

International Narcotics Control Strategy Report -2003

Released by the Bureau for International Narcotics and Law Enforcement Affairs
March 2004

Law Enforcement Cases

Bulk Cash Smuggling: Seizure of \$1,103,125 Hidden in Porsche

In August 2002, the Mississippi Highway Patrol stopped a 2002 Porsche Boxster, with temporary Mexican registration, near Jackson, Mississippi. During questioning, occupants of the Porsche said that they crossed into the United States in the Porsche from Mexico several days before and were now on their way back to Mexico. The Highway Patrol requested and received permission from the driver to search the vehicle and discovered a compartment in the storage area located under the hood of the car containing stacks of U.S. currency wrapped in plastic and marked on the outside with a dollar amount. The Highway Patrol contacted the U. S. Customs Blue Lightning Operations Center in Gulfport, Mississippi, to request assistance with the follow on investigation.

A review of records through the Bureau of Immigration and Customs Enforcement (ICE) reveal that the Porsche under investigation had entered the United States at the Paso del Norte Bridge, El Paso, Texas, on August 11, 2002. Authorities found over \$1.1 million cash in the car when it was searched.

The driver, identified as Jorge Javier Magallanes-Villarreal, stated in an interview with ICE agents that he had turned the Porsche over to an individual in Mexico who kept the vehicle overnight. Magallanes-Villarreal told agents that he was aware that when he got the Porsche back from this individual, a hidden compartment had been installed and that it was loaded with some type of a controlled substance, although Magallanes-Villarreal stated that he did not know the nature of the substance. Magallanes-Villarreal reported that he then traveled to Burlington, North Carolina, and turned the Porsche over to two unknown Hispanic males who kept it for approximately three hours before returning it. Magallanes-Villarreal alleged to agents that he was aware that the vehicle contained currency when he got it back, however he said did not know the amount. Magallanes-Villarreal said that upon returning to Chihuahua, Mexico, he had been told to contact the person that loaded the controlled substance into the Porsche and make arrangements for the currency to be removed.

Magallanes-Villarreal was arrested by the Mississippi Highway Patrol for Conspiracy to Distribute a Controlled Substance. The Porsche and currency were placed into forfeiture proceedings under Mississippi state law. Following the prescribed notification period under state seizure law, both the vehicle and currency were forfeited. During this period, no claims were made against the property.

One day after the seizure in Mississippi, the El Paso County, Texas, Sheriff's Department stopped another 2002 black Porsche Boxster, with Mexican temporary registration. A search of the vehicle resulted in the seizure of 55.6 kilograms of cocaine. The driver of this vehicle told agents that another Porsche loaded with currency was due at any time to pass through El Paso and back into Mexico.

In October 2002, Magallanes-Villarreal was indicted in the Southern District of Mississippi on one count of money laundering and another count on the bulk cash smuggling provision of the USA PATRIOT Act. In November 2002, Magallanes-Villarreal pleaded guilty to bulk cash smuggling into or out of the United States and was later sentenced to a term of 42 months in Federal prison.

Attorney Receiving Drug Proceeds Through Trust Bank Accounts

Bureau of Immigration and Customs Enforcement (ICE) agents in New York questioned a Colombian national who was observed making suspicious cash deposits from a large handbag into numerous bank accounts. During the interview, the suspect told agents that the cash he had deposited was drug proceeds. Agents subsequently seized \$16,000. Money laundering records/bank deposit receipts reflected the movement of \$1.8 million by the suspect. Agents arrested the Colombian for violations of U.S. laws against money laundering. The investigation determined the suspect had deposited funds into numerous accounts including an attorney trust fund. The owner of the trust fund account was later identified as a prominent drug trafficking attorney. Agents subsequently seized several bank accounts associated with the money from the trust fund account.

BMPE: Life Insurance, Undercover Operation and International Cooperation

Operation Capstone exposed a sophisticated criminal scheme that targeted life insurance companies in the United States, the Isle of Man, and other locations where some \$80 million worth of Colombian drug proceeds have been laundered over the past few years. This two-year multinational investigation, involving the Bureau of Immigration and Customs Enforcement (ICE), the Isle of Man Customs and Excise Service, and Colombia's Departamento Administrativo de Seguridad (DAS), revealed that Colombian drug trafficking organizations, through a small number of insurance brokers, were purchasing investment-grade life insurance policies in the United States, the Isle of Man, and other locations, with cartel associates as the beneficiaries. These policies were funded with tens of millions of dollars worth of drug proceeds sent (in the form of checks and wire transfers) to insurance companies by third parties around the globe. When a company receives payments for its products or services in the form of wire transfers, checks, or cash from random third parties who have no connection to the transaction, it is a clear signal that money is being laundered by drug traffickers via the insidious Black Market Peso Exchange (BMPE).

