

DECLARATION OF UCE-3175

I am a Special Agent with the Federal Bureau of Investigation:

1. I am a Special Agent of the Federal Bureau of Investigation (FBI), and have been so for since 1996.
2. I worked as the FBI undercover agent in the investigation into weapons dealing by Sergio Syjuco, Cesar Ubaldo, and Arjyl Revereza (collectively, " the defendants"). My undercover name during the investigation was Richard Han, and I am referred to in FBI documentation as UCE-3175. I am currently working as an undercover agent in a separate investigation and cannot publicly reveal my true name in court documents.
3. My undercover persona during this investigation was that of a weapons buyer-broker for wealthy Mexican drug cartels who wanted to import illegal weapons into the United States.
4. FBI agents first met defendant Cesar Ubaldo on November 16, 2010, when an arms broker introduced Ubaldo to me at Area 51 and told me that Ubaldo could provide heavy weapons. I had previously worked in an undercover investigation in which I used that broker to introduce me to another arms supplier from whom the United States in an undercover capacity bought 12 M4 Bushmaster rifles. After that arms supplier declined to sell me additional weapons, the broker introduced me to Cesar Ubaldo. It was the arms' broker who first told me about Area 51. Ubaldo indicated that he and his partner, later identified as Sergio Syjuco, could supply me heavy weapons, including rocket propelled grenade launchers and mortar launchers, and later introduced me to a corrupt Filipino customs official who could help me smuggle the weapons into the United States. I did not suggest that the meeting occur at Area 51.
5. On November 20, 2010, Ubaldo took me and the confidential source to the family home of his partner, Sergio Syjuco, where Syjuco' s brother, Marco Syjuco, provided a sample of the weapons that could be provided. I was shown a M4 machine gun and several handguns. Photographs were taken of the machine gun that showed it to be a United States manufactured weapon.
6. On January 10, 2011, Ubaldo emailed me an inventory list of weapons that he had immediately available. The email listed: " M249 SAW; M60 machine gun; H&K UMP 9mm; SPAS 12 Shotgun (combat shotgun); M14 EBR; Safety Harbour Firearms .50 BMG." I know that a M259 is a bi-pod machine gun and that a M14 EBR is an enhanced battle rifle machine gun.
7. I returned to the Philippines at the end of February 2011 to conduct a " sample" weapons purchase. On February 22, 2011, Ubaldo handed me a hand-written inventory and price list of weapons that he had immediately available, including " M82A1 - 1.9 M; M249 - 1.8 M; M60 - 1.8 M; M14EBR - 750K; Uzi Standard; MP5A3; HK UMP9." During this meeting I discussed with Ubaldo the purchase of a .50 caliber rifle, but the price (\$40,000) was too high. In my presence, Ubaldo called his partner (later introduced as Syjuco) who authorized the sale at \$30,000, which occurred the next day. Ubaldo apologized for the absence of his partner who could not meet me because he was involved in another weapons deal.

8. During the course of this investigation, defendants sold me the following weapons:

- a. One Safety Harbor Firearms, Inc .. 50 caliber sniper rifle;
- b. One H&R Arms Co. M14 7.62mm assault rifle;
- c. One Single-shot grenade launcher;
- d. One M224 60mm mortar launcher;
- e. One rocket propelled grenade (RPG-7) launcher;
- f. One automatic AK-47 rifle, with serial number;
- g. Nine M203 40mm grenade launcher rounds;
- h. Two M224 60mm lightweight mortar launcher rounds;
- i. Two MK2 fragmentation grenades;
- j. Three Level IV, military restricted ballistic body armor; and
- k. One Level III restricted ballistic body armor.

9. On February 22, 2011, I again mentioned to Ubaldo that I planned on importing the weapons into the United States for use by a Mexican drug cartel. I asked Ubaldo if he could help me smuggle the weapons out of the Philippines and into the United States. Ubaldo told me that he had knew a corrupt Filipino customs official who could facilitate the smuggling.

10. On February 23, 2011, I met Syjuco and Ubaldo at the Heritage Hotel in Manila. Syjuco bragged that he had many weapons suppliers and could provide me M16s, AK47s, M82s, RPGs, grenades, and claymore mines. On February 25, 2011, Syjuco provided me a fully automatic M14EBR for \$9,800. Syjuco assured me that the corrupt customs official was reliable and would get the shipment to the United States. The remaining items listed in para. 8 (c) - (k) were subsequently obtained during a trip to the Philippines in May 2011.

11. On May 9, 2011, I met Syjuco, Ubaldo and Revereza at Nihonbashi Restaurant, where I again told the defendants that I needed to ship the weapons into the United States. Later that night Revereza introduced to me two additional Filipino customs officials, whom he described as "his people" who would help him smuggle the weapons. Revereza initially agreed to a bribe of \$4,000. He later contacted me to demand more money. We agreed to a bribe payment at \$8,400. I made the final payment to Revereza after he confirmed the container was on the vessel.

