

Office of the Special Narcotics Prosecutor for the City of New York

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Sophisticated Traffickers Smuggled Narcotics to New York City via U.S. Postal Service

BRIDGET G. BRENNAN, New York City's Special Narcotics Prosecutor, JAMES J. HUNT, Acting Special Agent in Charge of the Drug Enforcement Administration's New York Division (DEA), New York City Police Commissioner WILLIAM J. BRATTON, New York State Police Superintendent JOSEPH A. D'AMICO, JAMES T. HAYES Jr., Special Agent in Charge of U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) New York, and PHILIP R. BARTLETT, Inspector in Charge of the U.S. Postal Inspection Service announced today the indictment and arrests of the leader and four members of a sophisticated criminal organization that trafficked in large quantities of cocaine and oxycodone. The group smuggled cocaine from Puerto Rico to New York City via the U.S. Postal Service.

Court authorized searches were conducted at two Bronx day care centers during the course of the investigation – one today and another in September, 2013. The long-term wiretap investigation was conducted by the DEA's New York Organized Crime Drug Enforcement Strike Force and the U.S. Postal Inspection Service.

This morning, ring leader JUAN VALDEZ was arrested at a family member's home at 308 East 184th Street, Bronx, NY, which houses a day care center called Sweet Home. Approximately \$7,500 cash was seized from a bedroom in the residence where VALDEZ was staying. An indictment filed by the Office of the Special Narcotics Prosecutor charges VALDEZ with conspiracy, the possession and sale of controlled substances, weapons possession, money laundering, and other crimes. Also arrested today were JUAN BERNAL and ADA PADILLA.

On September 11, 2013, agents and detectives searched 1499 Rosedale Avenue in the Bronx, the residence of GREGORIO HANLEY and his wife JOHANNA VASQUEZ, which housed the day care center Fun World Childcare. The investigation revealed that Fun World Childcare served as a cover for the drug organization. Agents and detectives seized narcotics and cash from the location. HANLEY and VASQUEZ were arrested and charged at that time. Today's indictment supersedes these charges and adds charges against the three defendants arrested today.

The wiretap investigation revealed that VALDEZ oversaw the day to day activities of the lucrative narcotics operation based in New York City and Puerto Rico, with assistance from BERNAL and HANLEY. As charged in the indictment, VALDEZ, BERNAL and HANLEY together conspired to possess and sell cocaine and oxycodone. During the investigation, VALDEZ frequently travelled between New York City and Puerto Rico.

VALDEZ employed a circle of individuals, who assisted him in the criminal scheme. Couriers travelled by plane from JFK Airport in New York to San Juan, carrying suitcases full of cash to pay for narcotics. BERNAL, a professional livery cab driver, coordinated shipments of cocaine, drove couriers to and from the airport, and transported narcotics and drug proceeds. He served as a liaison between VALDEZ's drug business associates in New York City and Puerto Rico. Since 2009, the U.S. Postal Inspection Service has seized packages containing 23 kilograms of cocaine (over 50 lbs.) worth approximately \$1.4 million linked to VALDEZ's organization.

Charges in the current indictment relate to nearly \$300,000 in narcotics seized from the drug ring since August 2013, including 4 kilograms of cocaine (nearly 9 lbs.) and 1,000 pills of oxycodone. Authorities also recovered approximately \$400,000 in criminal proceeds and a firearm during the course of the investigation.

The investigation was led by the DEA's New York Organized Crime Drug Enforcement Strike Force and the U.S. Postal Inspection Service. The DEA's New York Organized Crime Drug Enforcement Strike Force is comprised of agents and officers of the U. S. Drug Enforcement Administration, the New York City Police Department, U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI), the New York State Police, the U. S. Internal Revenue Service Criminal Investigation Division, the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Secret Service, the U.S. Marshal Service, New York National Guard, Office of Foreign Asset Control and the New York Department of Taxation and Finance. The Strike Force is partially funded by the New York/New Jersey High Intensity Drug Trafficking Area (HIDTA).

