

**CRIMINAL COMPLAINT**

|   |  |
|---|--|
| UNITED STATES DISTRICT COURT                    | CENTRAL DISTRICT OF CALIFORNIA           |
| UNITED STATES OF AMERICA<br>v.<br>OSVALDO CONDE | DOCKET NO.                               |
|   | MAGISTRATE'S CASE NO.<br><b>12-1490M</b> |

Complaint for violation of Title 18, United States Code, section 666(a)(1)(B)

|   |  |                               |
|---|--|-------------------------------|
| NAME OF MAGISTRATE JUDGE<br>THE HONORABLE JOHN E. McDERMOTT | UNITED STATES<br>MAGISTRATE JUDGE      | LOCATION<br>Los Angeles, CA   |
| DATE OF OFFENSE<br>February 28, 2012                        | PLACE OF OFFENSE<br>Los Angeles County | ADDRESS OF ACCUSED (IF KNOWN) |

FILED  
CLERK, U.S. DISTRICT COURT  
JUN 21 2012  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

COMPLAINANT'S STATEMENT OF FACTS CONSTITUTING THE OFFENSE VIOLATION:

On or about February 28, 2012, in Los Angeles County, within the Central District of California, and elsewhere, defendant OSVALDO CONDE corruptly solicited, demanded, accepted, and agreed to accept cash bribery payments from a Confidential Informant, intending to be influenced and rewarded in connection with the business, a transaction, or a series of transactions of the City of Cudahy, involving a thing of value of \$5,000 or more, namely, payments totaling \$7,000 in United States currency, in violation of Title 18, United States Code, section 666(a)(1)(B).

BASIS OF COMPLAINANT'S CHARGE AGAINST THE ACCUSED:

(See attached affidavit which is incorporated as part of this Complaint)

MATERIAL WITNESSES IN RELATION TO THIS CHARGE:

Being duly sworn, I declare that the foregoing is true and correct to the best of my knowledge.

SIGNATURE OF COMPLAINANT

ROMAN J. GARCIA

OFFICIAL TITLE

Special Agent - Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

SIGNATURE OF MAGISTRATE JUDGE(1)

TO BE SIGNED BY JOHN E. McDERMOTT

DATE

June 21, 2012

## CRIMINAL COMPLAINT

|  |  |  |   |
|--|--|--|---|
| UNITED STATES DISTRICT COURT   |  | CENTRAL DISTRICT OF CALIFORNIA                     |   |
| UNITED STATES OF AMERICA<br>v.<br>DAVID SILVA  |  | DOCKET NO.   |   |
|  |  | MAGISTRATE'S CASE NO.<br>012- <b>12-1492M</b>      |   |
| Complaint for violation of Title 18, United States Code, section 666(a)(1)(B)  |  | FILED<br>JUN 21 2012<br>CLERK, U.S. DISTRICT COURT |   |
| NAME OF MAGISTRATE JUDGE<br>THE HONORABLE JOHN E. McDERMOTT  |  | UNITED STATES<br>MAGISTRATE JUDGE                  | CENTRAL DISTRICT OF CALIFORNIA<br>BY LOCATION DEPUTY<br>Los Angeles, CA |
| DATE OF OFFENSE<br>February 28, 2012   | PLACE OF OFFENSE<br>Los Angeles County | ADDRESS OF ACCUSED (IF KNOWN)                      |   |
| COMPLAINANT'S STATEMENT OF FACTS CONSTITUTING THE OFFENSE VIOLATION:   |  |  |   |
| <p>On or about February 28, 2012, in Los Angeles County, within the Central District of California, and elsewhere, defendant DAVID SILVA corruptly solicited, demanded, accepted, and agreed to accept a cash bribery payment from a Confidential Informant, intending to be influenced and rewarded in connection with the business, a transaction, or a series of transactions of the City of Cudahy, involving a thing of value of \$5,000 or more, namely, an envelope containing \$5,000 in United States currency, in violation of Title 18, United States Code, section 666(a)(1)(B).</p> |  |  |   |
| BASIS OF COMPLAINANT'S CHARGE AGAINST THE ACCUSED:   |  |  |   |
| (See attached affidavit which is incorporated as part of this Complaint)   |  |  |   |
| MATERIAL WITNESSES IN RELATION TO THIS CHARGE:   |  |  |   |
| Being duly sworn, I declare that the foregoing is true and correct to the best of my knowledge.  |  | SIGNATURE OF COMPLAINANT                           |   |
|  |  | ROMAN J. GARCIA                                    |   |
|  |  | OFFICIAL TITLE                                     |   |
|  |  | Special Agent - Federal Bureau of Investigation    |   |
| Sworn to before me and subscribed in my presence,  |  |  |   |
| SIGNATURE OF MAGISTRATE JUDGE(1)<br><br>JOHN E. McDERMOTT  |  | DATE<br>June 21, 2012                              |   |

1) See Federal Rules of Criminal Procedure rules 3 and 54.

JOSEPH N. AKROTIRIANAKIS, Assistant United States Attorney REC: Detention

CRIMINAL COMPLAINT

|   |  |
|---|--|
| UNITED STATES DISTRICT COURT                    | CENTRAL DISTRICT OF CALIFORNIA                           |
| UNITED STATES OF AMERICA<br>v.<br>ANGEL PERALES | DOCKET NO. <b>12-1491M</b><br>MAGISTRATE'S CASE NO. 012- |

FILED  
CLERK, U.S. DISTRICT COURT  
JUN 21 2012  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

Complaint for violation of Title 18, United States Code, section 666(a)(1)(B)

|   |                                   |                             |
|---|-----------------------------------|-----------------------------|
| NAME OF MAGISTRATE JUDGE<br>THE HONORABLE JOHN E. McDERMOTT | UNITED STATES<br>MAGISTRATE JUDGE | LOCATION<br>Los Angeles, CA |
|---|-----------------------------------|-----------------------------|

|                                      |  |                               |
|--------------------------------------|--|-------------------------------|
| DATE OF OFFENSE<br>February 28, 2012 | PLACE OF OFFENSE<br>Los Angeles County | ADDRESS OF ACCUSED (IF KNOWN) |
|--------------------------------------|--|-------------------------------|

COMPLAINANT'S STATEMENT OF FACTS CONSTITUTING THE OFFENSE VIOLATION:

On or about February 28, 2012, in Los Angeles County, within the Central District of California, and elsewhere, defendant ANGEL PERALES corruptly solicited, demanded, accepted, and agreed to accept a cash bribery payment from a Confidential Informant, intending to be influenced and rewarded in connection with the business, a transaction, or a series of transactions of the City of Cudahy, involving a thing of value of \$5,000 or more, namely, an envelope containing \$5,000 in United States currency, in violation of Title 18, United States Code, section 666(a)(1)(B).

BASIS OF COMPLAINANT'S CHARGE AGAINST THE ACCUSED:  
(See attached affidavit which is incorporated as part of this Complaint)

MATERIAL WITNESSES IN RELATION TO THIS CHARGE:

|   |   |
|---|---|
| Being duly sworn, I declare that the foregoing is true and correct to the best of my knowledge. | SIGNATURE OF COMPLAINANT<br>ROMAN J. GARCIA                       |
|   | OFFICIAL TITLE<br>Special Agent - Federal Bureau of Investigation |

Sworn to before me and subscribed in my presence,

|  |                       |
|--|-----------------------|
| SIGNATURE OF MAGISTRATE JUDGE(1)<br><b>JOHN E. McDERMOTT</b> | DATE<br>June 21, 2012 |
|--|-----------------------|

A F F I D A V I T

I, Roman J. Garcia, being duly sworn, hereby declare and state:

1. I am a Special Agent ("SA") of the Federal Bureau of Investigation ("FBI"), and I have been so employed since January 8, 2006. I graduated from the FBI's academy in Quantico, Virginia, in May 2006. In my present assignment, I investigate violations of federal criminal law, including corruption offenses by state and local government officials. I have been the principal case agent in several investigations of public corruption offenses. These investigations have involved diverse investigative techniques, including the making of consensual recordings and the use of confidential informants. I am fluent in the Spanish language. I lived in Mexico for two years as an adult and spoke Spanish as a principal language. I regularly speak Spanish in connection with my duties as an FBI agent, and I have received FBI certification of my proficiency in Spanish.

SUMMARY

2. This affidavit is made in support of criminal complaints against OSVALDO CONDE ("CONDE"), DAVID SILVA ("SILVA"), and ANGEL PERALES ("PERALES"). As described herein, CONDE, SILVA, and PERALES, corruptly solicited, demanded, accepted, and agreed to accept monetary bribe payments in connection with their duties as public officials in the City of Cudahy, California, in violation of Title 18, United States Code,

Section 666. On the afternoon of February 28, 2012, following weeks of bribe solicitations and related discussions, made during recorded meetings and telephone calls, CONDE, SILVA, and PERALES met an FBI confidential informant at the El Potrero nightclub in Cudahy, California. The three Cudahy city officials accepted a total of \$15,000 cash as bribe payments. Later that evening, CONDE met the confidential informant to receive an additional \$2,000 cash as a bribe.

PURPOSE OF AFFIDAVIT

3. This affidavit is intended only to establish probable cause to support criminal complaints against the defendants for the offenses described in the complaints. It does not purport to include all known information concerning this investigation, all criminal offenses committed by the defendants, or all corruption in which the defendants have engaged. Conversations referenced herein are related in part and, except where quotation marks are used or direct quotation is otherwise indicated, in substance only. Monetary figures and calculations set forth herein are approximations unless otherwise expressly stated.

BASIS FOR AVERMENTS

4. The facts set forth in this affidavit are based upon my own personal observations and my training and experience, as well as my review of information obtained during this investigation from other sources, including: (a) statements made or reported by various witnesses with personal knowledge of relevant facts; (b)

statements made or reported by confidential informants; (c) recordings of conversations to which one or more defendants was a party; (d) documents and records received by the FBI; and (e) summaries and analyses, prepared by others, of documents and records.

TITLE 18, UNITED STATES CODE, SECTION 666

5. Title 18, United States Code, Section 666 provides, in relevant part, as follows:

(a) Whoever, if the circumstance described in subsection (b) of this section exists -

(1) being an agent of an organization, or of a State, local, or Indian tribal government, or any agency thereof -

. . .

(B) corruptly solicits or demands for the benefit of any person, or accepts or agrees to accept, anything of value from any person, intending to be influenced or rewarded in connection with any business, transaction, or series of transactions of such organization, government, or agency involving any thing of value of \$5,000 or more ... [and]

(b) . . . the organization, government, or agency receives, in any one year period, in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance or other

form of Federal assistance, . . . shall be fined under this title, imprisoned not more than 10 years, or both.

FACTS CONCERNING THE CITY OF CUDAHY, CALIFORNIA

6. During the investigation described in this affidavit, I visited the City of Cudahy, California, on many occasions, and I know Cudahy to be within Los Angeles County and the Central District of California. I have reviewed a map of the city of Cudahy, and I know that it lies between Florence Avenue to the North and Independence Avenue to the South, and Salt Lake Avenue to the West and Interstate 710 to the East.

7. On June 16, 2012, I reviewed the City of Cudahy's Internet website, [www.cudahy.ca.us](http://www.cudahy.ca.us). Based on my review of the City of Cudahy's website, I learned:

a. Michael Cudahy was born in Ireland in 1841 and emigrated to the United States in 1849. He worked in the meat packing industry and established the Armour-Cudahy meat packing plant in Omaha, Nebraska. In 1908, Cudahy sold his share of the company and bought a 2,777 acre (11 km<sup>2</sup>) ranch east of Los Angeles. Cudahy subdivided his ranch into one acre lots and sold them. In 1960, this area was incorporated as the City of Cudahy.

b. The City of Cudahy is comprised of 1.1 square miles of land area and has 25,870 inhabitants. Of the 5,419 residences in Cudahy, 941 (17.4%) are owner-occupied; 4,478 (82.6%) are occupied by renters. Cudahy's residents are 94% Latino and have a median income of \$29,040. Seventeen percent of

the city's population graduated high school and only ten percent received any college education. (According to 2010 U.S. Census Bureau data I have reviewed on the Internet, 3.4 percent of Cudahy residents have attained an educational level of "bachelor's degree or higher.")

8. According to the "City Officials" section of [www.cudahy.ca.us](http://www.cudahy.ca.us), "[t]he City of Cudahy uses the Council-Manager form of government," in which "the City Council, as the elected body, adopts legislation, sets policy, adjudicates issues and establishes the budget of the City." Within this system:

a. "The City Council is comprised of the Mayor, the Vice Mayor and three City Council members who are elected at large by registered voters of the City."

b. "Councilmembers and the Mayor are directly accountable to the electorate and must constantly balance the views of individuals and groups with the needs of the entire community."

c. "As the legislative body of the city, the City Council usually meets once every month to exercise general and specific powers delegated by state statute."

d. "The City Manager is charged with the duty of implementing City Council policy and laws as the administering head of the government."

9. According to the "City Officials" section of [www.cudahy.ca.us](http://www.cudahy.ca.us):



a. SILVA is the Mayor of Cudahy. (A copy of the "Mayor's Office" page within the "City Officials" section of www.cudahy.ca.us is attached hereto as Exhibit A.)

b. CONDE is a member of the Cudahy City Council. (A copy of the "City Council" page within the "City Officials" section of www.cudahy.ca.us is attached hereto as Exhibit B.)

c. The offices of Mayor and Vice Mayor periodically change among the members of the Cudahy City Council. Based on my review of City of Cudahy records available within the "Public Meetings" section of www.cudahy.ca.us, I know that from at least January 2012 through March 2012, the Mayor of Cudahy was current City Council member Josue Barrios, CONDE was Vice Mayor of Cudahy, and SILVA was a member of the Cudahy City Council. In April 2012, SILVA was elevated to Mayor, and City Council member Frank Gurule became the Vice Mayor of Cudahy; CONDE and Barrios became members of the City Council, together with Juan Romo.

10. According to the "Community Services" page of the "Departments" section of www.cudahy.ca.us, the "City of Cudahy Community Services Department covers a wide range of responsibilities including code enforcement, Volunteers on Patrol department maintenance and more." The Code Enforcement Division of the Cudahy Community Services Department "enforces a broad range of public health and safety regulations including housing, zoning, health, environmental, public nuisance, and other safety codes that are designed to maintain a healthy, safe and clean

environment, carry out land use policy, and preserve the quality of life standards that residents and businesses enjoy in our community." PERALES is the head of the Cudahy Community Services Department Code Enforcement Division. According to the "Parks and Recreation" page of the "Departments" section of [www.cudahy.ca.us](http://www.cudahy.ca.us), PERALES is also the head of the Cudahy Parks and Recreation Department.

11. Other than those set forth in paragraphs 9 and 10, above, the only city officials described on [www.cudahy.ca.us](http://www.cudahy.ca.us) are City Attorney Rick Olivares, City Clerk Angela Bustamante, City Manager Hector Rodriguez, Director of Community Development Saul Bolivar, and Building Inspector Vincent Altuna.

#### FACTS CONCERNING FEDERAL JURISDICTION

12. The Internet website [www.recovery.gov](http://www.recovery.gov) indicates that it "is the U.S. government's official website that provides easy access to data related to" the American Recovery and Reinvestment Act of 2009 ("ARRA"). The website provides:

a. "On Feb. 13, 2009, Congress passed the [ARRA] at the urging of President Barack Obama, who signed it into law four days later."

b. A "direct response to the economic crisis, the [ARRA]" was intended to "[c]reate new jobs and save existing ones," "[s]pur economic activity and invest in long-term growth," and [f]oster unprecedented levels of accountability and transparency in government spending."

c. The goals were to be achieved by "providing \$787 billion" (later increased to "\$840 billion") in, among other things, "[f]unding for federal contracts, grants and loans."

13. I have reviewed the Internet website of the California Department of Transportation ("CalTrans"), [www.dot.ca.gov](http://www.dot.ca.gov). According to CalTrans' website, the ARRA provided "more than \$48 billion for transportation. California was apportioned "approximately \$2.57 billion for highways, local streets and roads, freight and passenger rail, and port infrastructure projects, and \$1.07 billion for transit projects."

14. In connection with this investigation, I have spoken with and reviewed records received from the Investigations Chief of the Audits and Investigations division of CalTrans concerning the disbursement of ARRA funds to the City of Cudahy through CalTrans. Based on my review of CalTrans records and my conversations with the Investigations Chief, I know that, June 2009, the City of Cudahy requested federal funding for a "Street Rehabilitation" project on Live Oak Street, from Wilcox Avenue to Salt Lake Avenue, in Cudahy, California. Copies of records reflecting the City of Cudahy's request for federal funds are attached as Exhibit C.)

15. According to [www.recovery.gov](http://www.recovery.gov), on June 24, 2009, the City of Cudahy received an ARRA highway infrastructure investment grant in the amount of \$663,000 for "Asphalt Concrete Overlay and other improvements to "Live Oak Street from Wilcox Ave to Salt

Lake Ave."

16. According to a Vendor Transaction History report received from CalTrans, the final disbursement of the \$663,000 in ARRA funds to the City of Cudahy was a \$156,219.74 disbursement on August 2, 2011. (A copy of CalTrans' Vendor Transaction History report for the City of Cudahy is attached hereto as Exhibit D.)

