



PRESS RELEASE

Colorado Department of Law
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COLORADO ATTORNEY GENERAL CYNTHIA H. COFFMAN JOINS FORCES WITH DEA, U.S. ATTORNEY, IRS CRIMINAL INVESTIGATION, AND LOCAL LAW ENFORCEMENT TO EXECUTE LARGEST HEROIN BUST IN HISTORY OF ROCKY MOUNTAIN REGION

Operation Chump Change has netted 273 pounds of brown heroin valued at \$40 million

DENVER—[Colorado Attorney General Cynthia H. Coffman](#), in partnership with the DEA, U.S. Attorney, IRS Criminal Investigation, and law enforcement, today announced the largest and most complex heroin bust in the history of the Rocky Mountain region. Operation Chump Change was launched in 2013 to investigate a heroin trafficking organization and a related money laundering operation based in the Denver metropolitan area.

The Denver DEA Strike Force headed the investigation that resulted in the state-level indictments of 24 individuals in Phase Two for a total of 54 state-level indictments in Phase One and Phase Two. The operation also led to three federal indictments charging 34 individuals with complex money laundering and violations of the drug king-pin statute.

The Statewide Grand Jury returned indictments against 24 individuals for allegedly participating in an international drug trafficking organization that brought heroin, methamphetamine, and cocaine from Mexico to a vast network throughout the West. The organization also is accused of operating an international money laundering enterprise.

During Phase Two, Operation Chump Change task force executed 15 search warrants within Colorado, with additional arrest warrants issued in Arizona, Nevada, Utah, and California. The coordinated takedown on May 14, 2015 resulted in 24 arrests, with agents and officers seizing 52.5 pounds of brown heroin, 5.5 pounds of methamphetamine, three ounces of cocaine, two weapons, seven vehicles, and approximately \$179,000 in cash.

With Phase One and Phase Two combined, Operation Chump Change has netted:

- 273 pounds of brown heroin, valued at \$40 million street value
- 31 pounds of methamphetamine valued at \$500,000 street value
- 25 pounds of cocaine valued at \$1 million street value
- 25 vehicles worth approximately \$300,000
- \$2,300,000 in cash

“Today’s bust of the largest international drug trafficking network in Colorado history serves as a warning to all that we will not sit back and let hard drugs overtake our State. Heroin use in Colorado has reached epidemic proportions, as witnessed by a thriving market for brown powder heroin and criminals willing to risk a lifetime in prison to profit from the demand for opioids,” said Coffman. “My office is committed to aggressively pursuing criminal enterprises that try to set up shop in Colorado, and this bust deals a knockout punch to a highly-organized and invasive bunch of traffickers.”

Kevin Merrill, Assistant Special Agent in Charge at the Denver DEA Field Division, offered insight into the significance of this operation:

“The investigation is the most comprehensive heroin investigation ever conducted by law enforcement in Colorado. Agents and task force officers fully identified all aspects of the organization from the opium poppy fields and heroin laboratories in Mexico to distribution cells based in Colorado. Our investigation is further evidence of the growing problem of heroin use and addiction in Colorado. Just a few years ago, law enforcement was seizing five pound loads of heroin, and, in this investigation, we frequently seized ten and twenty pound loads of heroin.”

The Attorney General’s Office will prosecute the drug trafficking charges, in cooperation with the Jefferson County District Attorney’s office, in Jefferson County District Court.

“The dismantling of this major heroin trafficking network is a significant step towards ensuring safety to Colorado communities,” said First Judicial District Attorney Peter Weir. “Heroin poisons our communities. This particular type of heroin does not have to be injected, which makes it particularly deadly because it targets our youth.”

While the Office of the Attorney General focused on the drug trafficking organization, the U.S. Attorney’s office focused primarily on the international drug kingpins and the international complex money laundering enterprise.

“By combining state drug and racketeering charges with federal money laundering and ‘Drug Kingpin’ charges against the organization’s bosses in Mexico, we have dealt a powerful blow to this highly-organized drug trafficking organization bringing deadly drugs, including large amounts of heroin, into Colorado,” said U.S. Attorney John Walsh. “This case represents the gold standard for federal-state law enforcement cooperation to attack and dismantle a dangerous international narco-trafficking organization.”

“This is a great example of law enforcement agencies working together as we each brought our expertise to the table. As with this case, IRS CI Special Agents fill a unique role in the war on drugs; because of our financial background and expertise, we are able to follow the money trail and focus on money laundering activities and the seizure of assets derived from

the drug proceeds,” said Gilbert R. Garza, Special Agent in Charge of IRS Criminal Investigation, Denver Field Office.

In addition to the many partners involved in this investigation, the length is noteworthy. Operation Chump Change began in the summer of 2013. On June 5, 2014, the Colorado Statewide Grand Jury issued felony indictments against members of the organization. Investigators from the Denver DEA Strike Force performed interdictions against the Denver cells on June 11, 2014 and seized \$156,182.

Phase One of the operation concluded in October 2014 when federal prosecutors indicted ten high-ranking associates on money laundering charges based on evidence collected by the DEA in conjunction with the Colorado Attorney General’s office.

On May 7, 2015, the Colorado Statewide Grand Jury returned indictments relating to this drug trafficking organization. Law enforcement officers executed a series of search and arrest warrants across the Denver metropolitan area on May 14, 2015. On May 19, 2015, federal prosecutors sought indictments for the Mexican drug kingpins and the complex and international money laundering activities of this alternate supplier.

The Denver DEA Strike Force included DEA, Denver Police Department, Aurora Police Department, Colorado State Patrol, Northern Colorado Drug Task Force, West Metro Drug Task Force, Colorado Attorney General’s Office, U.S. Attorney’s Office, Federal Bureau of Investigation, U.S. Immigration and Custom Enforcement Homeland Security Investigations, and IRS Criminal Investigation.

The filing of criminal charges or an indictment is merely a formal accusation that an individual committed a crime. Each defendant should be presumed innocent until proven guilty.

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