Cocaine Smuggled via U.S. Mail in SpongeBob Bedding

Packages of cocaine were sent via the U.S. Postal Service from San Juan to individuals in New York City. The narcotics were sometimes concealed in items designed for children. Investigators believe VALDEZ's group smuggled between 5 and 10 kilograms of cocaine into New York City each month, with each kilogram carrying an estimated street value of \$60,000. VALDEZ's home at 377 North Broadway in Yonkers, N.Y. served as one of several stash locations used by the drug ring.

ADA PADILLA was allegedly hired by VALDEZ to receive narcotics at her Bronx home. The indictment charges a conspiracy that spans four months from August 19, 2013 to December 10, 2013 and details events leading up to the seizure of a shipment of cocaine by U.S. Postal inspectors on December 3. This package was addressed to PADILLA.

In setting up the shipment, VALDEZ sent a text on November 26 that contained the name "Ada Padilla," followed by a Bronx address. That day a package was sent express mail via the U.S. Postal Service to PADILLA at 675 East 140th St., Apt. 1CC in the Bronx. Upon seizing the package on December 3, 2013, U.S. Postal inspectors discovered a kilogram of cocaine (over 2 lbs.) wrapped in SpongeBob SquarePants bedding.

Search of Stash Locations: Fun World Childcare, September 2013

HANLEY is alleged to have served as a top manager and distributor, and helped oversee the New York City end of the organization when VALDEZ was travelling. Until September 2013, VALDEZ and HANLEY used HANLEY's home at 1499 Rosedale Avenue in the Bronx as a stash location for narcotics and cash. Fun World Childcare, which was housed in the residence, was operated by and licensed to HANLEY's wife JOHANNA VASQUEZ. Over the course of the investigation, law enforcement agents and detectives observed HANLEY selling narcotics at the residence on numerous occasions.

On September 11, 2013, agents and detectives with the DEA's Strike Force conducted a court authorized search of 1499 Rosedale Avenue and seized more than \$80,000 in narcotics, including a kilogram of cocaine (over 2 lbs.) and approximately 1,000 pills of oxycodone, as well as \$15,250 cash.

During the search, agents and officers found that Fun World Childcare adjoined a residential area on the main floor of the house occupied by HANLEY, VASQUEZ and their two young sons. Inside a kitchen cabinet in the residential area occupied by HANLEY and VASQUEZ, agents and detectives found \$15,250 cash.

A door from the main apartment led down to a basement apartment, where agents and officers found more than \$80,000 in narcotics, including a kilogram of cocaine (over 2 lbs.), approximately 1,000 pills of oxycodone and 150 grams of crack-cocaine, as well as drug packaging materials and paraphernalia. Approximately 300 grams of the cocaine was concealed inside a child's insulated lunch bag hidden in a refrigerator. This basement apartment opened onto an outdoor play yard connected to the childcare center.

At the time of his arrest, HANLEY possessed keys to a second location across the street, 1502 Rosedale Avenue, which also served as a stash house for VALDEZ's drug organization. In a court authorized search, agents and officers uncovered a hidden compartment in a TV stand, which contained \$158,000 in cash, a loaded 9mm handgun, drug packaging materials and a money counter.

On December 9, 2013, agents and detectives conducted a court authorized search of BERNAL's residence at 430 Bolton Avenue in the Bronx and seized approximately \$26,500 in alleged drug proceeds.

VALDEZ, BERNAL and PADILLA are expected to be arraigned this afternoon before Judge James Burke in Manhattan Supreme Court.

Special Narcotics Prosecutor BRIDGET G. BRENNAN said, "These arrests end a brazen conspiracy that pumped narcotics worth millions onto New York City's streets. Even after highly publicized arrests in September, the narcotics trafficking continued unabated. Tireless work by investigators tracked the organization leaders and resulted in arrests announced today."