#### THE BRIBERY SCHEME

17. According to FBI confidential source reports I have reviewed, in late 2011, a CI, who was then operating a marijuana dispensary in a small city in southeast Los Angeles County, informed FBI agents that PERALES wanted to discuss the CI moving his dispensary business to the City of Cudahy.<sup>1</sup> The CI's source of this information was Edgar Coronado ("Coronado"), the City of Cudahy's code enforcement prosecutor. The CI also related that Coronado said he had given the CI's telephone number to PERALES.<sup>2</sup>

---

<sup>1</sup> The CI related that a high-ranking official in the city where the CI's dispensary was located had solicited bribery payments from the CI, and that the CI had paid more than \$10,000 in bribes to that official over the course of several months. After the CI reported the bribery scheme to the FBI and became an informant, the CI received a notice from the city requiring him to close his marijuana dispensary. The FBI instructed the CI to sever all ties with his marijuana dispensary by mid-March 2012. The CI informed FBI agents that he had sold his marijuana dispensary. I am informed that the CI was present at the marijuana on or about May 14, 2012, when the dispensary when city officials performed an examination at the dispensary.

<sup>2</sup> Based on my familiarity with this investigation, I know that Coronado's position as Cudahy City Prosecutor is a part-time contract position. According to the State Bar of California's

At that time the City of Cudahy had a moratorium on the permitting of marijuana dispensaries, but the moratorium was set to expire in March 2012.

JANUARY 18, 2012, MEETING IN MONTEBELLO, CALIFORNIA

18. On the evening of January 18, 2012, the CI met with Coronado and PERALES, the head of the Code Enforcement Division of the Cudahy Community Services Department, at the Antigua Latin Bistro in Montebello, California. The meeting was surveilled by agents, including myself, who were positioned inside the restaurant, and it was audio recorded. The meeting was conducted in both the English and Spanish languages, and I have reviewed a recording of the meeting. In the excerpts of the recording transcribed below, words spoken in the Spanish language appear in *italics*. The bracketed language is my interpretation of the conversation.

19. Prior to PERALES' arrival, Coronado and the CI discussed, among other things, the CI's marijuana dispensary business and potential business ideas. Coronado and the CI also discussed expanding the CI's marijuana dispensary business to Cudahy. PERALES arrived with Margarita Garcia, who during the conversation indicated that she operates a restaurant in Cudahy. Thereafter, Coronado discussed his law practice, including his position as the code enforcement prosecutor for the City of

---

website, Coronado's law office is in Los Angeles.

Cudahy. The conversation then turned to politics in the City of Cudahy.

Coronado: It's true I mean we, we deal with this all the time. In fact, when I was being reappointed with my position [as Cudahy City Prosecutor]. There was a political move against me. Thanks to Angel, I mean that kind of got blocked. You know, because no matter what you do with a politician, they only think at the moment. They don't think of what you did in the past or what you can do in the future. It's like right then and there, and Angel kind of makes sure that things happen the way that is benefitting not only, us, but it's, uh, you know it's a mutual situation where it benefits everybody. And that's the name of the game.

PERALES: Yup.

Coronado: <unint> Um, one thing that, uh --

CI: And I tell you, excuse me to interrupt, but I think that's one thing that intrigues me about you. You do have a lot of pull. And I see that. You do have, um, you know how to manipulate, um, you know, and that's

good.

PERALES: I do need to, tell them how it is.

CI: Yeah. That's just how it is.

PERALES: They don't, they know.

CI: Yeah.

Coronado: But Angel's one thing that, you know, straight up, well I've known Angel, what, about eight years? When you were the -- were you Muni Officer for <unint>?

PERALES: Yeah.

Coronado: OK, he was a Muni Officer. The only one the guy who was wearing the uniform 'cause everyone else was in -- <o/v<sup>3</sup>>

PERALES: Yeah.

Coronado: -- in regular clothing with the badge. And we started off that way and Angel, all the other guys left and Angel was like the only one behind. So he just took a stop. You know and then there was a power vacuum which is when George [former Cudahy City Manager George Perez<sup>4</sup>] left. After George

---

<sup>3</sup> References to "o/v" refer to overlapping voices in a recording.

<sup>4</sup> Based on my familiarity with this investigation, I know that George Perez was Cudahy City Manager until late March 2011, when he was terminated after approximately eleven years.

left there was, you know, a need for somebody to take over the <unint> what was going on. So he, he knows what's going on.

CI: Yeah, yeah.

Coronado: Definitely knows the politics --

PERALES: I play the game. Like -- <o/v>

CI: And what's the secret of the game? Just listen and don't say anything?

PERALES: Listen and, if, if you know it's gonna affect them, just say it. Tell them how it is. And if you want to do it, you step back and let them fall on their face.

CI: Oh, wow.

PERALES: And then you say, "I told you so."

CI: I told you so. Wow, yeah.

PERALES: Well because, uh, when George was there. I to-, I told council, "If, um, you don't do anything about it, guess who's gonna be, who are they going to come knocking on the door? Not, not George's door." They're going to be coming in, and George was, didn't matter. I told -- <o/v>

CI: Now, George, is that, is that, is that Conde? Or -- <o/v>

PERALES: No that, that's Perez.



CI: Oh. Yeah cause I, I only know the last names, I -- <o/v>

PERALES: Yeah.

CI: -- don't know first name and the, OK, OK.

PERALES: I go, "When the, when the media comes knocking on the door, they're not gonna come and, not on George's door. You're, you're his boss."

CI: Oh, I see. The Mayor, that's right.

PERALES: "They're gonna come, looking at -- you. They're gonna come looking for you. And guess what. One, two, three, four, five [Cudahy City Councilmembers] are gonna fall --"

CI: Geez!

PERALES: "-- because all of you guys did, did, didn't want to do anything."

CI: Right. That's true.

20. PERALES, Coronado, and the CI then discussed the City of Cudahy's moratorium and the CI's interest in opening a marijuana dispensary in Cudahy. PERALES indicated that CONDE wanted to limit to one or two the number of marijuana dispensaries permitted to operate in Cudahy. PERALES stated that permission to open a marijuana dispensary in Cudahy would be given to people he recommended to the City Council.

Coronado: Um, one of the reasons that we're here too. Besides obviously, you know, enjoying the new year together. Um, you know [CI's first name] is, you know, expressing interest in Cudahy. Uh, as far as like, expense report. You know? How realistic is that for us -- <o/v>

PERALES: Does he -- it's funny you mention it. This morning we had a meeting regarding that.

CI: Oh, is that right? Wow.

PERALES: Uh, they asked me how long did you put the, the, mor-, moratorium [on marijuana dispensaries in Cudahy].

CI: Yeah, moratorium. Which you told them was March.

PERALES: It was, yeah. I would say it was, um, ninety days. And then we, we came back and extended it for another nine months. That way, then August, and uh, so, they're, they were talking about getting, uh, strict, uh, uh, ordinance, for, for, for, you guys.

Coronado: <unint>.

PERALES: Yeah, so, and there -- <o/v>

CI: No, does that mean that there's a possibility then [of CI opening a marijuana

dispensary in Cudahy]?

PERALES: Let me, let me, let, let me get there.

CI: Oh, I'm sorry I was -- <o/v>

PERALES: Let me get there.

<Unrelated conversation omitted.>

PERALES: So, anyway, he [CONDE], he wants to, uh, be able to, uh, bring one to two [marijuana dispensaries], for the city.

CI: One to two.

PERALES: Yeah. Meaning, because it's, uh, one point [sic] square miles.

CI: Uh-huh.

PERALES: He doesn't want to set your rate at a --  
<o/v>

CI: Exactly.

PERALES: He doesn't want the contribution, but what he wants. And who he has in mind. Is not going to go. It's who, uh, I bring to the people.

CI: I'm sorry, I couldn't hear you.

PERALES: It's who I bring to the people.

CI: Oh, I gotcha.

PERALES: And those three votes are my people. So --  
<o/v>

Coronado: Put it this way. I think, um, while, all

kidding aside --

CI: Yes. Well I'm not -- <o/v>

Coronado: No, I know you're not. But I mean all kidding aside on my part, I'm going to get really serious. Um, I've dealt with [CI's first name] now for uh, over s-, six years. Maybe seven years that we've known each other. Now, um, I've seen how he runs the dispensary. I've seen how he -- <o/v>

CI: Well, I think Angel has seen it already.

Coronado: Yeah, and only that I've seen how he can make things work.

<Unrelated conversation omitted; Garcia leaves table.>

Coronado: Yeah, OK. Two and a half. We want that. We want that. OK, we want to be one of those -- one or two [marijuana dispensaries].

CI: OK, well let me ask you something.

PERALES: We want, we only want one [marijuana dispensary in Cudahy].

CI: Yeah, just -- <o/v>

Coronado: We want one -- <o/v>

CI: Yeah, but, how do I make sure that I will get it?

Coronado: <unint>

CI: I mean, just, straight up.

21. PERALES and Coronado then informed the CI that to "make sure" he would be permitted to open a marijuana dispensary in Cudahy would be to offer bribes of between \$5,000 and \$10,000 to Cudahy city officials. Coronado advised the CI that payments should be made on a "cash only" basis.

PERALES: Straight up? I need, I need to, uh, get these guys, you know. They're not gonna -- they're not gonna, they're, "Hey, I want this."

CI: Mm-hmm.

PERALES: It's like uh, I got a <unint> um -- you haven't learned. He's my, he, he's my friend.

CI: Right.

PERALES: <unint>.

CI: Oh, you told me.

PERALES: Uh, the developer, like I'm bringing.

CI: Oh, the developer.

PERALES: Yeah.

CI: Oh, OK.

PERALES: I took him to lunch.

CI: Mm-hmm.

PERALES: Well, I took us out to lunch. OK? And he

goes, "Hey, I'm getting serious about this.  
This is how serious I am. Boom!"

CI: OK.

PERALES: Then, so then, they, they say, "OK, fuck  
it." You know, you, we already got a, we-,  
well, I got a match. And every meeting we  
had. See, the progress how we're doing in  
law?

CI: Mm-hmm.

PERALES: Here.

CI: OK.

PERALES: So there's no way for them to back out.

CI: My concern is the Council and the Mayor, I  
mean will they be OK with whatever decision  
the --

PERALES: No. The Mayor [Josue Barrios] doesn't got,  
is worth a shit.

CI: OK, the Mayor's worth shit. OK.

PERALES: It's a, it's a three, it's a three-vote  
council.

CI: OK. Who will be the strongest to -- <o/v>

PERALES: Conde, Silva, and uh, Frank Gurule.

Coronado: And let me tell you something. Um -- <o/v>

CI: Conde, Silva -- <o/v>

Coronado: They're, they're running, they're running

for reelection and, just between you and I

--

CI: All three of them?

Coronado: -- they're running, but they want some donations.

CI: OK.

Coronado: Let's just put it out there for what it is: They want some money. Now we have to be careful with the money, but, what you have to make is really assuring to them that money will be coming in their direction.

PERALES: Right.

CI: OK, how do I do that?

PERALES: But, but -- <o/v>

CI: OK.

PERALES: OK. But, uh, both council member's --

CI: Mm-hmm.

PERALES: -- they're, see, I, I know, I know what manipulate, what manipulates them. I know what they shake, how, how to shake them.

CI: Mm-hmm.

PERALES: OK? Um, these guys, don't work.

CI: Don't work?

Coronado: They don't have any money.

CI: OK.

Coronado: Yeah, they don't have any outside income.

PERALES: Right. So --

WAITER: She's still here?

PERALES: Yes [to waiter]. So what, what, what do you think is gonna motivate them when you meet with them?

CI: Uh -- <o/v>

PERALES: We're meeting tomorrow -- <o/v>

CI: OK.

PERALES: -- with the developers. Um, and um -- one of the Council members came to see me at, um, at six. "Angel we're meeting with uh, so and so." I go, "Yeah I know, I know." You know? I was supposed to go Sacramento by the way, but they made up, they, uh, made up my, my, uh, my fuckin' schedule already. So I can't go. So, they're going, "Can, can you talk to, his name is Al. Can you talk to Al?" I acted stupid, and I'm like, "For what?" "Oh, you know, to, to uh, to give him something -- <o/v>

CI: Right.

PERALES: -- to give something." "Alright, no problem."

CI: OK, OK.



Coronado: I would do this. I would do this. I suggest the both of you have separate meetings. Talk about the logistics of, setting time to strike. And be frank. I mean this is not, as between you two, they should be <unint>, it isn't gonna take. It's in his [the CI's] best interest to do it, it's in Angel's best interest that you're there, because we were talking about this. The big, the big real effect --

CI: Mm-hmm.

Coronado: -- of the redevelopment money flying out, is that they're not gonna get development money.

PERALES: Oh, no?

Coronado: OK? Now they may be able to get it because they're able to, they book the products, but still it's not going to be as it was once. So where are they going to get the money out of? They're going to get it from dispensaries; they're going to be on strip bars. If they cover it. They want, and they only want to be with a cash-only basis.

CI: Angel, how much do you think I'm looking

at, just to have an idea?

PERALES: Have an idea. To have it sec-, secure?

CI: Yeah.

PERALES: Between five and, and, uh, ten [thousand dollars].

CI: Oh, OK.

PERALES: No questions asked.

CI: No questions asked, OK.

Coronado: I can tell you this much: It'll happen.

CI: Five to ten, right? OK.

PERALES: Yeah.

CI: Like do you think each? Or just -- <o/v>

PERALES: Um, I want, I want to say, I want to say, 'cause go with, let's start with five [thousand dollars for each of CONDE and SILVA].

CI: With five, OK, yeah.

PERALES: To, to, debatable. We can.

CI: OK.

Coronado: Now, now when we talk about that sum of money. Are we talking about, um -- <o/v>

CI: I mean do you want to talk about business right now [in front of Garcia]? Is that OK?

PERALES: Oh yeah. I trust her, I wouldn't- I

wouldn't even be asking I just wanted her  
to come.

CI: To join, OK.

Coronado: And I think this is <unint>.

CI: Alright, I'm sorry, I just wanted to  
mention.

Coronado: I think it's gonna be one of those issues  
that is going to be, there's gotta be a  
level of trust here.

CI: Mm-hmm.

Coronado: That's got to be cultivated. And I think  
it's going to be a good resource allocation  
for both of you. And it's gonna be things  
that you guys can even turn back to say --  
<o/v>

CI: OK.

Coronado: -- you know, and, and, and seek some sort  
of mutual understanding between each other  
and how besides, beyond what we just  
discussed is going to be a problem. My  
understanding or what I would expect is  
that, there's going to be mutual  
understandings between both of you --

CI: Mm-hmm.

Coronado: -- going into this, how much it is. I

think you guys should talk privately. You know. And you guys discuss that on your own. Um, I don't want to know about it. Don't know, want to know anything, what you guys discuss.

PERALES: And do you know why?

CI: Haha.

PERALES: 'Cause he, he's my prosecutor.

Coronado: Right. No, and, and that's the thing.

CI: Yeah, I'm sure -- <o/v>

Coronado: I don't want to know, what you guys decide, I mean, you exchange phone numbers.

CI: Well, here's the thing. Um, OK. So you would say probably it will be, what's Conde's first name?

PERALES: Osvaldo.

Garcia: <unint>.

Coronado: Osvaldo.

CI: And Perez you said, or --

PERALES: No, um -- Silva.

CI: Silva will be another one. And what was the third one [City Council member who will vote to award the CI a marijuana dispensary]?

PERALES: Uh, either [Juan] Romo or [Frank] Gurule.

CI: Which one of those two will be -- <o/v>

PERALES: Um, either or because -- <o/v>

CI: Either or?

PERALES: -- they're, they follow me.

CI: Oh, OK.

PERALES: But, I, I wouldn't bring it to, uh, Romo's attention cause he's too religious.

CI: Yes. OK. That's a good point. Good point.

Coronado: I think what has to be done, I mean, and I'm not going to be the one that's going to decide this.

CI: But who's going to bring this to them? That's the thing.

PERALES: No one.

CI: No one? OK. No, no, but I say -- <o/v>

PERALES: He'll follow-up.

CI: Oh, just follow-up I see.

Coronado: I think what you gotta remember that this is one of those things where it's going to be a tax base issue. It's going to be that the city needs the income and there's needs within the community. Legitimate needs. The people that have ailments, and that's obviously something that they will address.

And I think that's where it's going to be addressed. There's going to be a lot of opposition because it is one of those communities that's, you know, highly religious.

CI: I don't know if they really, uh, will oppose to -- <o/v>

Coronado: Well I think that's why, that's why -- <o/v>

CI: It would be a little surprised if they do - - <o/v>

Coronado: Well, you may get some opposition, but I can tell you this much. Like Angel said, if it's regulated and -- it's limited, then you're going to be fine. So, I think Angel's going to be the one that's gonna be point person on this. I think you guys should have subsequent meetings after this. I mean we're talking about nine months. We're almost at the nine-month position head now. So, I think you guys got to talk about it. Strategize and s-, and really talk about, not only the logistics of how it's going to run, but the reality of what's gonna be involved in the process. .

. . .

22. Later during the same conversation, PERALES, Coronado, and the CI discussed the potential profitability of a marijuana dispensary in Cudahy.

CI: Oh, not only that, but there's no collective within the eight miles from there.

Coronado: I know.

CI: I mean there's nothing.

Coronado: They don't have any collective.

CI: There's no, Maywood doesn't have one, Bell doesn't have one. It's a gold mine.

PERALES: It's a gold mine. And, um, I'm going to be <unint> bad, the bad guys.

CI: Yeah.

PERALES: I'm going to be working the sheriffs.

CI: Right.

PERALES: Sheriff's gonna give me the reports, and I'm also going to be getting into.

23. Later during the same conversation, PERALES, Coronado, and the CI discussed CONDE's influence in Cudahy.

PERALES: He's the only one with balls in there.

CI: Um, he's the main, high-shine. Um, that's, that's what I figured.

PERALES: He's, he's the one that, he's been the, uh,

took George [Perez] down.

CI: Oh, he's the one that, Oh. Wow! By you saying that you mean he's the one that exposed everything?

PERALES: You know, uh, ugh!