12. On May 12, 2011, in a hotel room in Manila, Syjuco and his driver helped pack all the weapons and explosives that I had purchased from defendants, plus the 12 M4 Bushmaster rifles that I previously purchased from a different arms dealer, into a shipping container for shipment to the United States. A video recording was taken that showed Syjuco demonstrating how to

assemble and disassemble the mortar launcher. Revereza confirmed that hiding the weapons under furniture would help secure their being successfully smuggled into the United States.

13. There were a total of three undercover meetings that occurred at Area 51 KTV Bar in Manila. Only two of those meetings occurred before the weapons were shipped to the United States. The dates of those meetings that occurred before the weapons shipment were: November 16, 2010, and February 22, 2011 at Area 51. The third and last meeting that occurred at Area 51 was on September 24, 2011, which was after the weapons shipment.

14. There were a total of three undercover meetings that occurred at Air Force One KTV Bar in Manila. Only one of those meetings occurred before the weapons that defendants provided were shipped. That meeting date was May 9, 2011. Two meetings took place after the defendants shipped the weapons to the United States, on May 17, 2011, and September 26, 2011.

15. The meetings that occurred after the weapons that I had bought from the defendants were shipped to the United States were for the supposed purpose of setting up a larger arms deal that including the defendants flying to the United States to meet drug cartel members.

16. There were no other meetings with defendants at either Area 51 or Air Force One after September 26, 2011.

17. Air Force One is a high-end nightclub and KTV bar, or Karaoke TV bar. Defendant Cesar Ubaldo told me that he was friends with one of the managers at Air Force One and it was Ubaldo who first suggested meeting at Air Force One. When meeting the defendants at Air Force One, Ubaldo arranged and reserved the karaoke room that we met in.

18. Area 51 is a nightclub and KTV bar. It is not as prestigious as Air Force One, and is more like an American strip club.

19. In each of the undercover meetings with defendants, regardless of where they occurred, I paid the bill as part of my persona as a buyer of expensive, illegal weapons for drug dealers.

20. Each time I met with any of the defendants at Area 51 or Air Force One, I was provided a surveillance or "cover" teams whose purpose was to provide security for the law enforcement operation. There was an "inside" cover team, who positioned near me inside the KTV bar, and an "outside" team that maintained surveillance on the outside of the KTV bar. The inside cover teams were in close proximity to the me and the defendants during my meetings with the defendants.

21. All members of the cover team were dressed in civilian clothes, and also worked in an undercover capacity.

22. Each time an undercover meeting occurred, members of the cover team included FBI agents and National Bureau of Investigation (NBI) agents. I know that the NBI is the national federal investigation body for The Republic of the Philippines.

23. Each time an undercover meeting occurred at a KTV bar, an Assistant Legal Attaché to the Republic of the Philippines was part of the inside cover team.
24. Managers at Area 51 and Air Force One required customers to buy food and drinks for hostess girls, who were employees of the KTV bar. It was expected that, as a customer, you would allow one or several hostesses to sit at your table or near you at the bar. The management at Area 51 required each customer to have at least one hostess sit near them. As a purported customer, I was charged inflated prices for the hostesses' food and drinks, and for the time that the hostesses spent sitting near me.
25. Each time an undercover meeting occurred with the defendants at either Area 51 or Air Force One, we would meet in private rooms were called "Karaoke rooms." There were no beds in any of these rooms. An extra fee was charged by the managers of the KTV bars for use of the rooms. In the persona of an arms-buyer, I wanted defendants to believe that I represented wealthy drug dealers and that I had ready cash to finance the arms dealing.
26. As a seemingly wealthy patron of Area 51 and Air Force One, the managers of those clubs plied me with female employees who would sit with us. In fact, when you wanted to have a conversation outside the presence of any of the female employees, you had a pay a fee so that she would leave.
27. At the end of the evening, the manager of the club would present me with a bill that included all costs for everyone in the room. The bills were not itemized. In keeping with my persona as a businessman, I would dispute the bill loudly, but make sure that, at the end, the defendants understood that I paid the entire bill, in cash.
28. At no time did I pay to have sex with any employee of either Area 51 or Air Force One. At no time was I alone with any female employee of Area 51 or Air Force One. At no time did I leave the club in the company of a woman, nor was alone with a woman in a private room. Nor was the CS, who was present during every meeting with the defendants that occurred at Area 51 and Air Force One, ever alone with any female employee of the clubs. I never saw any defendant engage in any sexual act. I was never told by any manager that the bill included prostitution, nor did I ever see prostitution, in any term, listed on any bill.
29. In none of the undercover visits I made to Area 51, did I ever meet anyone who identified herself by the name "Natasha."
30. At no time did I ever force any female employee of any nightclub to drink shots of alcohol. Nor did I ever berate or belittle any female employee of the nightclub.
31. At no time did I ask any employee of any nightclub to buy guns on my behalf or to sell me guns. Such a request would be counter to my persona of a well-connected arms buyer.
32. The last undercover meeting at Area 51 took place on the night of September 24, 2011. At no time did I observe any women dancing or working as hostesses who appeared to be underage.

DATED: October, 2012.

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OCT 5, 2012

Special Agent, Federal Bureau of Investigation