DEA Acting Special Agent in Charge JAMES J. HUNT stated, "After last year's arrests of Hanley and Vasquez, New York City's drug law enforcement did not close the case file, but pursued the investigation that led to identifying the mastermind behind the conspiracy. Juan Valdez watched from afar as his co-conspirators got arrested and continued his illegal distribution not knowing law enforcement was on his tail. Today's announcement marks the final arrests of those who abused the rights of the children, parents and community members who paid for and deserved to attend a safe haven free from drug trafficking."

NYPD Commissioner WILLIAM J. BRATTON said, "Day care centers are considered safe houses not stash houses, which is what these drug dealers used to traffic and store illegal narcotics. Thanks to the efforts of the investigators in this case, the leaders of this sophisticated drug smuggling operation have been brought to justice."

“The arrests announced today are the result of the successful partnership with members of the New York Organized Crime Drug Enforcement Strike Force. It is through that partnership that we continue to hold accountable those who seek to profit from dealing illegal and dangerous drugs in our neighborhoods. In this particular case, dealers hid behind a child day care center to conduct their illegal activity proving the lengths at which they will go to peddle their products,” said New York State Police Superintendent JOSEPH A. D’AMICO.

“This organization reached an all-time low by using a day care center as a front to conceal their thriving drug dealing enterprise,” said JAMES T. HAYES JR., Special Agent in Charge of HSI New York. “The arrests today serve to make New York City safer for everyone.”

PHILIP R. BARTLETT, Inspector in Charge of the U.S. Postal Inspection Service, said, “The defendants’ use of the day care center to conceal their alleged criminal drug enterprise is despicable. They placed the health and safety of children enrolled at the center in jeopardy. The United States Postal Inspection Service has zero tolerance for this type of criminal conduct.”

DEFENDANTS	CHARGES
Juan Valdez, aka “Moreno” 337 North Broadway, Apt. 519 Yonkers, NY 01/05/69	Conspiracy 2 nd – 1 ct CSCS 1 st – 1 ct CSCS in or near School Grounds – 1 ct CPCS 1 st – 2 ct CPCS 3 rd – 4 ct Attempted CPCS 1 st – 1 ct Attempted CPCS 3 rd – 1 ct Criminal Possession of a Weapon 2 nd – 1 ct Money Laundering 2 nd – 1 ct Money Laundering 3 rd – 2 cts Criminally Using Drug Paraphernalia 2 nd – 3 cts
Juan Bernal, aka “98” 430 Bolton Ave., 2 nd Floor Bronx, NY 12/07/51	Conspiracy 2 nd – 1 ct CSCS 1 st – 1 ct CSCS in or near School Grounds – 1 ct CPCS 1 st – 2 ct CPCS 3 rd – 4 ct Attempted CPCS 1 st – 1 ct Attempted CPCS 3 rd – 1 ct Criminal Possession of a Weapon 2 nd – 1 ct Money Laundering 2 nd – 1 ct Money Laundering 3 rd – 2 cts Criminally Using Drug Paraphernalia 2 nd – 3 cts
Gregorio Hanley 1499 Rosedale Ave. Bronx, NY 08/06/1972	Conspiracy 2 nd – 1 ct CSCS 1 st – 1 ct CSCS in or near School Grounds – 1 ct CPCS 1 st – 1 ct CPCS 3 rd – 3 ct Criminal Possession of a Weapon 2 nd – 1 ct Money Laundering 2 nd – 1 ct Criminally Using Drug Paraphernalia 2 nd – 3 cts Endangering the Welfare of a Child – 1 ct Unlawful Dealing with a Child – 1 ct

Ada Padilla 675 E 140th St. Bronx, NY 09/04/63	Conspiracy 2 nd – 1 ct Attempted CPCS 1 st – 1 ct Attempted CPCS 3 rd – 1 ct
Johanna Vasquez 1499 Rosedale Ave. Bronx, NY 06/22/1982	Criminal Facilitation 2 nd – 1 ct Endangering the Welfare of a Child – 1 ct Unlawful Dealing with a Child 1st – 1 ct

The charges and allegations are merely accusations and the defendants are presumed innocent until proven guilty.