CI: Come on! Open up on me! *Fuck!* I rather know all the stuff that he does than --  
<o/v>

Coronado: I would say that he was the one that convinced the others that it was time to make a move.

<Garcia returns to the table.>

PERALES: I, I was the one that went to Conde.

CI: OK.

PERALES: You see, I had a good relationship and I told him this and that. I was making decisions for George, because he was so fucked up in the background -- <o/v>

CI: Uh-huh.

PERALES: -- even though I was the one who would stand up for him instead. His day was to get there and get fucked up. Get high for the last -- the next, uh, three hours. The only lunch from my hands and stay there.

CI: What was he using?



<Discussion of job performance and alleged drug use by George Perez omitted.>

PERALES: You know, you know who brought in, uh, Conde, [Frank] Gurule, [Juan] Romo, and, uh, [Josue] Barrios, right?

Garcia: The city manager.

PERALES: George [Perez] brought them in.

Garcia: Oh, see.

CI: Oh, that's right? <o/v>

PERALES: And you know why? Because he could manipulate them.

Garcia: Yeah.

PERALES: Because he could manipulate them.

Garcia: Uh-huh.

CI: Uh --

PERALES: They, they were his puppets. Conde, you know, you know him.

. . .

CI: So you would say that the most powerful man in Cudahy is Conde?

PERALES: Uh-huh.

CI: <unint>. Yes or no?

PERALES: I would say, "Yes."

CI: Yeah. Well, that's what it sounds like to me.

PERALES: I'm, I'm gonna tell you this -- <o/v>

CI: Uh-huh.

PERALES: And then from there we start talking about  
your pot. . . .

24. Later, during the same conversation, PERALES, Coronado,  
and the CI discussed the manipulation of the 2007 Cudahy City  
Council election to permit CONDE to remain in office.

Coronado: OK. Now, again, we all deal with pol --.  
Politics is what it is. But you know what,  
at the end of the day, we end up, we all,  
but we gotta make it happen for each and  
every one of us. However, if we work  
together as a collector --

CI: Um-hum.

Coronado: We make a lot of things happen.

CI: Yeah. Yeah.

Coronado: And then, for example, I know what's gonna  
in the next election. Conde may not stand  
a chance. If it's not up to people like  
Angel to help us.

CI: Um-hum. So Conde depends a lot on you  
then?

Coronado: Oh my God! <o/v>

PERALES: He, he, he, won't admit it, but -- <o/v>

CI: Yeah, of course. Yeah. <o/v>

Coronado: OK. I've dealt with Conde on a personal basis. There's no way. <o/v>

CI: Yeah.

PERALES: If I wanted to, right now, by the end of the month he'll be out of there.

CI: *Just like that* <snaps fingers>. *Fuck!*

Wow! The way you say it, you probably know a lot dirty secrets on this guy. <Laughs>

Coronado: Yeah.

CI: Yeah.

PERALES: And besides the dirty secrets -- <o/v>

CI: Yeah. Wow!

PERALES: So -- <o/v>

Coronado: And even -- <o/v>

PERALES: But -- <o/v>

Coronado: Yeah. I mean, not just knowing the dirty secrets -- <o/v>

PERALES: Exactly.

Coronado: -- the fact that, you know, when you ran for election, dude, how much did he win at the last election? What was the differential? Thirty? <o/v>

PERALES: Twenty-five votes.

Coronado: Twenty-five votes. <o/v>

CI: Twenty-five votes?

Coronado: Dude, that's the difference -- <o/v>

CI: Wow!

Coronado: -- between making it and no power at all.  
<o/v>

PERALES: And think, and you know who, who, who uh,  
quote, unquote, um, I wanna say, I had a, I  
wanna say about sixty people, seventy  
people voting against him.

CI: Um-hum.

PERALES: And if I wouldn't have talked to them, they  
would have placed their vote, and he  
would've been gone.<sup>[5]</sup>

Coronado: Yeah, I can vouch for Angel. If Angel's  
[sic] makes a -- <o/v>

PERALES: He would, he would, he would've lost by a  
hundred and twenty votes.

CI: Now, does, does he notice that? I mean --  
<o/v>

PERALES: No.

CI: Does he at least -- <o/v>

Coronado: That's just it -- <o/v>

---

<sup>5</sup> According to elections information website [www.smartvoter.org](http://www.smartvoter.org), CONDE finished third of five candidates in a March 6, 2007, election for three of the five seats on the Cudahy City Council. CONDE received 472 votes. The candidate who came in fourth place received 439 votes. Accordingly, CONDE remained in office by a margin of 33 votes.

CI: -- say, "Hey, look, I really appreciate that"?

PERALES: He, uh, he didn't know because, I, was working behind the scenes.

CI: Oh, yeah. Uh-hum. <o/v>

Coronado: But I told him, and I, and I, and I showed him proof [of having manipulated the result of the March 6, 2007, Cudahy City Council election].

CI: Oh.

Coronado: Yeah.

CI: That's all you needed.

Coronado: Well, the thing is that, politicians remember only as of the last five hours, four hours. Um, I think we've gotta strike him hard.

CI: Um-hum.

Coronado: And I think you gotta show what you can provide. You're good at articulating what the needs are especially in the community that you wanna service. And, I think that Angel has already expressed his interest in making it happen.

CI: I think that's what it means by, "Don't bite the hand that feeds you."

Coronado: Oh --

CI: I mean -- <o/v>

Coronado: Yeah.

CI: -- you do have to --

Coronado: I know, I mean, and --

CI: Yes.

Coronado: And like they've said -- <o/v>

PERALES: Yeah.

Coronado: -- I mean, we've talked this, about this before. At some point, yes, it'd be nice for all us jus-, all of us to congregate in a different location, in a different city altogether --

CI: Um --

Coronado: -- and have s-, you know, and, and enjoy the, you know, like the Romans did -- enjoy the, the spoils of, you know, victory.

25. Later, during the same conversation, PERALES, Coronado, and the CI discussed the profits the CI expected from a marijuana dispensary in Cudahy.

CI: I see. Well I, I estimate that by being in Cudahy, um, and now comparing, uh, with the sales from [name of the city where the CI's then-existing dispensary was located]. You're probably be looking at two and a

half million dollars.

Coronado: Two and a half?

CI: Um-hum. Probably, within a year.

PERALES: Yeah.

CI: That's the kind of cash that I see in Cudahy. That's why it's crucial to me, you know, if I can get all your help when it comes to that 'cause that's, that's the kind of money it will be, it will be. I know that I will make it.

26. Coronado left the Antigua Latin Bistro, and PERALES, Garcia, and the CI continued the conversation, including a discussion of a "massage parlor," then under construction, in which PERALES was an investor and which, in fact, offered illicit sexual services in the guise of therapeutic massage treatments.

CI: So, right now, you're like, you work for the Sheriffs kind of in a way? You're like the City's representative in the Sheriff's Department. Hmm. So of course they maintain you informed of anything. What about the massage parlors that, uh -- <o/v>

PERALES: Oh, I've been trying to look the other way.

CI: <Laughs>

Garcia: <Chuckles>

CI: Is that right?

PERALES: <Chuckles>

CI: I'm thinking like, "Son of a Bitch! They took off with my idea!" Yeah.

PERALES: It's under construction right now.

CI: You know that they've been advertising the shit out of it, the hell out of that.

PERALES: Yeah.

CI: *La Opinion* [Spanish language newspaper] has like uh, a big article. Well, not article, but, uh, an ad. So when I look at it I go, "Wow! Cudahy! Interesting." So then I did some research I said, "Wow! There are more in the city, *one*."

PERALES: Actually there are two.

CI: Oh, there are two now?

PERALES: And once we, and once we open, um, the third one, one of them is gonna leave.

CI: Oh, one of them is gonna leave?

PERALES: Yeah.

CI: Man! You're a bad ass!

Garcia: <Chuckles>

CI: Wow! How did you? I mean, that's a very, uh, wow! Yeah, they, I mean, it's a great business. I mean, think about it, there's uh, I don't think there's, there's no, no



other massage parlor in the ten mile radius. I mean, just like the -- <o/v>

Garcia: There's <unint>

PERALES: Yeah, there's the one <unint> across the street from your brother's -- <o/v>

Garcia: Yeah.

PERALES: -- but, uh, compared what they have and what we're gonna have.

CI: Hmm. Wow! Now, I have to ask you this, I mean, do you have some investment on it? <Chuckles> Uh, is it -- <o/v>

PERALES: Tempted, I, I'm tempted to -- <o/v>

CI: -- is it open to other investors?

PERALES: Um, we have, uh, there's four of us. It's my building.<sup>6</sup>

CI: Oh, it's your building? Oh, fuck! OK, so,

---

<sup>6</sup> On April 11, 2012, the CI met with CONDE at Mazatlan restaurant in Paramount, California. The meeting was audio recorded. The meeting was conducted in the Spanish language, and I have reviewed a recording of the meeting. During the meeting, CONDE described a "massage parlor" business he would be opening several partners, including PERALES. CONDE described the location of the "massage parlor" as on "Atlantic and, uh, between Cecilia [Street] and Santa Ana [Street]." CONDE stated that the "massage parlor" would have twelve rooms, including "one room with a jacuzzi." CONDE answered, "I imagine some fifteen," in response to the CI's question, "And how many girls do you plan to have there?" CONDE thereafter described and, using a pen and a place mat, diagramed the partnership and the physical layout of the "massage parlor." In response to the CI's inquiry whether there would "be sex from, from, from morning to evening," CONDE responded, "Yeah, yeah."

well, how many buildings you own?

PERALES: No, actually I'm leasing it.

CI: Oh, you're leasing it? Oh, OK.

PERALES: If I want I could uh, kick the other guy on the back out and that's where I'm thinking of, uh, putting you [the CI's marijuana dispensary] up there.

CI: OK, that's what I was, that was my next question, "Will you help me?" 'Cause you know is really difficult to find a lease for that. OK, then I'm, uh, I'm, I'm at your, uh, at your disposal. I mean --

27. Later, during the same conversation, PERALES and the CI discussed how PERALES came to be an investor in the "massage parlor," the profitability of that business, the profitability of the CI's contemplated marijuana dispensary in Cudahy, and PERALES' relationship with the Los Angeles Sheriff's Department ("LASD"). (According to the "About the City" section of [www.cudahy.ca.us](http://www.cudahy.ca.us), Cudahy is policed by the LASD.)

PERALES: Yeah. He goes, "Angel, when you get up in your feet and you, and you build this place, then --" <o/v>

CI: Then we'll talk.

PERALES: But now I have the investor say, "What the hell? Just have him rent it to you for

free."

CI: Yeah.

PERALES: You know.

CI: Well, why did you get investors for, man?  
You should have just done it on your own.

PERALES: No, no they, they found me.

CI: Oh, they found you? Oh, OK. I see. Wow!  
Wow! That's a gold mine right there. How  
do they select the girls?

PERALES: They personally, Mama-san has been in  
business for --

CI: Oh, Mama-san?

PERALES: She used to have a place in -- <o/v>

CI: She's Vietnamese, right?

PERALES: No, Korean.

CI: Oh, she's Korean.

PERALES: She used to have a business in, uh, in San  
Francisco. You know, it's ["massage  
parlors" offering sexual services] legal,  
that's legal over there [in Korea]. <o/v>

CI: Yeah, yeah.

PERALES: Did you know that? It's legal over there?

CI: The massage parlor? Yeah.

PERALES: Well, she had a business there and she came  
over here.

CI: Yeah, because that's a cash business.

PERALES: Yeah.

. . .

CI: Wow! So, well, I can assure you that we will make more [through a marijuana dispensary in Cudahy].

PERALES: No, I, and you know what? That was my plan before we did the money turn-around.

CI: Right.

PERALES: To go uh, to go ahead and uh, and uh, and say, "<unint> let's go into business. I got the building, location, <unint>, and everything."

CI: Wow!

Garcia: <Chuckles>

PERALES: Yeah.

<Discussion of marijuana prices and profit margins omitted.>

CI: . . . And like I said, everything is about running well and if there's a problem, take care of the problem right away. Don't wait until it becomes too late. And, uh, and I tell you what, once I'm there, you won't hear uh, nothing. I mean, everything will run as, uh, you guys won't even know we're

there. Yeah.

PERALES: Right.

CI: And that's basically what every city wants, you know. Um, now, do you think the Sheriff's Department will be a problem?

PERALES: You know what? I'm getting in with the [LASD Deputy's title] -- <o/v>

CI: Oh, OK.

PERALES: And uh -- <o/v>

CI: I was gonna say. Yeah.

PERALES: And I know who is crooked.

CI: OK. <Laughs> Really? OK. <Chuckles> How can you tell? <Discussion of alleged corrupt dealings involving local towing businesses omitted.>

PERALES: OK? Well, he just got transferred to Cudahy, but I knew all about him before we, he came in.

CI: What city was he in before?

PERALES: In [name of area within Los Angeles County].

CI: Oh, [name of area within Los Angeles County]. OK. Oh, that's a big city right there. Yeah.

PERALES: Yeah. So 'cause watch, I know his number, and he knows I know his number.

CI: I see. <Chuckles> Now I feel more relieved. Yeah.

PERALES: So I know what, Hey, no, *How the saying goes? Money makes the monkey dance.*

CI: *Even the monkey dances. Right. In other words, I would have to also give him his cut? We'd have to give him a little, OK. Uh, that's not a problem. Like I'm telling you, two and a half million [dollars], OK, boom, boom, boom! There it is! You know what? I'll be happy with one third of that. The key is to retire as early as possible. . . .*

JANUARY 26, 2012, TELEPHONE CALL WITH PERALES

28. Very late in the evening of January 26, 2012, PERALES called the CI, in response to several calls from the CI. The conversation was audio recorded. I have reviewed a recording of the conversation. The portions of the conversation transcribed below were entirely in the English language. The bracketed language is my interpretation of the conversation.

29. During the conversation, PERALES and the CI discussed a meeting with CONDE and SILVA that PERALES had arranged for the next day.

CI: All right. 12:30. And, uh, eh, do you know by any chance the address of the place? Or, I mean, I could look it up, but I don't know if you know it by heart.

*<Discussion of the location of the Dal Rae restaurant in Pico Rivera, California.>*

CI: No, thank you. I really appreciate it for setting up the meeting and who am I gonna have the pleasure to meet?

PERALES: You will be meeting with David, David Silva.

CI: Uh-huh.

PERALES: And Osvaldo Conde. They call him "Conde."

CI: Conde? Oh, OK.

PERALES: Yeah.

CI: They're like the honchos over there at Cudahy, then. Hey, I like that though. Thank you, thank you, thanks for making that happening. OK -- <o/v>

PERALES: Yeah.

30. PERALES then discussed another person who, like the CI, wanted to open a marijuana dispensary in Cudahy, and who had attempted to bribe Cudahy city officials the previous week by giving each member of the City Council a laptop computer in exchange for being considered for permission to operate a

marijuana dispensary in Cudahy. PERALES informed the CI that CONDE and SILVA were interested in receiving bribes in the form of cash, not laptop computers. The CI then requested that PERALES inform him how much he should offer to pay CONDE and SILVA. PERALES advised the CI how he should broach the subject of paying bribes and offered to broker the transaction between the CI, on the one hand, and CONDE and SILVA, on the other.

PERALES: You know, um, just to give the heads up, uh, someone came in last week. I, I just found out on, on Tuesday.

CI: Uh-huh.

PERALES: Um, this person came in, uh, 'cause on Fridays I got meetings all day, and I wasn't at City Hall.

CI: Right.

PERALES: Um, this other guy came in on, on, on, uh, on Friday and this guy met with uh -- with Osvie [CONDE], David [SILVA], and the City Manager [Hector Rodriguez]. Well, this guy came in with uh, uh, trying to, uh, uh, trying to, uh, uh, buy all of the, the whole city council with five laptops.

CI: Oh! No shit!?! <Laughs>

PERALES: Yeah.

CI: <Laughs> Oh my goodness!



PERALES: But these guys don't want shit like that.  
All they want is fuckin' cash. Especially  
the ones [Cudahy City Councilmembers] that  
are not working.

CI: Exactly.

PERALES: Those are the ones that, uh, the ones that,  
uh, we're meeting tomorrow.

CI: OK. Well, uh -- <o/v>

PERALES: And, uh -- <o/v>

CI: You know, you know it will happen with me.  
I mean, all I need is just to settle a  
number, and, uh, and, uh, I mean, uh, do  
you think they'll, they'll bring that up  
tomorrow? Or what do you think?

PERALES: Uh, you know, you can, this is the way you  
play them, OK, the way you play them is  
like, like, "I'm gonna give to, uh, donate,  
donate for a campaign, donate to the  
personal matters, and if, if you assure me,  
you know, or if you see what I bring to the  
table, hey, you know, I'm always going to  
be there."

CI: OK.

PERALES: Now --

CI: OK. But uh -- <o/v>

PERALES: -- there's, there's a lot of people trying, trying to go into, with anything that works.

CI: Yes, yes, of course, the sooner that, the closer it gets to that date [expiration of the moratorium on marijuana dispensaries], uh, the more people will try to persuade the City Council. That's for sure. Yeah.

PERALES: Uh-huh.

CI: Now, um, well, I'm sure that also you have taken the time to kind of tell them a little bit about me too, right?

PERALES: Yeah, because they won't, they won't meet with anybody.

CI: Yes.

PERALES: If they don't know them, they fuckin', they go, they asked me, "Do you know this guy?" I go, "Oh, yeah! I know him for quite a few, a few years." You know?

CI: Um-hmm. OK.

PERALES: "For sure," I go. "You know, he'll tell you what it is, and if you guys, you know, if you guys don't tell him what you guys want. Fuck it!, by all means, if you want to go through me, by all means."

CI: Exactly.