Once an investment-grade life insurance policy is created, customers can over-fund the policy beyond its face value and make early withdrawals, an effective money laundering technique. Operation Capstone revealed that cartels were routinely liquidating their drug-financed life insurance policies after relatively short periods of time. Despite paying stiff financial penalties for early liquidation, the cartel beneficiaries would receive a check or wire transfer from the insurance company that, on its surface, appeared to be legitimate insurance investment proceeds. The cartels could then use these "clean" funds virtually unquestioned.

As of December 2003, Operation Capstone has resulted in numerous enforcement actions around the globe. ICE agents in Miami have seized approximately \$9.5 million, while a grand jury has indicted five Colombian nationals for laundering approximately \$2 million worth of drug proceeds through insurance companies. The Colombian DAS has seized roughly \$20 million worth of insurance policies, bonds, and cash, and arrested nine individuals. Panamanian authorities have frozen \$1.3 million in local accounts based on evidence uncovered in Colombia. The investigation is ongoing and authorities have identified more than 250 insurance policies that have been linked to drug proceeds.

Operation Capstone marks the first time that massive drug money laundering through the life insurance industry has been exposed, and demonstrates that insurance companies, like other financial institutions, are susceptible to abuse by criminal organizations. The investigation revealed that independent insurance sales brokers, operating internationally, had little or no training in anti-money laundering issues and were easily manipulated to place funds into nonbank financial institutions. "Know your customer" and "know your broker" regimes were not enforced. Insurance companies provided limited oversight over their many brokers and sub-brokers, and failed to recognize potential indicators of money laundering. The U.S. Treasury Department's

Financial Crimes Enforcement Network (FinCEN) has issued proposed rules that, for the first time, would require life insurers and annuity firms to establish anti-money laundering programs and to file suspicious activity reports to the U.S. government, reporting suspected instances of money laundering.

Political Corruption—Asset Identification, Seizure and Forfeiture

In May of 2002, the Bureau of Immigration and Customs Enforcement (ICE) in Miami initiated an investigation, based upon information obtained by the ICE Attaché Panama, to assist the Nicaraguan Government in identifying assets in the United States belonging to Byron Jerez Solis, former head of the Nicaraguan Direccion General de Ingresos (equivalent of the U.S. Internal Revenue Service). It was believed that more than \$100,000,000 was embezzled from the Nicaraguan government by Solis and others acting on orders of former Nicaraguan President Arnoldo Aleman.

Investigation showed the funds were wired to Panamanian banks from Nicaragua then wired to United States banks from Panama. Once in the United States, the money was used to purchase certificates of deposit, a three million dollar condominium, a three hundred thousand dollar beach house in Florida and a helicopter in Texas.

At the time of the request from the Nicaraguan government for assistance, Aleman was a member of the Nicaraguan Parliament and therefore was granted immunity from any criminal charges. In December of 2002, Aleman was stripped of his immunity and was indicted for money laundering, fraud, embezzlement, misappropriation of public funds and electoral violations. In December 2003, Arnoldo Aleman was convicted and sentenced to 20 years incarceration for the crimes on which he was charged. In addition, he was fined \$17,000,000, and according to the money laundering law that he was convicted under, he is required to pay twice the amount that he was found to have laundered.

As a result of this investigation, ICE in Miami seized and recovered \$5.6 million in assets in the United States on behalf of the Nicaragua Government.

Commodity Based Money Laundering Case—Operation Meltdown

In January 1999, Customs New York El Dorado Task Force (EDTF) received information that gold suppliers in the New York area were assisting drug traffickers in the laundering of drug money. According to the information, gold, disguised as various objects, would be purchased with drug proceeds and smuggled to Colombia. Once in Colombia the gold would be resold for cash, thus completing the laundering cycle. Follow up investigation revealed that numerous seizures of gold, in the form of tools, pellets, trailer hitches, auto parts, and other items being transported from the United States to Colombia by airline passengers were linked to narcotics proceeds. As a result of these findings, EDTF initiated Operation Meltdown, an undercover investigation targeting gold suppliers in the New York area.

During the course of the investigation, confidential sources of information and undercover agents delivered more than one million dollars in cash, purported to be narcotics proceeds, to several jewelry stores. In return for the cash, the undercover agents received either gold shot or gold disguised as machine parts and tools, which the suspects believed would be smuggled to Colombia.

