



**FERNANDO A. GAXIOLA**

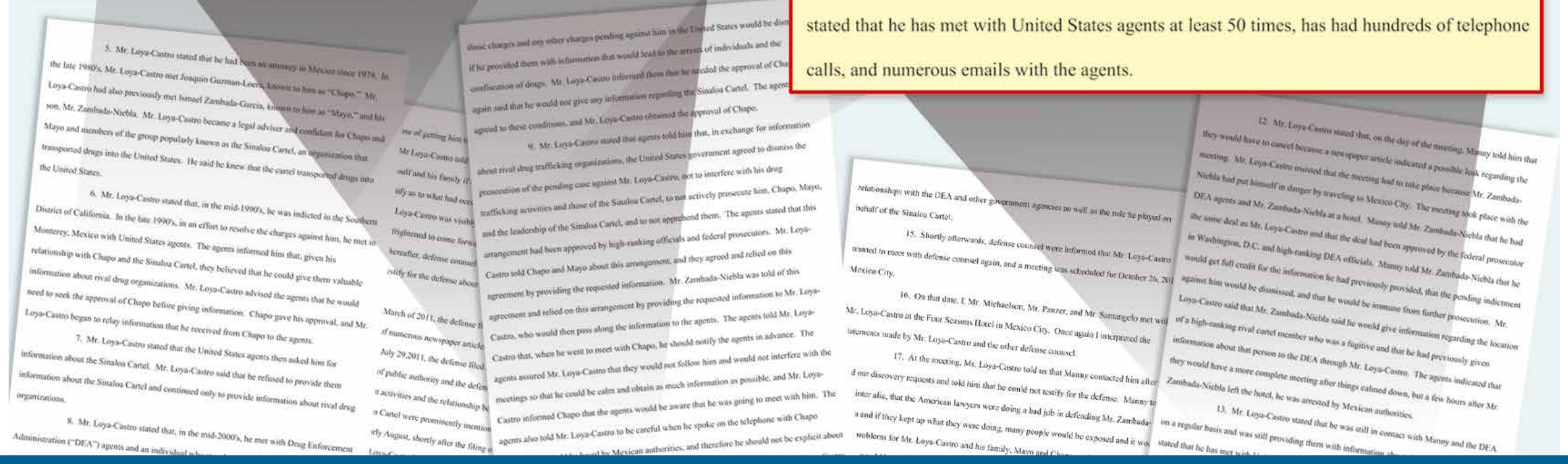
■ Abogado temporal de Vicente Zambada Niebla

6. Mr. Loya-Castro stated that, in the mid-1990's, he was indicted in the Southern District of California. In the late 1990's, in an effort to resolve the charges against him, he met in Monterey, Mexico with United States agents. The agents informed him that, given his relationship with Chapo and the Sinaloa Cartel, they believed that he could give them valuable information about rival drug organizations. Mr. Loya-Castro advised the agents that he would need to seek the approval of Chapo before giving information. Chapo gave his approval, and Mr. Loya-Castro began to relay information that he received from Chapo to the agents.

9. Mr. Loya-Castro stated that agents told him that, in exchange for information about rival drug trafficking organizations, the United States government agreed to dismiss the prosecution of the pending case against Mr. Loya-Castro, not to interfere with his drug trafficking activities and those of the Sinaloa Cartel, to not actively prosecute him, Chapo, Mayo, and the leadership of the Sinaloa Cartel, and to not apprehend them. The agents stated that this arrangement had been approved by high-ranking officials and federal prosecutors. Mr. Loya-

Castro informed Chapo that the agents would be aware that he was going to meet with him. The agents also told Mr. Loya-Castro to be careful when he spoke on the telephone with Chapo because they could be heard by Mexican authorities, and therefore he should not be explicit about the information that he gave Chapo over the telephone. The agents also allowed Mr. Loya-Castro

13. Mr. Loya-Castro stated that he was still in contact with Manny and the DEA on a regular basis and was still providing them with information about rival drug cartels. He stated that he has met with United States agents at least 50 times, has had hundreds of telephone calls, and numerous emails with the agents.





**PATRICK H.  
HEARN**

■ Fiscal del Departamento  
de Justicia de EU

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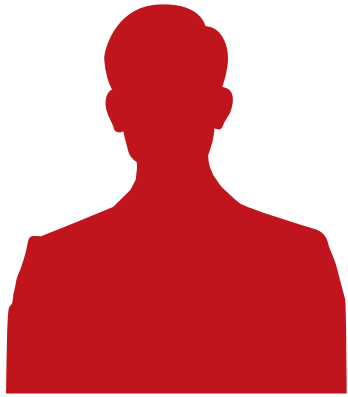
been dismissed. Agent Fraga told me that the cooperating source had provided information leading to a 23 ton cocaine seizure, other seizures related to the Vicente Carrillo-Fuentes drug trafficking organization, and information relating to Arturo Beltran-Leyva's drug trafficking organization. Agent Fraga told me that his understanding was that "Mayo" (Ismael Zambada-Garcia) wanted his son, Zambada-Niebla, out of the drug trafficking business and wanted to try to work out a deal with Zambada-Niebla whereby he would cooperate with the United States Government. Agent Fraga recommended an initial "sit down" meeting with Zambada-Niebla. Agent Fraga proposed setting up a

13. Second, even if I had such authority, I would not have used it in relation to Zambada-Niebla. I believed him a significant drug trafficker and an important member of the Sinaloa Cartel.

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**IV. The Planned Interview of Zambada-Niebla in Mexico City**

15. On about March 4, 2009, I received an email from Steve Fraga, my case agent in the District of Columbia case. He informed me of an apparent opportunity to interview Zambada-Niebla in Mexico. He informed me that DEA agents in Mexico were working with a cooperating source who had been indicted by the United States Attorney's Office in San Diego. According to Agent Fraga's email, the cooperating source had apparently been very effective, and the indictment against the cooperating source had been dismissed. Agent Fraga told me that the cooperating source had provided information leading to a 23 ton cocaine seizure, other seizures related to the Vicente Carrillo-Fuentes drug trafficking organization, and information relating to Arturo Beltran-Leyva's drug trafficking organization. Agent Fraga told me that his understanding was that "Mayo" (Ismael Zambada-Garcia) wanted his son, Zambada-Niebla, out of the drug trafficking business and wanted to try to work out a deal with Zambada-Niebla whereby he would cooperate with the United States Government. Agent Fraga recommended an initial "sit down" meeting with Zambada-Niebla. Agent Fraga proposed setting up a



**MANUEL CASTAÑÓN**

■ Agente de la DEA

**II. Vicente Zambada-Niebla**

4. On March 17, 2009, I met for approximately 30 minutes in a hotel room in Mexico City with Vicente Zambada-Niebla and two other individuals – DEA agent David Herrod and a cooperating source (“CS”) with whom I had worked since 2005. In the meeting on March 17, 2009, I did all of the talking on behalf of DEA. Agent Herrod does not speak Spanish.

16. The next day, I learned that Zambada-Niebla had been arrested early in the morning by the Mexican military. The next day, three other agents and I met Zambada-Niebla at the prison where he was housed. He reiterated his desire to cooperate. He said he did not want to be in Mexico. That was the last time I talked with him.