PERALES: "Now, you know, if you guys don't want to get involved, just say a number, and I'll talk to him and, and we'll make things happen."

31. Later during the same conversation, PERALES informed the CI that CONDE and SILVA, in their positions as Cudahy city officials, were accustomed to receiving bribes.

CI: But, uh, based on your experience with them, Angel, I mean, it's, just let's say if I say that, um, uh, how much do you think I should start with them? I mean, what, what's your, how much do you think they will ask me at first?

PERALES: They, they, they'll, I mean, these guys are not your typical, uh, council people. They, they fuckin', uh, they fuckin', uh, they've dealt with, uh, you know, people that throw money down.

32. Later during the same conversation, PERALES informed the CI that he should expect to make multiple bribe payments to CONDE and SILVA, and that CONDE and SILVA were not interested in receiving only campaign contributions from the CI. PERALES also instructed the CI that the CI's monetary payments to CONDE and SILVA should be in the form of cash, and not checks.

PERALES: You know, and once you get your thing and you give them their last chunk, they leave you alone. Then go back, as long as you go back every, every Christmas and every fuckin' campaign -- <o/v>

CI: Campaign, yeah.

PERALES: Yeah. You know? Or, they don't want you to give to the, they don't want you contribute to the campaign and ain't get jack. 'Cause then they're fucked they can't get anything there.

CI: I see.

PERALES: You know what I mean?

CI: So -- <o/v>

PERALES: Because they have to report everything that they -- they get on checks.

CI: Oh, that's right, that's right, that's true.

PERALES: Right.

CI: So in other words, everything cash then.

PERALES: Right.

33. Later during the same conversation, PERALES advised the CI not to inform CONDE and SILVA how profitable the CI expected his marijuana dispensary to be, and that the CI could initiate a discussion of bribe payments by first mentioning to CONDE and

SILVA that he was willing to "make contributions to the campaign." Finally, PERALES informed the CI that CONDE and SILVA were the city councilmembers who "have the votes" and "control everything" in Cudahy.

CI: I gotta make sure that, but, uh, no Angel, I, I really appreciate, like I said, and, uh, hopefully I put a good impression on them tomorrow and take you for the advice. I will, um, anything that you think that I should mention just to, uh, I mean something that, uh, they, uh, uh, that they like to talk about? So that way -- <o/v>

PERALES: Don't, don't, don't mention how much money you will make, like you told me.

CI: OK.

PERALES: Don't mention that.

CI: Don't mention -- <o/v>

PERALES: Just mention that, you know, uh, that you will make everything happen if, uh, you're given you the opportunity, you know. That you -- <audio glitch>

CI: Hello?

PERALES: Yeah.

CI: OK.

PERALES: Oh, yeah, like I was saying, don't mention,

don't mention how much money, because  
there's nothing in there.

CI: OK.

PERALES: Just say, "Hey, you know, is there a way  
just tell me, if you want me to, uh, to,  
uh, make contributions to the campaign if,  
um, I'm gonna make this thing happen."

CI: OK.

PERALES: "And I can assure you that I'm, I'm, I'm,  
I'm willing."

CI: All right. All right, I mean as easy as  
that. Just be straight and direct.

PERALES: Yeah, I'm saying, you know, just mention  
"campaign contributions, campaign  
contributions."

CI: OK, "campaign contributions," OK.

PERALES: Yeah.

CI: I'll, I'll use that then. And, uh, OK, and  
then, uh, you know what? <o/v>

PERALES: And we, and we have the Mayor [Josue  
Barrios] trying to get somewhere in there,  
but these are the guys that have the votes.

CI: I see. I see. But Silva and Conde are the  
ones that, you know, they could -- <o/v>

PERALES: Yeah, because they control everything.

Yup!

CI: OK. All right. Well, thank you so much Angel. So, um, then, we'll meet at twelve uh, thirty, and, uh -- <o/v>

PERALES: Yeah.

CI: And, I'll see you there. I'll get there probably about maybe like ten, fifteen minutes before, before that time and I'll reserve a table for four people?

PERALES: Yes.

JANUARY 27, 2012, MEETING IN PICO RIVERA, CALIFORNIA

34. On January 27, 2012, the CI met PERALES and CONDE and SILVA at the Dal Rae restaurant in Pico Rivera, California. The meeting was surveilled by agents, including myself, who were positioned inside the restaurant, and it was audio recorded. The meeting was conducted in both the English and Spanish languages, and I have reviewed a recording of the meeting. In the excerpts of the recording transcribed below, words spoken in the English language appear in *italics*. The bracketed language is my interpretation of the conversation.

CI: Listen, it's a pleasure. <unint>

CONDE: Likewise. <unint> <o/v>

CI: *Do you guys, eh* -- Is it better if we speak Spanish, or English? As you guys wish.

SILVA: Whatever you like.

CI: All right? Oh, great. OK. Well, listen, it's a pleasure to meet you guys, because Angel has talked to me, I mean, what little he has said to me about you, he has told me very, very good things about you guys. And, um, and I'm grateful that you have taken the time to come and <pause> thanks. *Have you guys been here before, at the restaurant?*

CONDE: Yes.

CI: Yes? That's nice.

CONDE: Yeah. It's a good restaurant.

CI: Let's see what you recommend.

35. During the lunch meeting, CONDE, SILVA, PERALES, and the CI discussed the CI's desire to open a marijuana dispensary in Cudahy. PERALES told CONDE and SILVA that the CI wanted "open up something . . . in Cudahy," and that PERALES had informed the CI "that right now we have a good *program*," and that the CI had indicated that "*whatever it takes*" to open his business, the CI was "*willing to make it happen*." The CI stated that he understood that there may be "certain procedures that the city requires," and that he was "willing to comply with them, and also, . . . to do whatever's possible to have [his] business there."

PERALES: *Yeah, [CI's first name], eh, wants, if, if*



he has a chance, to open up something there in, in Cudahy. He has been talking to me for, eh, about two years, but I'm telling him that right now we have a good *program*, and, eh, and until we see what <unint> what's going to happen, and, eh, and this, *he, whatever it takes, he's, eh, willing to make it happen.*

CI: *Mm-hmm.*

PERALES: *And that's -- <o/v>*

CONDE: *Yes. Well, the two main things we see [are], one, that we have to do that <unint> the process we are doing, a, eh, study, all that, to understand it, to see that and try to accommodate it in the best way possible, without it attracting so much --*

CI: *Sure, the, attention, I suppose.*

CONDE: *Yeah. Attention, and everything --*

CI: *Mm-hmm.*

CONDE: *Eh, there is also a time, right? Because there is a time, right? Because since, the competition can use that against, you understand? Just to, to, not because --*

CI: *Yes, I understand.*

CONDE: *You know.*

CI: Yes, yes, yes, yes.

CONDE: Eh, but, to, just to, eh, try to hurt us  
and all that -- <o/v>

CI: Yes.

CONDE: So, we want to analyze all of that, and  
everything. Another, another thing is that  
there are many people interested in --

CI: I can imagine. And you know, I figured  
that, I'll tell you -- <o/v>

CONDE: -- in, yeah.

. . .

CI: Well, listen, I, eh, I'll tell you, the  
truth is that I am interested in working in  
your city, and I know that sometimes, well,  
it's true, there are cert-, certain  
procedures that the city requires, eh, I am  
willing to comply with them, and also, eh,  
I'm willing to, to, to do whatever's  
possible to have my business there. You  
understand? But I can't do it alone,  
unfortunately, I honestly need your  
support. Mm-hmm.

CONDE: Yeah. I mean, well, you know, each -- like  
us, each, each *elected official* --

CI: Yes.

CONDE: -- eh, sometimes we think a little differently, eh?

CI: Yes, no, I understand you -- <o/v>

CONDE: We are a little more, eh, eh, more open-minded, you understand?

CI: Mm-hmm.

CONDE: And --

CI: Yes, yes, yes.

CONDE: -- less, what do you call it?

Conservative, less, I mean, because there are others who --

CI: You are more reserved.

CONDE: Yeah.

CI: Yes.

CONDE: More, more, we, no, no, they are not interested in that, you understand?

CI: Yes, yes, yes.

36. Later during the lunch meeting CONDE informed the CI that others were also interested in opening a marijuana dispensary in Cudahy and that "we're going to . . . hear some of them out" and "decide." CONDE stated that it would be important for them to "know that it's going to work," to which PERALES added that prospective business owners could "*promise, promise*" to pay bribes or gratuities, but then fail to pay after receiving city council approval, "*'cause of course you can never put*

*nothing on, on paper."*

CONDE: . . . [Y]es, eh, several people have talked  
to us, you know?

CI: Oh, yes, I can imagine, yes -- <o/v>

CONDE: Eh --

CI: That --

CONDE: So, basically, what w-, we're going to do  
is hear some of them out --

CI: Mm-hmm.

CONDE: -- you know, those who come with a  
recommendation, those who come, eh, that--  
you know--

CI: Yes, yes, yes.

CONDE: Because ten could come, maybe we'll hear a  
few of them out, and--

CI: Yes, yes, yes.

CONDE: -- and, and see the, the, the--

CI: And decide from there -- <o/v>

CONDE: Yeah, decide what, what, what -- <o/v>

CI: Mm-hm. What is most convenient.

CONDE: Yeah.

CI: Mmm. Well, listen, what is? All right,  
tell me something, what would be most  
convenient at the same time for me, you  
understand?

CONDE: Oh, I mean, wi-, within what, what, what, what logic dictates is, the fact that you have experience helps --

CI: Mm-hmm.

CONDE: -- you understand? That, eh, it looks professional and everything, right? What you are proposing, everything very -- <o/v>

CI: Yes.

CONDE: -- and for us to know that it's going to work, you understand?

CI: Oh, yes, that is, forget it. Mm-hmm.

CONDE: Yeah.

PERALES: Because *there, there's, there could be ten, twenty guys.*

CI: *Yes. Mm-hmm.*

PERALES: *They could promise, promise.*

CI: *Yes, that's true -- <o/v>*

PERALES: *You know, they could, they could do and say that they're gonna do this, they're gonna do that. And in the process --*

CI: *Yes, yes.*

PERALES: *-- what's gonna happen?*

CI: *Yeah.*

PERALES: *They [CONDE and SILVA] make it happen [City Council approval], and, eh, nothing happens*

[no gratuities are paid]. 'Cause of course, you can, you can never put nothing on, on paper.

CI: *Mm-hmm.*

37. Later during the lunch meeting, PERALES asked CONDE to give the CI the "bottom line," after which the CI asked CONDE to "cut to the chase" and tell the CI what it was "going to take," for the CI to be "one of the two" dispensaries permitted to open in Cudahy. CONDE stated that they needed to "hear the various proposals" from different people who wanted to open a marijuana dispensary in Cudahy.

CI: *Mm-hmm. Well, listen, the thing is that I want you to keep me in mind, you understand?*

CONDE: *Yeah.*

CI: *So that -- this is important to me, and I think it's going to be important also to --*

CONDE: *Uh-huh.*

CI: *-- all of us. You understand? Um, do you think that, I mean, would there be a possibility that maybe, I mean, eh, we could move the process along a little bit more, uh, quickly?*

CONDE: *Well, that's, that's something that's on the table.*

CI: Mm-hmm.

CONDE: You understand? That is on the table to, to, like I said, to accommodate it and work it out, you understand? Before, like I said, if a, a year or two years ago they told us, we, we'd tell them, "Not now," you understand?

CI: Yes, yes, I understand you.

CONDE: But right now it's, it's, it's already on the table to work with it. So, eh, we're going to take all the information and everything, I mean, to understand it better and how to accommodate it better and see what -- <o/v>

CI: Mm-hmm.

CONDE: You understand? Eh, so, there, there, there is, eh, the, the, the -- <o/v>

PERALES: *What's <clears throat> what's to-- what's it gonna take to make him, eh, one or two?*

CI: *Yeah.*

PERALES: *The bottom line.*

CI: *Bottom line. <Laughs>*

CONDE: What's that? <o/v>

CI: The truth, I'm going to tell you. What is it that, well, I mean, what is it going to

take to, to be one of the two? You tell me. I mean, let's cut to the chase. The truth -- <o/v>

CONDE: Yeah. Well, it's something that, many times like, you have to, you have to talk -  
- <o/v>

CI: Mm-hmm.

CONDE: -- and about, opening up, and talking, you understand? Because -- <o/v>

CI: Yes, no, I understand you. Yes, yes.

CONDE: To see, to see, eh, eh, because sometimes something happens, that someone comes, and, since it's something new, let's say, we don't, we don't have a hundred percent the idea of something, you understand? I mean, we know that we can, that, that, that a business of that type works out, right?  
<o/v>

CI: Yes -- <o/v>

CONDE: They prosper, all of that, and everything, but -- <o/v>

CI: Of course, yes. Yes, yes, yes.

CONDE: -- but the truth is that we don't have that, that, and one of the things, many times, if you sit down with, let's say,



three people, for example. You hear the various proposals, you understand? The various things, that give you an idea and everything, I'm telling you, it's not just one thing, and, right? Like the fact of being Latino is something that helps you, too.

CI: Oh, thank you very much, that's -- <Laughs>

CONDE: Am I making myself clear? I mean, because --

CI: Yes. Yes, of course.

CONDE: -- in this business there are all sorts of people involved, you understand?

CI: Yes, yes.

38. Later during the lunch meeting SILVA asked the CI whether the CI wanted to open a marijuana dispensary soon, after which the CI stated that he would be ready to open soon, and that he was "someone who tries to cut to the chase." Thereafter, CONDE told the CI that "time is money," and that he understood that the CI was "willing to cooperate, to help to . . . move something along," but that he could not "give [the CI] a number." CONDE did, however, invite the CI to make an offer and suggested that the CI may want to offer a percentage of profits.

PERALES: *Bottom, bottom line is, eh --*

CI: *Hmm.*

PERALES: -- *how bad do you wanna be number one or number two?*

CI: *Oh, no. I wanna be number one.*

PERALES: *That's it.*

CI: *Yeah. Whatever it takes, you tell me.*

<unint> --

PERALES: <unint> -- *I could, I could say things direct -- <o/v>*

CI: *Mmm, yes, I--*

PERALES: *Eh --*

CI: -- *I, I'm still, eh, you know, but, hey --*

PERALES: *Yeah.*

CI: *I like that. Straight to the point. None of that <pause> tippy-toes, like we say, eh --*

PERALES: *Right.*

CONDE: *Yeah, well, I, I am also like, like a businessman, you understand? And--*

CI: *Yes.*

CONDE: *With a project that the family had, for more than two years it wasn't making any progress, and all that, and --*

CI: *Mmm. Mm-hmm.*

CONDE: *Once they told me, "Hey, well, eh, I can help you, and all that, but it's going to*

cost you this much." And, time is money.

You understand? <o/v>

CI: Yes. Oh --

CONDE: If you hire a lawyer, that's, that's --

<o/v>

CI: You're telling me. Yes, that's true --

<o/v>

CONDE: -- that's <Laughs> that's money, you understand?

CI: Yes. <Laughs>

CONDE: You can think, but that's the, but that's the, that's the thing, I, as a businessman, one says, "You know what? All right, here it is," you understand?

CI: Yes.

CONDE: And, eh, the thing is for, for, for things, eh, to move along, you understand?

CI: Mmm.

CONDE: So, eh, for things to get moving somehow, and, and, and to <unint> the, that thing, because time is money, and if not, and if not, and if not, many times you won't move like that, sometimes things cannot be done.

CI: Listen, Mr. Conde.

CONDE: Yeah.

CI: What is it going to take for? I mean, for  
--

CONDE: No, I understand, but -- <o/v>

CI: -- <unint>

CONDE: -- but it's the, but it's the, it's like I  
tell you, I don't, I personally can't,  
because it's not, not, I understand that  
you say you are willing to cooperate, to  
help to -- <o/v>

CI: Yes.

CONDE: -- move something along, but -- <o/v>

CI: Mm-hmm.

CONDE: -- I cannot give you a number -- <o/v>

CI: Mm-hmm.

CONDE: -- because I don't, don't, don't, I don't  
have that information. I don't know that,  
I don't have an idea to tell you, well --

CI: What is <unint; o/v>

CONDE: Uh-huh, you understand? That's why, if --

CI: In other words, you want to be sure before  
--

CONDE: Yes, I mean -- <o/v>

CI: <unint>

CONDE: That's why I'm telling you, if you are in a  
position to say, "You know what? Look, I

offer you this," you understand? I mean, hey, I don't know how it's handled, if, if they say, "Hey, look, you're going to get a, a percentage of, of my profits," for example -- <o/v>

CI: Of the profits?

CONDE: You understand? Or --

CI: OK.

CONDE: -- or I'm going to, to, I offer you this other thing, or, you understand? I mean, I don't, I don't, I don't, I don't know how, I don't know, eh -- <o/v>

CI: Mm-hmm.

CONDE: No, because, see, let's, see, right now I, we sit down with you, you say --

CI: Yes.

CONDE: -- "You know what? I, I offer you a blender," for example.

CI: Yes.

CONDE: You understand? All right. And if the following week we sit down with someone else and he says, "You know what? I offer you a television set."

CI: In other words, the circle just changed.

<Laughs>

CONDE: <Laughs>

CI: Now I can watch my soccer matches.

CONDE: <Laughs>

CI: <unint>

CONDE: Well, yes, eh, right there, yes, you know  
what? I'm going to think, I mean, no, well  
--

CI: <Laughs>

CONDE: -- the blender is fine, but, but I want --  
<o/v>

CI: The TV is better. Yes?

<Laughter>

CONDE: -- I want to watch the World Cup matches.  
<Laughs> You understand what I'm saying?  
So -- <o/v>

CI: Yes, I, I, I, I understand you, I  
understand you.

