telling me, yes, he was at that same party.

12 A JUROR: I was just interested they were good
13 friends and possibly socialized together today and so forth?

14 THE WITNESS: No, they don't socialize or anything of
15 that sort.

16 Q. BY MR. MEDRANO: Is it fair to say they know of
17 each other?

18 A. They know of each other. They never worked in
19 the same police department. One was state and the other one
20 was federal.

21 Q. To your knowledge did the two sources ever work
22 together, as far as you know?

23 A. No, they never worked together, as far as I
24 know.

25 A JUROR: I hear you say just now that Source Number

6378

1 One knows that Number Two is an informant? Did I hear you
2 say that?

3 THE WITNESS: No.

4 MR. MEDRANO: No, I don't think that's what
5 Mr. Berrellez said.

6 THE WITNESS: I know that they know each other.

7 A JUROR: But they don't know each other as agents?

8 MR. MEDRANO: As informants.

9 THE WITNESS: I'm not going to say that they do. I'm
10 going to say that I've never told them. But Source Number
11 One knows that we have talked to Source Number Two.

12 Q. BY MR. MEDRANO: But do you know if either of
13 them know that the other is a source of information with the
14 DEA?

15 A No, we don't know one or each other that
16 they're sources working for us. That's not our policy.

17 Q. The DEA policy is not to advise one source that
18 the other source is a --

19 A. No.

20 MR. MEDRANO: Any other questions? We will bring him
21 back if you have more questions.

22 Ladies and gentlemen, let me ask how you want
23 to proceed. I need two minutes to get Mr. Lorenzo. Would
24 you like to go straight into that right now? Whatever you
25 like.

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A JUROR: Yes.

Q. BY MR. MEDRANO: Then if you give me two minutes I'll get back to you.

(Whereupon the witness exited the Grand Jury room and subsequently returned.)

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LOS ANGELES, CALIFORNIA; THURSDAY, SEPTEMBER 7, 1989

12:21 P.M.

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HECTOR BERRELLEZ,

having been previously duly sworn was examined and testified further as follows:

EXAMINATION

BY MR. MEDRANO:

Q. Mr. Berrellez, I think we had some questions for you.

Can I ask the Grand Juror again to pose that question.

A JUROR: We had some testimony that indicated that at the time of the party that the house was vacant and no one lived there. And you had testified that one of the sources, I can't remember whether this was Source One or Source Two, said he lived there. And why would that be?

THE WITNESS: Okay. The house, according to Source Number Two, Source Number Two was -- is owned by Ernesto Fonseca-Carrillo. And he told me that Ernesto

6381

1 Fonseca-Carrillo was not staying at the house so he told him
2 he could go ahead and stay there. So at the time this party
3 took place, according to Source Number Two, he was staying
4 at that house. In other words, the house was not given to
5 him. It was a place where he could stay and he was staying
6 at that house by himself at that time.

7 A JUROR: Would you think his neighbor would know
8 that?

9 MR. MEDRANO: Are you referring to Mr. Harrison?

10 A JUROR: He lived right around the corner.

11 MR. MEDRANO: Do we have other questions for
12 Mr. Berrellez at this time?

13 A JUROR: I don't know whether this is pertinent. I
14 don't know which one testified that the police were at this
15 party, many divisions of political police, four, five, six
16 federal and state and city. How corrupt --

17 THE WITNESS: Are the police?

18 A JUROR: All divisions.

19 MR. MEDRANO: And before you answer that, and I'll
20 have him answer that, but let me just ask him a couple other
21 questions as well.

22 Q. Have you been advised by Sources One and Two
23 whether or not there were significant or top officials at
24 this party?

25 A. Yes. Both sources have told me there were

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1 political officials there along with numerous divisions of
2 Mexican authorities involving state and federal agencies and
3 more than one federal agency was represented there.

4 Q. And were there also narcotics traffickers at
5 this party?

6 A. Yes. The major narcotic traffickers of the
7 area were also at this party.

8 Q. And the sources -- the two sources told you
9 that; is that correct?

10 A. Yes, sir.

11 MR. MEDRANO: And ladies and gentlemen, let me
12 admonish you again, this is just for background information
13 for you. It should not affect your probable cause as to the
14 perjury case.

15 Q. But go ahead, Mr. Berrellez.

16 A. I work in Mexico and I can answer your
17 question, sir. Mexico is very corrupt, extremely corrupt.
18 The police under orders of politicians work for major
19 narcotic traffickers. Not only in protecting them. Letting
20 them operate with immunity. But also they are asked to get
21 involved in actually handling drugs, transporting drugs to
22 the border. And not only are the police ordered by these
23 high level politicians to do that, the military is also used
24 for those purposes. High level Mexican political officials
25 are known to order military generals who use the army to

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1 escort and transport narcotics from down south in Mexico, as
2 far south that I know of where Acapulco is all the way up to
3 our borders. Those drugs are ultimately smuggled into this
4 country.

5 So to answer your question, corruption is
6 rampant in Mexico and I can testify to that because I have
7 worked down there.

8 MR. MEDRANO: And I hate to sound like a broken
9 record but all this is irrelevant to the perjury case. I
10 wanted him to answer your question though, Mr. Grand Juror.

11 Any questions for Mr. Berrellez at this time?

12 Mr. Berrellez, if I could ask you to step
13 outside for a moment this time. Thank you sir.

14 THE WITNESS: Thank you again.

15 (Whereupon the witness was
16 excused from the Grand Jury room.)

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C E R T I F I C A T E

I, Kathy Samoorian, CSR 4351,
hereby certify the foregoing proceedings were had at the
time and place therein set forth, and were taken down by me
in shorthand as given and thereafter transcribed into
typewriting under my direction and supervision;

That the foregoing 37 pages contain a full, true
and correct transcription of my shorthand notes so taken.

IN WITNESS WHEREOF, I have hereunto subscribed my
name on this 13th day of September, 1989.

Kathy Samoorian
KATHY SAMOORIAN, CSR NO. 4351