39. Later during the lunch meeting PERALES and CONDE discussed other Cudahy city officials. CONDE then told the CI that it would be "fundamental" for the CI to "walk in through the right door," and that he and SILVA were "the leaders" and "were the ones who are moving things along."

CONDE: . . . What happens sometimes in several  
cities is that sometimes the-- the *staff*  
is, they want to run the show, you

understand? They want -- <Laughs>

CI: Yes, I understand. <Laughs>

CONDE: -- they want to close the deals and  
everything --

CI: <Laughs> Without telling the boss <unint>.

CONDE: Yeah. Yeah. <Laughs>

CI: You know.

CONDE: Yeah. that, that, that could be, eh, if  
you walk in through the right door --

CI: Mmm.

CONDE: -- eh, it could be fundamental, you  
understand? Because--

CI: But I think every person should know his  
place. You understand? And sometimes the  
place is there, um, no?

CONDE: Yeah.

CI: Well, look, I want to walk in through that  
right door. <unint>

CONDE: Well, you're, you're already starting out  
well.

CI: Thank you very much, I appreciate it --  
<o/v>

CONDE: Because, because the new group we have and  
all that, we started it, and, and we're  
like the leaders, you understand? We are -

-

CI: Yes.

CONDE: -- we are the ones who are moving things along.

CI: Yes, no, eh, You know, I realized, from the way you talk, and, and, now that I saw you on the phone, I realized that nothing moves without your authorization. <Laughs>

CONDE: <Laughs> <unint> I mean, no --

CI: Yes.

CONDE: Only -- because of the position that we hold, that's how it should be, you understand? I mean --

CI: Mm-hmm.

JANUARY 27, 2012, MEETING IN MONTEBELLO, CALIFORNIA

40. Later on the evening of January 27, 2012, the CI met PERALES met at the Antigua Latin Bistro in Montebello, California, to discuss the earlier meeting at the Dal Rae restaurant. The meeting was audio recorded. The meeting was conducted in both the English and Spanish languages, and I have reviewed a recording of the meeting. In the excerpts of the recording transcribed below, words spoken in the Spanish language appear in *italics*. The bracketed language is my interpretation of the conversation.

41. During the meeting, PERALES discussed a conversation he



had with CONDE concerning bribe payments from the CI.

PERALES: I told him [CONDE], what do you want from him? I am going to let you deal with it because *I don't know him*.

CI: Oh, OK.

PERALES: I can tell him what I want. It's just going to be --

CI: It should be straight up then.

PERALES: Yeah. But the thing is that I told this fucker, "You need to relax."

CI: Yeah.

PERALES: And you were talking like a businessman.

CI: Yeah.

PERALES: I don't want you to be talking about the business right now. I want you to talk councilman.

CI: Uh-huh.

42. Later during the meeting, PERALES explained to the CI how bribe payments were to be made to CONDE, SILVA, and himself.

PERALES: There are three parts to this game.

CI: Oh, there are three parts? OK.

PERALES: Yeah. That is him [CONDE], that is Silva, and there is me.

CI: Alright.

PERALES: Give Silva a lot less. Give me a little

bit more and you will get lot less, but like you will be able to get Silva. And then we will play Silva like he is getting the same amount as what I am getting.

CI: Oh, I gotcha. OK, I see. OK.

43. Later during the meeting, the CI asked if CONDE and SILVA had privately provided PERALES with an amount for the CI to pay. When PERALES did not provide a specific number, the CI asked whether CONDE, in fact, "want[s] some money now," to which PERALES explained, "I'm not going to dick you around. That is the way it works."

CI: Yeah, yeah. So, did they give you a figure or what?

PERALES: I told them. I go, what do you want? Yes. And he goes, "Well I don't know whether to," he goes, "I need you to tell me, to show me proof, like I am interested."

CI: OK. I noticed that. He doesn't have to tell me that.

PERALES: But I am interested as of now. And I will push whatever I need to push. What is the <unint>. You are kind of the, let me be a part of the one, but the in the two percent. Are you going to give me the one percent or the two? You are going to have

choices. Is it going to be [CI's first name] or is it going to be the fucking, those other motherfuckers?

CI: Right, right.

PERALES: And he goes, "*I can't promise, but I know what we're going to do.*" And then, alright, that way he knows that you are going to approach him. That is just the way it goes. That is how you have to fucking play these fuckers.

CI: OK, so, basically what he wants me to do is, just to -- OK, he knows I really want to be in that city. He knows that for a fact, OK? He knows that -- does he want -- sounds to me he is expecting a percentage now?

PERALES: I'm not going to allow that. You are going to give a percentage. I am going to say I might enter. I will fucking throw my money in there, but let's see the action.

CI: Yeah.

PERALES: Because why I am fucking busting my ass?

CI: I was going to say, yes.

PERALES: This fucker is just going out there and, "bring it, bring it, bring it."

CI: So, does he [CONDE] want some money now or -- ? *I mean you tell me.* You tell me.

PERALES: I am not going to dick you around. That's the way it works. Like fucking Edgar <unint>. He fucking deals me four to six a month. I could make a piece of the action, fool, you don't fucking mean jack shit.

CI: Do you think he does anything to me? No. Now I realize the same things happen to me.

44. During the same conversation, PERALES also discussed his separate business venture with CONDE, stating, "Between us, he is a partner with me and two Asian chicks. They were doing a fucking massage parlor." Thereafter, the CI and PERALES discussed that business.

CI: How long have they been open now?

PERALES: No. They haven't opened.

CI: Oh, they haven't opened the massage parlor yet?

PERALES: They are building their rooms and shit and restrooms. We are going to have a shower room to take a shower.

CI: So, which one is the one in *La Opinion* then? That is another one? So, this is like the second one?

PERALES: She is going to get rid of the first one

and going to throw the clients to us.

CI: And how many girls does she have in there?

PERALES: Right now, we are looking about seven girls so far.

CI: That is a lot, seven girls. So, they are all making a hundred [dollars an hour] that is like seven, the is only a good \$4,000 a day.

PERALES: She is guaranteeing about between ten and fifteen [thousand dollars] every month.

CI: That is possible.

PERALES: Yeah.

CI: See, that is the thing, I would just rather have something set so that way I don't have to guess, oh yeah. Let me give you between "this" and "that" [amount of money in bribe payments]. That is exactly what I was trying to do with Conde, but he -- I don't know man. He was just going around bush like, "Yes, maybe, we will see." The City is concerned about it, motherfucker.

PERALES: We'll fucking tear that fucking city apart.

45. Later during the conversation, the CI again asked to be provided "a number," and said that he thought that a request for a percentage rather than a flat amount would be "kind of unfair."

PERALES asked the CI how much he expected to make and suggested that the CI consider paying a bribe "as an investment," and as "a for sure thing."

CI: Uh-huh. The percentage *they're demanding now, now they won't be able to shake me down.* I still need to hear a number from you, man. I would rather you tell me, so that way I feel like I am justifying your work.

PERALES: I will tell you what, I will call you back. I will call you back because his people want to move to this shit quick.

CI: What?

PERALES: They want to fucking start construction <unint>. They were talking about doing construction in April. So, when I met with you, she gave them three month. I go, "alright, cool." I will be alright. Hold on, fuck let me give them my fucking percentage.

CI: Yeah, because I think that if Conde decides to go for a percentage, and he is not putting in any money honestly, that is kind of unfair.

PERALES: I will do a percent but for <unint>. So,

no one to worry about until <unint> no one.

CI: I thought he was going to be like 5,000  
[dollars that the CI would be required to  
pay as a bribe], even seven, eight. You  
know? I don't know. What do you think?  
What do you think he thinks? You know him  
better than I do.

PERALES: One thing, he [CONDE] is greedy.

CI: Uh-huh. So, he is going to try to get the  
most that he can get? OK.

PERALES: Let me tell you, you know how much you will  
be making around?

CI: Uh-huh, yeah.

PERALES: Look at it as an investment. And a for  
sure thing.

CI: Yeah.

PERALES: And of course you want, fucking, to -- what  
I think, you know? Make sure that shit is  
on paper, and you get half this shit and  
that is it.

CI: In case somebody else comes along and  
decides to change the whole shit. How long  
has he been there, man in the <unint>?

PERALES: Twelve years.

CI: That is a long time. Do you think his days

are counted?

PERALES: <unint>. You want to play politics?

CI: Yes.

PERALES: My <unint> to you --

CI: Interesting, will let me hear the whole thing before I open my mouth.

PERALES: He is going to fucking up or something.

CI: Uh-huh.

PERALES: What insurance did he give me? It is probably right in my book here. I am going show you this, give him something. Give me the application. Alright. I point and <unint> whatever I want you think.

CI: So, you think that definitely I should ask for that before I give him any money right now?

PERALES: No. You are playing with it. When he asks for the big chunks, give him security.

CI: OK.

PERALES: If not, you know my dark side? I got proof that will fuck them.

CI: In other words, an eye for an eye. OK. Why do they make it so complicated?

PERALES: Politics, bro.

46. Later during the meeting, PERALES and the CI discussed



Coronado, Cudahy's City Prosecutor, and that PERALES previously wanted to have Coronado appointed Cudahy City Attorney, a full-time position that pays considerably more than the position of City Prosecutor. PERALES informed the CI about an earlier conversation PERALES had with Coronado, during which PERALES advised Coronado to "[b]uy the fucking decision" about who would be Cudahy City Attorney by paying CONDE and SILVA a bribe in the amount of \$20,000 to \$30,000. PERALES explained that Coronado would have easily gotten the money back in the form of a higher salary, and that it was important for the CI to "invest."

CI: What the hell is he? Is he like city --

PERALES: City Prosecutor.

CI: City Prosecutor?

PERALES: Yeah.

CI: What the hell does he prosecute?

PERALES: Nothing.

CI: Anytime someone has a chicken out.

PERALES: Yeah.

CI: How come the city attorney doesn't do that?

PERALES: Because he is the city attorney. He doesn't prosecute.

CI: He is an attorney isn't he?

PERALES: Yeah, but he will be more.

CI: Oh. Now the city attorney is a full time position right?

PERALES: Yeah.

CI: The other one is kind of like --

PERALES: Edgar, Edgar makes 5,000 [dollars] a month.  
The city attorney makes 20,000 [dollars] a month.

CI: That is a big difference.

PERALES: He is fucking <unint>. He needs to learn <unint>. Only I told Edgar. I want to give you the city attorney job. And I told Edgar, Edgar <unint> some money. Buy the fucking decision; give them [CONDE and SILVA] 20 grand, 30 grand. You are going to make that back in a fucking day. Give it to him <unint>.

CI: Yeah.

PERALES: Ask me? Tell me what do you do? Nada. He fucking is so fucking rich. I am not a rich guy. OK? I am making a lot <unint>.

CI: <CI's cell phone ringing. Aside: "Hey [name], can I call you right back? OK, bye.">

PERALES: <unint>.

CI: Twenty thousand dollars?

. . .

PERALES: It's like I tell you, you want shit happy?

You got to invest in shit. You have to invest in things.

CI: OK. I know what his <unint>. You are right.

JANUARY 28, 2012, MEETING IN CUDAHY, CALIFORNIA

47. On the evening of January 28, 2012, the CI met with CONDE at the El Potrero nightclub, in Cudahy, California, at CONDE's invitation. According to the CI, Conde was accompanied by two bodyguards who openly displayed firearms. (These bodyguards have subsequently been identified as City of Cudahy employees Simon Rojas (Community Services Department, Code Enforcement Division, "Rojas") and Armando Alcala (Parks and Recreation Department, "Alcala"). CONDE was also armed and displayed his firearm, a revolver, to the CI.<sup>7</sup> Throughout the evening, Rojas and Alcala brought drinks and women, from both the over-21 and under-21 sections of the nightclub,<sup>8</sup> to CONDE's table in the El Potrero nightclub.

FEBRUARY 9, 2012, TELEPHONE CALL WITH PERALES

48. On the evening of February 9, 2012, PERALES called the CI. The conversation was audio recorded. The conversation was

---

<sup>7</sup> According to the CI, CONDE informed the CI that he carries a firearm at all times.

<sup>8</sup> According to the CI, the women being provided alcohol included a 17-year female subsequently identified by agents as A.T. (The El Potrero nightclub is an "18 and over" club with a "21 and over" section.)

conducted in both the English and Spanish languages, and I have reviewed a recording of the conversation. In the excerpts of the recording transcribed below, words spoken in the Spanish language appear in *italics*. The bracketed language is my interpretation of the conversation.

49. During the conversation, the CI expressed his frustration that CONDE had not provided the CI with specific amounts the CI should pay CONDE, SILVA, and PERALES as bribes. PERALES explained that CONDE was trying to maximize the amount he could receive in bribes for permitting a marijuana dispensary in Cudahy.

CI: What, uh, what's going on with this guy  
[CONDE] man. I thought he -- I mean, *he's playing dumb*, he's taking forever  
[providing an amount he wants the CI to pay  
as a bribe].

PERALES: Yeah, I mean, uh, he's, he's going to see  
and, *the one, the one that's throws in more*. You know what I mean?

CI: Oh, I see, I see. So -- <o/v>

PERALES: Yeah.

CI: Yeah, he wants to see who's gonna offer  
more then.

PERALES: Yeah. Yeah, 'cause I told you this guy  
gave Dave [SILVA] five laptops.

CI: Uh-huh.

PERALES: This other guy. You know, when he, when, when, when he went to go talk to these guys [the Cudahy City Council about opening a marijuana dispensary in Cudahy], uh, he gave them a, a laptop -- one for each.

CI: Yeah, but I'm gonna give him -- <o/v>

PERALES: Then -- <o/v>

CI: -- probably more than that.

PERALES: No, I know. <o/v>

50. Later during the same conversation, PERALES explained to the CI that CONDE wanted the CI to pay SILVA less than the CI was going to pay CONDE.

PERALES: No, because he [CONDE] told me that he wanted me, he wanted me to talk to you.

CI: Uh-huh.

PERALES: To a, you know, not to, no to, I mean to, in so many words, don't give Silva, the same amount of money that I'm getting. You know what I mean?

CI: OK.

PERALES: That's what he, that's what he wanted.

CI: Oh, OK, uh -- <o/v>

PERALES: He --

CI: So, so, it like a, *let me see*, explain it

to me, a straight up. Uh -- <o/v>

PERALES: Yeah, let's say, and he, let's say you, uh, he wanted, uh, let's say seventy percent and he wanted Silva to have, uh, thirty percent.

CI: Oh, OK. So he wants thirty percent?

PERALES: No, he, he wants, you know, in other words, he, that fucker [CONDE] is greedy, dude.

CI: Fuck yeah! I mean for, what, what does he want thirty percent of?

PERALES: No, no, he wants, he wants seventy percent of, his, uh, the share that him, and, uh, Silva is going to get. He wants Silva to get only thirty percent.

PERALES: Not, uh, not fifty percent now. Uh, you know, if, if you're gonna give him a hundred bucks each --

CI: Uh-huh -- <o/v>

PERALES: He wants seventy dollars and he wants Silva to keep either forty, or thirty.

CI: Oh, I see, I see, I see. OK, um, well you're the, you know, you're a, well, you're kinda' an expert on -- you tell me. What, uh, is that, uh, is that, uh, is that a fair amount or what do you think?

PERALES: No, no, we'll, we'll, we'll give, what he, what he, I mean, in so many words, he said, "You know what? What, uh, how much, uh, is he gonna give us money tell me, tell us how much before we go with Silva, that way we could tell Silva. Let's say he's giving us, per se --

CI: Oh. <o/v>

PERALES: -- thirty grand."

CI: I got you. OK, I see.

51. Later during the same conversation, the CI explained to PERALES that it would be easier for the CI if CONDE provided specific amounts the CI should pay as bribes, and PERALES warned the CI that he should not risk losing the ability to open a marijuana dispensary in Cudahy by waiting too long to pay bribes to Cudahy city officials.

CI: OK. All right. Uh, well, here's the thing, I think if the, it's a lot easier for me if you guys gi-, give me a number. To be honest with you -- <o/v>

PERALES: Uh-huh.

CI: -- because that way, I can see, "OK, that's not a problem." I can say, "Wait a minute, you know what, that's kinda' way too much, maybe, can we work on this, but --" <o/v>

PERALES: Don't, don't, don't, don't uh, do the  
mistake *that*, uh, Edgar [Coronado] did.

CI: Uh-huh. Which -- ? <o/v>

PERALES: Don't wait too long.

. . .

CI: [I] really thought today was gonna be the  
day that he was gonna at least throw me an  
amount. And -- <o/v>

PERALES: Uh-huh.

CI: -- I was gonna come up with the amount man.  
At, *shit, man!* Next week, I would've said,  
"Hey, here."

PERALES: Uh-huh. <o/v>

CI: I just want him to assure me that I'm going  
to be one, either the one or one of the two  
[marijuana dispensaries permitted to open  
in Cudahy]. Because -- <o/v>

PERALES: Right, right. <o/v>

CI: -- something tells me he's, he's gonna go  
for two which is fine. <o/v>

52. Later, during the same conversation, PERALES told the  
CI that he would request that CONDE provide the CI with specific  
amounts the CI should pay CONDE, SILVA, and PERALES as bribes.

PERALES: OK, um, this is, this is what I'm gonna do.

CI: OK.



PERALES: Tomorrow, I, he comes, he'll come in [to Cudahy City Hall]. I'll tell him that, that you called me.

CI: OK.

PERALES: Uh, last night.

CI: OK.

PERALES: And he wants to throw, throw something their way.

CI: OK.

PERALES: OK? Uh, 'cause you weren't so sure, OK?

CI: OK.

PERALES: And, and I'll tell him, "Give me a fuckin' number, 'cause he needs it. That way he, he could, come through." How's that?

CI: Yeah, that's fine. I mean, uh, that's exactly what I'm looking for . . . .

FEBRUARY 10, 2012, TELEPHONE CALL WITH PERALES

53. On February 10, 2012, the CI called PERALES. That evening, PERALES returned the call. The conversation was audio recorded. I have reviewed a recording of the conversation. The portions of the conversation transcribed below were entirely in the English language. The bracketed language is my interpretation of the conversation.

54. During the conversation, the CI asked PERALES whether CONDE had decided on an amount for the CI to pay as a bribe.

PERALES informed the CI that CONDE said that he hadn't "thought about it, but . . . wants to, to be, uh, reasonable" about the amount. When the CI asked about the laptops previously provided to the City Council and suggested that he could "come up with something . . . even better to impress" CONDE, PERALES reiterated that CONDE and SILVA wanted monetary payments only. PERALES also urged the CI not to "fall asleep on the wheel" and miss an opportunity to open a marijuana dispensary in Cudahy.

CI: But tell me, how's, uh, what, did you talk to Conde?

PERALES: Yeah. He wants to make sure before he, he, uh, he has to, he asked you for something, you know? He has to make sure that, uh, the cards are in place.

CI: Uh, the employee's, the what?

PERALES: The cards. The cards are in place.

CI: Ah, the cards are -- <o/v>

PERALES: The cards are in place. The, yeah, meaning that the, uh, well, it's basically like giving you an application.

CI: Oh, I see. OK.

PERALES: OK? So once we give you the application that means that, oh, everything's on.

CI: OK. And, uh -- <o/v>

PERALES: And his, after, I'm pushing it to be next

week or the following week.

CI: <Sighs> OK, so I'll start with the application. Now, uh, did, did he ask you, uh, how much he wants?

PERALES: Uh, he, he, he told me, uh, he hasn't thought about it, but he wants to, to be, uh, reasonable.

CI: OK. Well, that's good, that's good. Yeah 'cause I don't want him to -- <o/v>

PERALES: You know.

CI: -- also go crazy with the amount, *all right?*

PERALES: Yeah.

CI: And, and, uh -- <o/v>

PERALES: Because remember, it goes through the vote, that's the bomb, brotha'.

CI: Yeah. I, tell me about it. I --

PERALES: Yeah, that's why, that's the fuckin' issue. Now, we have three or two, hold on, OK? Hold on. <On hold> OK, uh, [CI's first name], uh -- <o/v>

CI: Angel -- <o/v>

PERALES: Yeah, hold on, you know 'cause the thing is that he has a, the, the vote. You know what I mean?

CI: Yeah, yeah. <o/v>

PERALES: And that places a, a lot of, uh, I mean, he has the second vote right now. That's Silva. So, we have to, we have, I mean, I could totally went through, uh, latch him into, into where we are.

CI: Uh-huh. Now, uh -- <o/v>

PERALES: Yeah.

CI: Let me ask you something, Angel, did, um, uh, you told me that there, that there was another dispensary that gave them, uh, uh, those -- <o/v>

PERALES: Yes.

CI: -- laptop computers, uh, I mean -- <o/v>

PERALES: Right.

CI: Wh-, what kind of laptops were they? Were they Apple computers? Sa-, what, I mean, 'cause, <o/v>

PERALES: Yeah. They were, uh, they were Apple ones.

CI: Oh, they were the Apple, uh, you, you -- <o/v>

PERALES: Yeah.

CI: -- don't know what brand? Because I can come up with something to, even better to impress him.

PERALES: Yeah. No, no, well you see, the, the, the thing is, when he gave him he, when this *dude* went and gave all five of them, you know what I mean?

CI: Uh-huh.

PERALES: Like, uh, but, Conde and Silva, they need fuckin' cash, bro, OK? 'Cause this fucker [CONDE] don't work, so I, like I told you, we need, I know how to play 'em, OK? And like I told you, don't, don't fall as-, don't fall asleep on the wheel like Edgar [Coronado] did.

CI: Oh no, I'm, I'm trying to be awake. <o/v>

PERALES: And, um -- <o/v>

CI: But, uh, a-, as you know -- <o/v>

PERALES: You know?

CI: -- is I'm trying to do everything possible for them to, to at least, you know? <o/v>

PERALES: That --

CI: Send them my way. <o/v>

PERALES: Look, 'cause, right, right. I mean, he'll get, they, they met with this guy. Boom! Here.

CI: Uh-huh.

PERALES: You know? And like, uh, Conde goes, "Fuck!

I don't need a fuckin' laptop, I need cash."

CI: <Laughs>

PERALES: You know? Bottom line.

CI: Yeah, yeah. But -- <o/v>

PERALES: You know?

CI: But, you, you noticed that, that was like the first thing he threw me on, in the face. Like, "Well, you know, this guy came over and he, he gave me a laptop." Like, I'm thinking, "OK, well what do you want me, I mean, that's why I'm saying. What would you like me to do? To get that --" <o/v>

PERALES: No, I'll, what I, I want you to do is, uh, fuckin', like they say, "Eh," like they say, uh, this guy gave him the laptop. "Hey, thanks for, for meeting with me, for taking me into consideration." See, everybody's meeting with these people. And they're looking at, "OK, let's see who's gonna uh, uh, uh, who's gonna, who's gonna kick down more."

55. Later during the same conversation, PERALES again reiterated that CONDE and SILVA wanted cash payments from the CI.

PERALES also explained that the purpose of his role "in the . . . front" of CONDE and SILVA's "deals."

PERALES: So, that's why I'm saying, you know, um, I mean, between you and I, *these men* are very desperate right now bro. But they're not gonna fuckin' tell you.

CI: Yeah, they need -- <o/v>

PERALES: You know?

CI: -- the money, right? They need the cash.

PERALES: Right.

CI: You know?

PERALES: Right, right.

CI: And, what about Silva, do you think Silva, I think Silva feels more comfortable with me.

PERALES: Yeah, yeah. Like I say, you, you fuckin', kick, you know, you kicked down, the, like, they say, "Hey," you know? *Like they say, "You can do anything with money."*

CI: *Yes. Seriously man, but, fuckin' shit!* He, he takes forever to, make up his mind [concerning how much money was required of the CI].

PERALES: A, yeah, but he's your, you're giving him a little taste. The problem is -- <o/v>

CI: Yeah.

PERALES: -- if you haven't given, you haven't given him a little taste of it. The problem is you haven't, you haven't given them a little piece of it of what you can do, [CI's first name]. It's what I told, that's why I told you, I'm giving you the, the tools for you to move on it. If you, I'm not gonna say, "Hey, you need to do this. You need to do that." You, you're smart enough to say, "Oh fuck!" You know? I tell you, like he, like, like a, Conde said, "Yeah, let's fuckin', give us five fuckin' laptops." OK?

CI: OK. So -- <o/v>

PERALES: Yeah.

CI: *So then* -- <o/v>

PERALES: What, what,

CI: Let, let me -- <o/v>

PERALES: Ah, *in other words*, they're, they're throwing a fuckin', a fuckin' a, curve ball at you.

CI: Uh-huh. <o/v>

PERALES: What, why are they doing that?

CI: OK. Uh, so, oh, oh, OK, so what, what, OK.



Let, let me, OK. You're right, I'm not dumb. But, uh, I just wanna make sure. So, do you think that I should start throwing the money right away?

PERALES: No, throw 'im a, a, a little piece.

CI: Oh, OK. <o/v>

PERALES: A little piece.

CI: A little taste. Like, tell him -- <o/v>

PERALES: Yeah.

CI: -- "Oh, you know, here. This is for your expenses," type of thing.

PERALES: Yeah. Exactly.

CI: But why can't they just throw me an amount, dude?

PERALES: Why? Because they're, because they're fuckin', they're, they're not stupid. They're not, they're, they, these are politicians, bro. They don't wanna get cut off by the, in this or that. That's why I'm on, in the middle of it.

CI: Oh, I see. So, in other words, they're like, kind of testing me right now? Like you said.

PERALES: No, look at this, OK. Put it this way [CI's first name], why do you think I'm in

the middle of everything? 'Cause I told  
'em, "Fuckers! You can't get your shit  
into some bullshit!"

CI: Uh-huh.

PERALES: See, they, I know these fuckers are gonna  
be making the moves. These fuckers are  
gonna be doing whatever they fuckin' need  
to do. OK?

CI: OK. <o/v>

PERALES: But me, I'm, I'm in the middle of it.

CI: Uh-huh. <o/v>

PERALES: If some shit goes down, hey, I don't have  
control over what they do.

CI: Exactly. That's their -- <o/v>

PERALES: You know?

CI: -- own shit. OK. <o/v>

PERALES: Yeah. I don't have, you know, I'm a  
fuckin', I'm a, a director of this or that.  
But, I can't tell them what to do.

CI: Uh-huh. <o/v>

PERALES: They're doing it because I did it. So,  
nothing is connected to them.

CI: Oh, I see, I see. I got you. <unint>.  
<o/v>

PERALES: You see, I fuckin', I fuckin' tell them,

"You cannot be in the fuckin' front."

That's why they have me in all their  
fuckin' deals.

CI: Uh-huh.

PERALES: 'Cause I, I know how to move myself. I  
know how to fuckin', uh, tell people.  
They're like, "We'll wait for a fuckin',  
uh, some fuckin' dinner." And I told this  
*dude*, "Hey, he's gonna not say shit to you.  
You tell me and I'll tell you."

CI: Yeah. You know -- <o/v>

PERALES: You know? And told <unint>,

CI: -- because I mean, I, I, I also got  
something for you, but I just wanna make  
sure you guys are, how much do you guys  
want? And for me to be there. That's,  
that's all I need -- <o/v>

PERALES: No --

CI: -- to know. So that way I can budget  
myself and get -- <o/v>

PERALES: Uh-huh. <o/v>

CI: -- the money to you guys.

PERALES: Yeah. And that has to be, that has to be,  
that's the bottom line.

56. Later during the same conversation, PERALES described

methods by which bribes had previously been paid to city officials in Cudahy.

PERALES: That's why he, look it, OK? That's why I was telling you. OK? Uh, that, uh, our last deal. OK? When, when we met with the, with the, uh, I'll call him, "Homie Number One."

CI: Uh-huh.

PERALES: He fuckin', he fuckin' said, "Here." Boom! OK? He gave, uh, he's something and he goes, "Uh, there it is." And what happened? We got, each, an envelope. All right, boom! OK? And the next time, boom! Now it's fuckin', it's a done deal. And now, it's the end, we're getting another at the end.

CI: Ah, I see. OK, OK.

PERALES: You know what I mean?

CI: I see what you're saying. <o/v>

PERALES: It's like I tell you, it's like I tell you, if you think how much money you're gonna end up making in the end. In, in the long run brotha'.

CI: Oh yeah. No dude, I've already seen it.  
<o/v>

PERALES: You know, how, how much, how much is it,  
how much is this fuckin' store gonna be  
worth for you?

CI: Yeah.

PERALES: How much, are, are you think you gonna be  
making? You -- <o/v>

CI: Uh-huh.

PERALES: -- know and you, you, you're, so you, you,  
you're given a blessing. Fuck! Are you  
gonna be set for life or are you gonna be,  
uh, fuckin' struggling for, for the first  
year, two years, five years? You know?  
That's the kind of shit you need to look  
at. And, and, and this guy you see what he  
did? You see these guys are, are, they're  
not gonna tell you that.

57. Later during the same conversation, the CI confirmed that he would put money in envelopes and pass them to the city officials. PERALES advised the CI to provide the envelopes and say that he wanted to "be on top of the . . . list" of those permitted to open marijuana dispensaries in Cudahy.

CI: So what, what I, so what I should do is put  
the money on the, on envelopes and just  
kinda' pass 'em along? Just, "Here."

PERALES: Yeah.

CI: "This is for you and, and, um," OK, w-,  
well it, and what do you think will be a  
good amount? You tell me.

PERALES: Look, I don't like to throw numbers, OK? I  
don't wanna throw numbers, but we just,  
simple reason is this --

CI: Well, I wanna -- <o/v>

PERALES: Like you say --

CI: -- sound cheap either. I don't wanna give  
him a thousand -- <o/v>

PERALES: Yeah.

CI: -- dollars if he's expecting, maybe five  
[thousand dollars]. I don't know.

PERALES: No, put it this way, OK? I'm not, I'm not  
gonna say, "Hey, don't insult me."

CI: Right.

PERALES: OK? That's, that's the bottom line. OK?

CI: <Sighs>

PERALES: Because, be-, because it was -- <o/v>

CI: *You left me in the same position. You  
really did.* <Chuckles> See, if, if, if,  
if that was me, I, Angel, "I want at least,  
'eh, *five thousand.*" But I don't know. I,  
I, I don't know what you, and that's me.

PERALES: Yeah. Well yeah, but you're, you're,

you're looking at one or two, or for, *five for both or like* what?

CI: Oh, no, *well, that's why I was asking. I don't know if five for each? Look, business is good right now. You know, I, I have the money. But I need to look into it, OK. So this could get moving. Because right now I'm seeing it as, "I gotta get this, [snaps fingers] this business moving bro."* 'Cause otherwise, *shit's gonna fall apart. And the thing is that I need to get everything ready. I gotta, you know?*

PERALES: Look, like, like, let me tell you something, 'kay?

CI: Um --

PERALES: Fuckin' March, come, come March.

CI: Uh-huh. <o/v>

PERALES: Fuckin' the, *the* fuckin', uh, the moratorium is done.

CI: Right.

PERALES: I already had a guy come in on, fuckin, last Monday, OK, and put in an application for a dispensary. OK?

CI: Uh-huh. <o/v>

PERALES: Last Monday. OK? So what is that telling

you? These fuckers are already aware.

CI: Yes, they are. <o/v>

PERALES: So we got <audio glitch>, what we have to, what you wanna do is say, "Hey motherfucker! Here you go. I, I wanna be on top of the fuckin' list. If you're gonna do two, I wanna be either number one or number two."

CI: <Chuckles> Number one or number two, yeah. That's right. That's right. <o/v>

PERALES: You know? Because I know. Because I, again, my interest is you. Because you're my contact. You, I'm -- <o/v>

CI: Uh-huh.

PERALES: -- I'm the one who's gonna, who I'm, I'm gonna tell you straight out, I feel it, I'm, going to be making some money out of you.

CI: Right.

58. Later during the same conversation, PERALES and the CI discussed the timing of the CI's bribe payments to CONDE, SILVA, and PERALES.

CI: OK. Now uh, do you think I should do that next week? Right away?

PERALES: You know what? Next, next week, We'll do



this, OK? I'll try to get a, a, fuckin',  
a, a lunch or a fuckin' a, a, dinner or  
whatever.

CI: Uh-huh.

PERALES: And, and, well, you, you tell me the plan.

CI: OK.

PERALES: OK? And then you give me, you give me, uh,  
the stuff. And then I go outside and you  
and you say, "Hey, here you go."

CI: OK. *You got it. You got it. OK. Sounds  
good then. And I'll give you your share as  
well. That way, I'll also take care of you  
too. For doing -- <o/v>*

PERALES: Yeah.

CI: -- all this work for me. OK. Um, sounds  
good Angel. *S-, so that's how it'll be  
then.*

PERALES: All right. Uh, we'll talk on, we'll talk  
coming, come Tuesday and then we'll, I'll  
set it up.

FEBRUARY 27, 2012, TELEPHONE CALL WITH PERALES

59. On the morning of February 27, 2012, PERALES and the CI had a telephonic conversation. The conversation was audio recorded. I have reviewed a recording of the conversation. The portions of the conversation transcribed below were entirely in

the English language. The bracketed language is my interpretation of the conversation.

60. During the conversation, the CI explained that he had "the envelopes" and that CONDE, SILVA, and PERALES would each get "an individual envelope." The CI also explained how he intended to distribute the envelopes. PERALES informed the CI that there would be "two parts" to his bribe of city officials. One for them to "consider" the CI and a second for the City Council "to pass it."

CI: Yeah, yeah, I got it, yeah; I mean, OK, I gotcha, you, the envelopes, OK?

PERALES: Yeah.

CI: OK, well, oh, you're saying just to give it to him.

PERALES: No, no, give them the same thing. Don't give more to Conde because they'll open up the envelope themselves.

CI: Oh, no, no, that's what I was going to do. I mean each one of you was going to get your own individual envelope. Is that pretty much how you think I should do it, or give it to individually?

PERALES: Um, you know what, um, uh, I mean --

CI: Well you're the expert, dude, so I'm, like I said, I'm relying on your information, I

mean if you think I, 'cause what I was thinking is let's say we all go to lunch, of course if they've time and then give, "This is for you, thank you so much, just want to make sure I'm one of the two dispensaries, and thank you for your trouble." This, and I was going to put it in, uh, just to let you know, like in a cigarette box, one for him and one for Silva, and then with yours we're just going to give your envelope, you know? I don't know? What do you think? I mean you tell me.

PERALES: I feel it's a good idea.

CI: Yeah, I mean it's going to have cigars in there, but inside of course, you know the cash will be in there, and I don't think they should complain, I mean it's pretty enough OK for them to say, "OK, wow, thank you!"

PERALES: Right, right.

CI: I mean more than that, bro, I just don't know how else I'm going to twist their arm, I mean --

PERALES: If you don't mind me asking, how much are

you giving them each?

CI: Um, you know, I'm, I was thinking, um, let me put it to you this way: I'm giving a considerable amount of cash, so that way they don't, of course to you too, I'll be honest with you, to you I'm giving you a little less to start.

PERALES: No, no, I --

CI: But even you'll going be, you'll going be OK, I mean you going to tell me, and of course down the line if the business is good then of course I'll definitely take care of you. See, the only thing is, I don't want them to later on to come and ask me for more. I think I'm giving them enough just to, "Thank you."

PERALES: Like you said, like I said this case, um, um, I told them, you know, you going to start with something and could be one of them, and then in the end you're going to give them the <pause>. There's going to be two parts to it, one to be to considered, and the second to pass it.

CI: OK.

PERALES: You know what I mean?

CI: Yeah, but now do you think they'll ask me for the second part once I got the business going and everything, not as soon as I get the permit because what I'm giving them now I think it'll be good enough it should last them a while honestly.

PERALES: OK, then, um, those <unint> thing you get approved and then you're good to go?

FEBRUARY 28, 2012, MEETING IN CUDAHY, CALIFORNIA

61. On the afternoon of February 28, 2012, the CI met CONDE, SILVA, and PERALES at the El Potrero nightclub on Patata Street, in Cudahy, California. The meeting was audio recorded. The meeting was conducted in both the English and Spanish languages, and I have reviewed a recording of the meeting. In the excerpts of the recording transcribed below, words spoken in the English language appear in *italics*. The bracketed language is my interpretation of the conversation.

62. Before the meeting, I photocopied \$17,000 in United States currency that belonged to the FBI. I provided \$15,000 to the CI, who divided it evenly between three envelopes each of which was marked as for either CONDE, SILVA, or PERALES.

63. According to the CI, CONDE, SILVA, and PERALES were inside the El Portero nightclub and were accompanied by Rojas, Alcala, and CONDE's son, an employee of the United States Department of Homeland Security, Transportation Security

Administration ("TSA").

64. During the meeting, the CI told CONDE and SILVA that he wanted them "to guarantee [him] . . . that [they intended] to help [him] get my license for the city. That's the only thing I ask you." PERALES told the CI that he would get an application and that he would "be on top." The CI then provided envelopes, each containing \$5,000 in cash, to CONDE and SILVA, and thanked them for taking the time out of their schedules to have the meeting.

CI: . . . Well, look, uh, uh, like I had told you, I mean, the only thing I'm interested in, and you already saw, you already saw how my business is, it's that I honestly need the license. OK. You help me get the license, uh, you know, I'll be happy there, to help you in whatever I can. Uh, uh, right now I have many things I'm working on, and the only thing I need is to have, like they say, uh, like they say in English, *peace of mind*, my head at peace, that when they come, I don't know how long it's going to take, I know that this takes time. But, at the same time I, I can count on you that it will come to fruition. Do you understand me? Aside from, from any

issues. I want you to guarantee me that --

UM: <o/v> Here it is.

CI: [To UM] Oh, thank you very much.

-- that you are going to help me get my license for the City. That's the only thing I ask you.

PERALES: Yeah.

CI: I mean. Is that alright like this?

PERALES: Yeah.

CI: Yes?

PERALES: In a couple of days, uh, we are talking about a couple of days, uh, I could give them the application.

CI: I was going to ask you that, I mean, how is the process going to be, if --

PERALES: <o/v> *OK. I'm gonna give you the application and --* <o/v>

CI: *OK.*

PERALES: -- and you will be on top.

CI: *OK.*

PERALES: Yeah, we'll make you have in, and open it up, and -- <o/v>

CONDE: Yes, like I told you, no, yeah, *but I know.* We want to set a limit, you understand? We don't want, and I mean -- <o/v>

CI: Yes, yes, yes, uh.

CONDE: -- we have to prepare ourselves to, to,  
just, no, maybe, if uh, are they going to  
come close or are they going to this --  
<o/v>

CI: Uh.

CONDE: -- and like I say, they are already  
knocking at the door since many years ago,  
to have the, <unint> and everything. Uh,  
in fact if, like we said we just want to  
have a limit of two [marijuana dispensaries  
that will be permitted to operate in  
Cudahy].

CI: Yes, yes, yes, no. Well, look, I would  
like to be one of the two. I don't have to  
be number one, but I would like to be at  
least one or two. <Chuckles>

CONDE: Uh-huh.

CI: I mean, I know that with your help, you are  
going to be able to help me out. But, the  
only thing, like you know, as a business  
owner, well, at the same time I want to be  
certain with my investment, that it's going  
to --

CONDE: No, I, I mean, no --



CI: You understand? Then, uh, well, then let's talk no more. Then <background noise> uh, look this is one, sir, it's for you. Here's your money. And Mr. Silva, this is your money here for you. <Equipment noises> And, thank you very much. I thank you that, well, first of all that you took your time. Because, I know your schedule is hectic <snaps fingers> and, and believe me, mine too, but I wanted to do it today. Because, I will tell you this, I'm going to be very busy this week with the next business that I'm thinking on opening, then, I am also into that.

CONDE: Of the same --

CI: Uh? Yes. Yes, it's going to be in, uh, in the same city, but in dif-, different place, you know? But the same type of business. But, having another one here, Sir, then, you understand me? <o/v>

CONDE: Uh-huh.

CI: I, I already have it made. So, that's what I wanted, to count on you to help me with that. Do you have something to tell me, let's see, because I see you kind of,

<Chuckles>

SILVA: No, no, no, it's that, <Clears throat> I'm  
in pain.

CI: Oh, well. <Laughs>

SILVA: I'm in pain.

PERALES: Here, uh, there to pick a sample, <unint;  
laughter>

65. Later during the same conversation, the CI asked who the needed third vote would be. CONDE assured the CI that he and SILVA were "leading the group." SILVA agreed, adding that he and CONDE were the "big ones." Later, CONDE added that, although Josue Barrios was then the Mayor of Cudahy, he and SILVA "put" him as the mayor, and that "everything is being moved . . . under [CONDE and SILVA's] direction."

CONDE: So, we all [CONDE, SILVA, PERALES] have to  
be in an agreement, you understand me?  
<o/v>

CI: Yes, yes.

CONDE: To say, "OK, this is, this is one [of the  
two marijuana dispensaries that will be  
permitted to in Cudahy]."

CI: But look, pardon my ignorance, but I also  
know that three votes are needed, right?

CONDE: Oh, no, yes, but -- <o/v>

CI: How are we going to do with the other one?

I mean --

CONDE: Oh, no, about that --

PERALES: <unint>

CI: There is no problem.

SILVA: We have like a temporary one with us, but  
you guys -- <o/v>

CI: OK. Oh, OK, you are the experts.

CONDE: Silva and I we are, we are, uh, leading the  
group.

CI: Mm.

CONDE: So, so uh, all of these that know, all  
these new team that we are and all that,  
uh, I mean, as part of *line* we have to be  
the support of much of the -- <o/v>

CI: I mean, whatever you say, it will be done  
like that.

CONDE: <Clears throat> Uh-huh.

CI: Oh, alright. OK. These sons-of-a-bitches,  
right? They do what they want.

SILVA: They are the fucking big ones.

CI: They are, uh, in other words, yes. So,  
it's like --

SILVA: Yeah. No, like that, no, it's not -- <o/v>

CI: OK. Very good.

SILVA: -- it's not, we are going to, uh, we are

the support for the rest.

CI: So, you already have the rest of the *city councils* in the pocket, like they say?

SILVA: Uh.

CI: Yes, *OK*. *Alright*, very good, that's, believe me I'm happy to hear that, well, so that, yeah, I did not want to have anything pending. And, and like I'm telling you, it's a lot of money what I'm going to invest also. <o/v>

CONDE: No, <unint> that's what we have said, I mean, "You know what? They are stealing it." Then, here it comes the other one, the other one, or something, no, that we had, like I'm telling you, we are, we are the leaders, they are, you know? The ones that *get heard*, you know? We are the <unint>

CI: The ones that shake the tree -- <o/v>

CONDE: The ones that can --

CI: Yes.

CONDE: -- It's like with everything, right? When, when the, with what they say, if there are five of us in one car, but not all of them can be the driver, you understand me? I

mean, if the-<o/v>

CI: I mean, then the mayor has nothing to do, I  
mean --

CONDE: No.

CI: No, uh?

CONDE: We, we put the mayor and all of that.

CI: Uh-huh.

CONDE: First, because we made deep changes, we  
made big changes, we cut the lawyer's head,  
to the *city manager*, to, you know?

CI: Uh-huh.

CONDE: All of them, to all that group, uh, it's  
uh, it's a message. Then, we put this guy  
[Josue Barrios] as the mayor.

. . .

CONDE: Oh! When we cut the head, we made big  
changes and everything. That's why we  
decided to put the, to this new guy, we all  
know his short experience as, as a mayor,  
but, to send a message like, you understand  
me? A new face for this change -- <o/v>

CI: Oh!

CONDE: And everything -- <o/v>

CI: OK, I understand, yes, yes, yes.

CONDE: -- and, and then we put him on that year.

CI: Uh-huh.

CONDE: Because the following year, he would be in.

CI: Damn it, right.

CONDE: In, in April he was going to be in -- <o/v>

CI: In April? OK.

CONDE: In April he, he, he [SILVA] would be the  
*mayor*.

CI: Uh-huh.

CONDE: And I'm going to continue as the *vice*  
*mayor*.

CI: Uh-huh.

CONDE: You understand me?

CI: Yes, yes.

. . .

CONDE: And, well yes, and I will continue, and I  
will continue as the vice mayor now.

CI: OK.

CONDE: So.

CI: That's fine, well yes, there -- <o/v>

CONDE: Yes, like I tell you, uh, uh, uh, we have  
worked like that and then --

CI: Uh.

CONDE: -- if any one comes into the city, it's  
because first he [SILVA] and I approved it,  
you understand?

CI: Yes, uh.

. . .

CONDE: Even though it seems like the other guy  
[Barrios] is the mayor, they think that,  
but it's not what, what, everything is  
being moved, uh, under our direction.

CI: Uh-huh.

CONDE: Then, it's like if we were both mayors.  
No, <Chuckles> it's one, but both mayors.  
<Chuckles>

CI: Yes.

. . .

CI: Uh, we are, we are talking about this guy,  
that they gave them the laptops. I'm  
telling them, that -- <o/v>

SILVA: Oh! That they were calling me the other  
day, I told him.

CONDE: Yes, but also, look, some have messed it  
up.

CI: Yes.

CONDE: They have messed it up, because, they have  
gone with the mayor.

CI: Yes, yes, I imagine -- <o/v>

CONDE: Thinking that the mayor, that's it.

CI: Yes.

CONDE: Others have constructed <unint>, you understand?

CI: Uh.

<Loud TV noises heard>

CONDE: It's, it's for everything, everything, the, the, the truth is, it's, it's not the main door, you understand me? I mean --

CI: Uh-huh.

CONDE: -- because if *somebody expects it*, you understand me? Whoever that may go some place else, uh, no, it's not the adequate thing to do, you understand me?

CI: Yeah.

CONDE: Because, they don't, I know they can be recommended, they can do it the right way with the people, but, if someone enters through us, they have a much better chance, you understand me?

CI: Uh-huh.

66. Therafter, PERALES and the CI walked outside the El Potrero nightclub, leaving CONDE and SILVA within. According to the CI, he provided PERALES the third envelope containing \$5,000 in cash outside the nightclub. On the audio recording, the CI can be heard saying, "Here's your envelope." Agents positioned outside the nightclub and observed PERALES meeting with the CI.



FEBRUARY 28, 2012, TELEPHONE CALL WITH CONDE

67. Later on the afternoon of February 28, 2012, the CI had a telephonic conversation with CONDE. The conversation was audio recorded. I have reviewed a recording of the conversation. The meeting was conducted in both the English and Spanish languages. In the excerpts of the recording transcribed below, words spoken in the English language appear in *italics*. The bracketed language is my interpretation of the conversation.

68. During the conversation, the CI told CONDE that PERALES had previously instructed the CI to pay CONDE more than the CI paid SILVA, and that the CI had additional bribe money for CONDE.

CI: This is [CI's last name].

CONDE: Oh. What's going on?

CI: Listen, I apologize for, first of all -- I just wanted to thank you once again for your, uh, for your time over there. Thank you very, very much. And, secondly, I also just wanted to tell you that, well, uh, eh, well, I had some more money for you, but, honestly, since uh, um, Angel [PERALES] told me not to give you all of it in front of Silva, I decided to save it, but the thing is that, well, I have it. You know what I mean? So, I want, because I know you're the, the head honcho there.

That's why -- <o/v>

CONDE: *Yeah*, but I don't know, because I've told Angel, because he, people told him that no, no, no, *like*, no, that he won't be treated the same, but no <unint> *like that*.

CI: Yes, but I, the five thousand [dollars] I gave you, well, that's fine for the license? I mean, is that OK with you for now? Or do you want me to give you the rest that I have for the license? You tell me.

CONDE: Oh, sure. Well, to me, the one for the, uh, it's better if you give it to me beforehand, right? Why not?

CI: *OK*.

CONDE: You know.

CI: Do you want me to give it to you today? I'll hand it over to you because, as you know, I'm also going to be busy this week, so I want to be done with this today.

CONDE: *Yeah*, well, tell me where, where to meet you around there or something.

FEBRUARY 28, 2012, MEETING IN LA MIRADA, CALIFORNIA

69. Later the same evening, the CI met CONDE at an El Pollo Loco restaurant in La Mirada, California. The meeting was

surveilled by agents, including myself, and it was audio recorded. I was positioned inside the restaurant. CONDE was accompanied by his son and by Rojas, a navy blue police-type uniform. CONDE was dressed in a green "raid jacket" similar to that worn by Los Angeles County Sheriff deputies. CONDE's jacket had the words "City Official" across the back. (Surveillance stills from the meeting are attached hereto as Exhibit E.) The meeting was conducted in both the English and Spanish languages, and I have reviewed a recording of the meeting. In the excerpts of the recording transcribed below, words spoken in the English language appear in *italics*. The bracketed language is my interpretation of the conversation.

70. During the meeting, CONDE stated that he was "the leader" and "the strongest one." CONDE also stated that he placed the Cudahy City Attorney and the Cudahy City Manager in their positions.

CI: . . . Can we talk in front of them, is that alright or? Oh, OK. No, what I was going to ask you is, are the five thousand [dollars] that I gave you enough? Is that alright, for the moment?

CONDE: Yeah.

CI: Listen, I have here, for you <pause>. Well, well, if you want to, we can do this someplace else, I don't want to do it here.

CONDE: OK, we'll go outside to the car.

CI: Yes, I'll give it to you in a little bit.  
I don't want to be that obvious, as we say,  
I mean --

CONDE: No, I think Angel already told you who is  
the strongest one, the most, I, I'm dealing  
with all that.

CI: Yes.

CONDE: Uh, David [SILVA] doesn't have that much  
experience and all that --

CI: Uh-huh.

CONDE: -- he is the one who needs more help and  
all that.

CI: Yes, yes.

CONDE: So, I pulled him with me, you know.

CI: No, and, and Silva seems to be a nice  
person too --

CONDE: Oh, yes.

CI: -- in other words, he seems to be a calm  
person, and, and, listen, the reason is  
that I, I didn't want to give you that much  
right there, because I didn't know if you  
were going to open the envelopes in front  
of each one --

CONDE: Yeah.

CI: -- so nobody's feelings would get hurt, you see what I mean?

CONDE: Uh-huh.

CI: But I knew you were the big cheese there. So, that's why I said, I better call him so there's no misunderstanding and make things clear. Hmm. I can see that they even gave you your own jacket, look at you, damn, Conde. <Laughs> No, I said, this guy already became a *sheriff*. <Laughs>

CONDE: No, well all these things, I have, listen, like right now --

CI: Yes.

CONDE: -- with the *sheriff's* thing, I'm the one that does this and that, I'm the leader, you see?

CI: Yes, yes, yes.

CONDE: Like this jacket, I not only order one for me, but for all of them -- <o/v>

CI: Yes, for everybody, yes. Uh-huh.

CONDE: That's what I'm saying. I brought in the [City] Attorney; I brought in the, the *City Manager*, in other words, I'm leading and

bring all these ideas.<sup>9</sup>

71. After CONDE and the CI exited the El Pollo Loco restaurant, they approached CONDE's vehicle, a black Ford Crown Victoria with tinted windows, emergency lights in the front and rear, and California "exempt" license plates. The CI informed me that he gave CONDE an additional \$2,000 in the vehicle.

CI: Man, I want a car like this. That way I'll get rid of all my tickets. I'll put my soda out here. <CONDE and the CI entered Conde's vehicle.> OK, look, If you can do me a favor, thank you. Look, here I have another 2,000 [dollars] for you.

CONDE: Uh-huh.

CI: And you know, I really appreciate everything you, you have done, and as I said, the license thing is very important for me, I know I'll be able to get it because of you, uh?

CONDE: Yeah.

CI: OK?

---

<sup>9</sup> Immediately following this discussion, the CI asked Rojas whether there were "many *code enforcement* violations . . . in the City of Cudahy." Rojas responded, "I wouldn't know, you will have to ask, uh . . . ." Then, after the CI interjected, "Oh, Angel," Rojas added, "Yeah, my department is something else." When the CI then asked, "Oh, and what do you do?," CONDE interjected and said, "No, the -- the usual, the usual . . . ."

CONDE: No, I'll just tell you. Uh, the others are a little bit more conservative, more this and that, you see what I mean? So, if it was because of that or something, they don't, don't take any initiative, and don't do that, so we take the leadership and start adjusting, you see? <o/v>

CI: Yes.

CONDE: As long as we do things right, and we don't get scared, you see what I mean? In other words, like, like, just to say something, whether this is right or wrong, you see what I'm saying?

CI: Yes, yes.

MARCH 2, 2012, TELEPHONE CALL WITH SILVA

72. On the afternoon of March 2, 2012, the CI called SILVA. I unsuccessfully attempted to record the conversation, but I was present for the conversation, and I heard both parts of it over the CI's speaker phone. The entire conversation was in English. After greeting SILVA and thanking him for having met with the CI on February 28, 2012, the CI asked SILVA if the \$5,000 was sufficient. SILVA responded by stating that he did not wish to discuss the matter over the phone. The CI then told SILVA that SILVA should let the CI know if an additional bribe was needed to secure the marijuana dispensary license. SILVA told the CI,

"We'll talk later." The CI asked Silva, "I have your vote, right?" SILVA responded, "Yes."

MARCH 2, 2012, TELEPHONE CALL WITH CONDE

73. After the telephone conversation with SILVA, I instructed the CI to call CONDE. The CI complied, and the conversation, which was conducted in both the English and Spanish languages, was audio recorded. I overheard the conversation and have reviewed a recording of it. In the excerpt of the recording transcribed below, words spoken in the English language appear in *italics*.

CI: And what I also wanted to tell you is that I, I also called Silva, Mr. Silva, too, to thank him, but I'm letting you know beforehand because, since I know you're the -- the boss there, the head honcho, that's why I'm just letting you know that I called Silva to thank him for everything and -- and, that way, I keep you informed of who I talked to and who I didn't talk to. You know?

CONDE: *Oh, OK.*

MARCH 6, 2012, TELEPHONE CALL WITH PERALES

74. On the morning of March 6, 2012, the CI returned a call to PERALES, who had called the CI earlier the same day. The conversation was audio recorded, and I have reviewed a recording



of the conversation, which was conducted in both the English and Spanish languages. In the excerpts of the recording transcribed below, words spoken in the Spanish language appear in *italics*. The bracketed language is my interpretation of the conversation.

75. During the conversation, PERALES informed the CI that he had spoken with CONDE and SILVA after the CI's March 2, 2012, conversations with each of them. PERALES told the CI not to call CONDE and SILVA anymore. PERALES also told the CI that CONDE demanded that PERALES count out, before CONDE and SILVA, the \$5,000 in the envelope PERALES received from the CI outside the El Potrero nightclub on February 28, 2012. PERALES added that CONDE said the CI should have given the envelope to PERALES in front of CONDE and SILVA.

PERALES: They [CONDE and SILVA], uh, they came to me yesterday.

CI: Oh, OK and what did they tell you?

PERALES: That you called Silva.

CI: Yeah, I called Silva you know just to tell him thank you and all that and, uh, just to make sure he was happy and it seemed like he -- I definitely have his vote.

PERALES: Right, right. Did you offer him more cash?

CI: No, no, I did not, not at all. Whatever I gave him that day, that's what I gave him.

PERALES: Alright, do me a favor don't call them

anymore.

CI: OK.

PERALES: Because Silva told Conde and me himself that you had offered him more money.

CI: No, no, I did not, bro, what I did is, uh, I just told him hey, look, uh, I told him if there's anything else he wants, but I didn't mean money I meant like maybe if he wanted his, uh, 'cause I know he told me that his soap really helped him and he told me that he wanted a bottle of that alcohol, so --

PERALES: Right, right.

CI: So, that's what I meant bro, if he wanted anything from the shop [the CI's marijuana dispensary]?

PERALES: Well, 'cause, uh, cause he came to me yesterday and told me that <unint> he offered me more cash cause I talked to him on the phone. I said, "Oh shit."

CI: No, no, no, no, the only thing I, no, bro he's already turning things around. You know what? Maybe, maybe I should not have called him at all.

PERALES: Right.

CI: The only thing I told him was that if he was fine with the \$5,000 that I had given him, and I told him if there's anything else that you need from the store, please don't hesitate to let me know.

PERALES: OK, well, Conde came to me last night and said, "What's going on," you know? I go, "You know I haven't called him, but I'll call him today." You know? So just don't, you know, like I said, I'm going to get you the application 'cause I told him you [the CI] don't know how to do it 'cause this is the first time doing it.

CI: Yeah, oh, I got you, I got you, yeah, OK. Alright bro.

PERALES: Uh, 'cause it can get <unint> dirty, I'm the one who gets dirty and shit --

CI: <Laughing> You know what? I was just trying to be a nice guy with him, but that's it, OK? That's the last time I'll call him then.

PERALES: Yeah,

CI: No, I really thought that I was going to give him, you know, what I was going to give him a bottle of that alcohol with

weeds for his, whatever he said, for his back and all that, but *I'm not going to give him anything anymore*. Ha, ha, ha.

PERALES: Well you know Ozzie [CONDE] is you know kind of *<unint>*.

CI: No, *you know what?* One thing I did is right after I talked to Silva, I, uh, had called Conde just to say, "Hey," you know, is there's anything else he needs, and I even told him that I had called Silva also. "Hey, just to let you know, I called Silva and you know, so that way you don't think that I'm, you know, asking for anything," and, uh, so that's basically what I did. Hey, I just wanted to win them but, uh --

PERALES: Right, right.

CI: Yeah so, uh, but --

PERALES: But you know what? I don't know when the fuck *<unint>* if fucking *<unint>* talking to each other.

. . .

CI: Oh, if I'm OK with it? Yeah, no I don't mind.

PERALES: Nah, no, he told me that he was upset with me.

CI: Who was upset with you?

PERALES: Conde.

CI: Why was he upset with you?

PERALES: Because we stepped out and I got the envelope outside [the El Potrero nightclub], he thought I was getting more money. I said, "Dude" --

CI: Ay c'mon! Are you serious, dude?

PERALES: Yeah. "Oh he should have given it to you in front of us."

CI: Ahh!

PERALES: I said maybe he didn't feel comfortable.

CI: Well you know, yeah, I, *what you should have told him*, is like, "Hey, I probably got a lot less money than you guys." That's what you should have told him I guess I don't know.

PERALES: Yeah, but he put it this way, he was, he was demanding, demanding that I count the money in front of him.

CI: Oh, my goodness, are you serious? Look, bro, I'm so sorry I didn't mean to cause you so much problem with these guys, OK?

PERALES: No, no, don't worry about it. You know but the thing with him is, that he's like, his

demeanor, his greed is going to get you  
shit, so I just, you know, I said alright  
there it is, I'm not going to <unint> shit.

CI: Oh, man well the last thing that I want  
them is for them to feel jealous you know?  
And, uh --

PERALES: Yeah.

CI: I no, I, uh, oh, man, maybe I should have,  
maybe I should have given you the envelope  
in front of them so they didn't think  
anything of it. Well let me ask you  
something? How did they know that I had  
given you an envelope, if they didn't see  
me giving it to you?

PERALES: Because you, you brought out three  
envelopes remember?

CI: Oh, yes, 'cause when I took them out of my  
jacket.

PERALES: Yeah.

CI: And then they all had a letter,<sup>[10]</sup> that's  
true, fuck it! Yeah, I didn't think of  
that.

PERALES: Yeah, well don't worry about it. Let me

---

<sup>10</sup> As described above, the envelopes were each marked.

get you the application, and that way we're good to go.

CI: Yeah, *don't fuck around also*, bro, because I mean you did me the favor of introducing me to them, so without you doing that, they would have been nothing, no money.

PERALES: Right.

CI: So, uh, on the contrary I think they have to be grateful to you that you're providing them this, I mean think about it? Who's going to give them \$5,000, and then Conde got more, man, 'cause I gave him another two grand after that, so, you know, I mean c'mon! I mean nowadays, how hard it is to make money? *Don't fuck around*, bro. *Don't fuck around*. Yeah, you know, I'm so sorry that they felt that way, ah, you know, like I said, that's the last time I'll call them then, I was just trying to be you know appreciative and thankful and I ask them, "Hey, look if there's anything you need," but I meant from the store not from no more money.

<Call disconnected, CI then calls PERALES back.>

PERALES: Like I said, don't worry about it, bro, but just let's get you going with the application and that's it.

CI: OK, when do you think I'm going to get the application?

PERALES: Ah, probably by next week.

CI: Oh, OK, alright then, ah, then I'll expect your call and then if Conde wants to talk to me, that's fine too, and, ah, man why do these people take everything the wrong way, dude?

PERALES: It's Conde, bro, not Silva.

CI: Oh, Conde, ah.

PERALES: Yeah.

CI: Ah OK, alright then, thank you, bro, I appreciate you letting me know.

PERALES: No problem.

MARCH 24, 2012, MEETING IN CUDAHY, CALIFORNIA

76. On the evening of March 24, 2012, the CI met with CONDE at the El Potrero nightclub, in Cudahy, California. CONDE was once again accompanied by Rojas and Alcalá, who openly displayed firearms throughout the evening. (Photographs of Rojas, and Rojas' and Alcalá's weapons are attached as Exhibit F.)

77. CONDE was also armed. At some point during the evening, CONDE gave his firearm and his Cudahy City Council badge



to an unknown female ("UF") who was accompanying CONDE that evening. (Attached as Exhibit G are photographs of UF and CONDE and UF wearing CONDE's Cudahy City Council badge and displaying CONDE's firearm and what appears to be Rojas' firearm. According to the CI, CONDE's firearm is the revolver in UF's right hand. From the photograph, it appears that her finger is inside the trigger guard of the revolver.) CONDE had a bottle service table set up throughout the evening. A.T. was also present at the El Potrero club, and she was served drinks from CONDE's table throughout the evening.

78. The CI left the El Potrero nightclub early in the morning on March 25, 2012. Rojas accompanied the CI to his vehicle, and Rojas and the CI had a conversation. The conversation was audio recorded, and I have reviewed a recording of the meeting/conversation. In the excerpts of the conversation transcribed below, the words spoken were entirely in English. The bracketed language is my interpretation of the conversation.

79. During the conversation, Rojas discussed his relationship with CONDE and his role as CONDE's bodyguard. Rojas also described his willingness to commit acts of violence against anyone who, to use Rojas' terminology, "fucks with" CONDE.

CI: Simon, I had so much fun today, buddy.

ROJAS: Oh, man. I always tell everybody, "If I'm with Conde, I can't look like a punk.

CI: Oh yeah, I know.

ROJAS: It's nothing personal, but I can't look like an idiot. You know what I mean? I cannot look like an idiot.

CI: Let me put it to you this way, I'm impressed with the way you treat him, dude. I mean that's loyalty right there.

ROJAS: For me you can't, there's no going back, there's no, "I'm sorry, I take it back," no nothing.

CI: No, fuck it, you --

ROJAS: As long, as long as he's taken care of, it doesn't matter. Right or wrong. Right or wrong.

CI: Hey, you're, you're, you're a follower, and this guy's [CONDE's] a leader. I like it. I, I, I personally like it.

ROJAS: I mean if you get to know me, I cannot -- Just like you. If me and you became buds, you invited me somewhere, this and that, I will not look like a slouch for you.

CI: Yeah, yeah --

ROJAS: Because why? Because to me it shows weakness. And I will not, as long as nobody hurts that man.

CI: Everything is cool.

ROJAS: Everything is good. It's gravy. Me? It doesn't matter. To me it does not matter. It does not matter.

CI: Let me ask you something. What do you do if some asshole comes with a gun? How are you gonna --?

ROJAS: Then another asshole will *<unint>* someone else.

CI: Oh, is that right? OK. 'Cause I was going to say --

ROJAS: We've had assholes come before with guns.

CI: Oh, is that right?

ROJAS: Yeah, they get, I mean, with all due respect, you don't plan for defeat. This is why you act a certain way. You show discipline to prevent that from happening.

CI: Yeah, and I noticed that.

ROJAS: It's preventive measures. Whether other people get hurt or not, it doesn't matter.

. . .

ROJAS: All I know is this. You are somebody that I know, that I'm going to take care of, not because of me, but because of Conde.

CI: And I really appreciate that.

ROJAS: And if you're somebody who does not need to

be taken care of, I could be a totally hostile environment.

CI: That's why I told Conde, "Man, I want to hire that guy." He said, "Hell no." He said, "No."

ROJAS: It will never happen. It won't happen. It will not happen.

CI: I know. But, hey, it's worth trying.

ROJAS: It won't happen.

CI: Yeah.

ROJAS: Loyalty is something you cannot take back. Loyalty. And for me, like I said, I have people that watch me. Like I said --

CI: That are loyal to you.

ROJAS: -- that are loyal to me. Five to life, I'm taking, I'm taking the ride.<sup>[11]</sup> If I have people that are loyal to me and don't do what I tell them. Everybody wants to back me up, but you don't <unint> for backup. Everybody will back you up. When you don't <unint> for backup you have the whole

---

<sup>11</sup> I interpret this statement as Rojas indicating a willingness to commit violent acts that would result in him serving a prison sentence up to life imprisonment. I am familiar with Rojas' criminal history, and I know that he has previously been arrested for accessory after the fact to murder.

world. But if you get made into a martyr -

-

CI: Yeah, that's true too. Hmm. I think I see where you are coming from with that. And the other guy seems to be very loyal too. The guy from, what's his name? Alberto, no, what's his name? Alberto?

ROJAS: He only does what he has to do, because he knows. It's like this: If anyone wants to come in and make Conde look stupid, like he did something wrong, they are in for a fight they are not aware of. Totally, and to me it's not <unint>. Remember, if you point the finger at somebody, people are going to point it back at you. For me, I know what Ozzie [CONDE] is. I know what Ozzie is, but I dealt with a lot worse.

CI: Oh, I see. He seems like, uh --

ROJAS: I love that man. I love that man.

CI: Is that the girl?

ROJAS: Ozzie is Conde.

. . .

ROJAS: But, all I can say is this, if anybody fucks with Ozzie, they will have me to contend with. Me, I'm nothing. They'll

have everything that I stand for to contend with. That's the bottom line. It is what it is but with that man. It is what it is.  
. . . .

April 5, 2012, TELEPHONE CALL WITH CONDE

80. On the afternoon of April 5, 2012, CONDE returned a call to the CI. The conversation was audio recorded, and I have reviewed a recording of the conversation. The conversation was conducted in the Spanish language.

81. During the conversation, the CI and CONDE discussed the application for the CI's a marijuana dispensary in Cudahy. The CI also asked CONDE if he was available to "*meet . . . to talk . . . about some other businesses.*" This meeting eventually occurred on April 11, 2012.

April 11, 2012, MEETING IN PARAMOUNT, CALIFORNIA

82. On April 11, 2012, in the mid-afternoon, CONDE and the CI met at Mazatlan restaurant in Paramount, California. The meeting was audio recorded. The meeting was conducted almost entirely in the Spanish language, and I have reviewed a recording of the meeting. The bracketed language is my interpretation of the conversation.

83. During the meeting, among other things, CONDE acknowledged and discussed the bribe payments the CI made on February 28, 2012, at the Potrero Club in Cudahy, California, and

CONDE's conversation with PERALES about "errors" in the handling of the bribe money.

CONDE: I told him, "there was an error, two errors." I told him, "when you gave the envelope..."

CI: Mm-hmm.

CONDE: You said, "it was like five [thousand dollars], five [thousand dollars], and five [thousand dollars]."

CI: Yes.

CONDE: That's how it was, right?

CI: Right.

CONDE: So since you said, "Oh, did you see the envelopes?"

CI: Yes.

CONDE: Oh, I said, "This is for me?" You picked one out.

CI: Right.

CONDE: For me, I assumed that if it was five, five and five, all three of them [each envelope].

CI: Mm-hmm.

CONDE: -- the envelope did not matter, it was whichever one. Do you understand me? In other words --

CI: Yeah, that's fine.

CONDE: -- but, upon seeing it was, at the time of separating and you went, "This one for Osvaldo," Well, somebody could interpret that, Well, supposedly all three have only five -- <o/v>

CI: Oh, I finally understand you. <o/v> Yes, yes, yes.

CONDE: Yes. That was one failure, that was one small failure.

CI: Yes, yes, yes.

CONDE: -- and the second failure was that, It would have been better that you would have given the five, five and five, to put it like that. Right there in front of everyone, but you went out when you spoke with Angel.

CI: You know why I did it? Because Angel told me to give them to him outside. That's why I gave them to him outside. <o/v>

CONDE: But it was, it was -- <o/v>

CI: Mm-hmm.

CONDE: -- it would have looked better and all that because -- <o/v>

CI: For me, yes. The truth yes, but uh, uh, in



other words, You know, because I also thanked Angel for having put me in touch with you guys. So, I respected his decision because I said, "Well --" Look, I'm going to tell you, that was the first time I do this. In other words, I'm not like I told you and -- <o/v>

CONDE: But you understand me?

CI: I made mistakes, but, you know.

CONDE: <Stutters> asked and gave it to him like that.

CI: Yes, yes.

CONDE: Silva asked, "Would he be giving more to him?"

CI: <Chuckles> Yeah, that's what I thought later, yeah.

CONDE: And knowing the way Angel is --

CI: Right.

CONDE: Angel is.

CI: Mm-hmm.

CONDE: If there's a -- <o/v>

CI: Tries to pull a fast one --

CONDE: Well, yes, but if he says, "I fixed this so they are going to give me a certain amount." So you start to doubt him --

<o/v>


CI: Mmm, I understand you.

CONDE: There will always be a doubt --

CI: Yes, yes, yes. Okay.

CONCLUSION

84. Based upon the foregoing, I submit that there is probable cause to believe that CONDE, SILVA, and PERALES have each violated 18 U.S.C. § 666(a)(1)(B), Bribery Concerning Programs Receiving Federal Funds, and I request the issuance of warrants for the arrest of CONDE, SILVA, and PERALES.

  
\_\_\_\_\_  
ROMAN J. GARCIA  
Special Agent  
Federal Bureau of Investigation

Sworn to and subscribed before me  
this 24 th day of June 2012.

**JOHN E. McDERMOTT**

\_\_\_\_\_  
THE HONORABLE JOHN E. McDERMOTT  
UNITED STATES MAGISTRATE JUDGE