In June 2003, New York agents assigned to EDTF conducted an enforcement action that included the arrests of 11 suspects for money laundering violations and the execution of eight search warrants. Statistics as of December 2003 included: 23 arrests, six guilty pleas, and the seizure of 140 kilograms of gold (valued at \$1.4 million), approximately

\$1.0 million in loose diamonds, molds that were used for the gold in the shape of cones, wrenches and screws, plus firearms and vehicles.

Narcotics Terrorism: Links to FARC

In October 2002, Bureau of Immigration and Customs Enforcement (ICE) agents arrested a Colombian national when he attempted to transport \$186,000 into the United States. The investigation revealed that he was an active money launderer affiliated with the Colombian Fuerzas Armadas Revolucionarias de Colombia (FARC) drug-terrorist group. Agents suspect he laundered in excess of \$100,000,000 for the FARC (designated by the United States as a foreign terrorist organization) in the United States. He was charged and subsequently convicted for failure to obtain a state money-transmitting license, in violation of U.S. law, and the funds were seized.

Illegal Money Transmitter Business

In 2002, FBI Salt Lake City initiated an investigation concerning an illegal money transmitting business in Utah run by Iraqi immigrants. The basis of this investigation was a tip received by law enforcement. Based on financial evidence developed during the investigation, three simultaneous search warrants were executed on October 16, 2002, at three locations for financial records and other documentation on the money remitter businesses. In addition, approximately \$19,000 was seized from seven bank accounts controlled by the subjects.

An analysis of the bank records and seized documents showed that the suspect and his associates had wired over four million dollars to Jordan from 1997 through 2002. Other funds were sent to Syria, Iran, Saudi Arabia, Chile and the Ukraine. Further analysis of these bank accounts showed the deposit of dozens of checks and cash belonging to over 500 individuals living in the United States.

The scheme involved a conspiracy to deposit money from expatriate Iraqis living in the United States, into the subjects' accounts, and then wire the money to Jordan. The funds were then primarily smuggled into Iraq, in violation of the embargo order, and provided to the designated beneficiary.

The primary subject was indicted on violations of Title 18 USC Section 1960 (Illegal money Transmitting Business). He entered a guilty plea and was sentenced in March 2003 to four months incarceration and fined \$10,000 dollars.

Terrorist Financing: Counterfeit Check Smuggling and Links to Chechen Terrorists

Bureau of Immigration and Customs Enforcement (ICE) agents initiated an investigation as the result of a seizure of \$12 million in counterfeit cashier's checks by ICE agents and Customs and Border Protection Inspectors. The primary violator was a naturalized U. S. citizen who resided in the United States. This individual was described as a proponent/advocate of Islam and Jihad and was affiliated with the designated terrorist group Riyadus-Salihan Reconnaissance and Sabotage Battalion of Chechen Martyrs. The investigation resulted in the execution of one Federal search warrant, two indictments and subsequent convictions for conspiracy to distribute and/or manufacture counterfeit securities, bank fraud and smuggling of merchandise into the United States. The investigation revealed that in the early to mid 1990's, the primary violator was involved in the recruitment and enlistment of individuals, as terrorists, to fight against Russian forces in Chechnya. Additionally, the investigation revealed that this individual helped raise funds for the Chechen rebels. ICE corroborated this allegation with the assistance of various foreign law enforcement agencies.

Terrorist Financing: Palestinian Islamic Jihad

The FBI-Tampa office initiated a long-term investigation against Sami Al-Arian and other members of the Palestinian Islamic Jihad (PIJ). PIJ was first declared a "specially designated Terrorist Organization" by the United States in January 1995. The investigation focused on Al-Arian and his associates' financial support of the PIJ from U.S.-based fund raising events from 1988 through 2002. In addition, the investigation sought to establish their culpability for the over 100 murders (including two U.S. citizens) conducted by this terrorist organization through violent acts in the Middle East.

The FBI's financial analysis of over 90 bank accounts held by Al-Arian and associates, evidence obtained via subpoena, search warrants, intelligence techniques and through witness interviews, pinpointed the U.S.-based funding mechanisms used by the PIJ to support the organization and its terrorist activities. PIJ financed the organization by obtaining funding from state sponsors (Iran, Sudan, Syria, Libya) through Iranian Embassy channels in the Middle East, including Damascus, Syria. Couriers sent the money to the West Bank and Gaza Occupied Territories. Funds were also sent to "straw" accounts set up in Arab Bank branches in West Bank and Gaza Occupied Territories.

In addition, money was raised in the U.S. through mosques and "front" companies controlled by PIJ operatives including suspicious charities. The collected funds were then sent to the Middle East through "straw" accounts and moneychangers. The funds were wire transferred from the PIJ leadership in Lebanon to operatives in the West Bank and Gaza Occupied Territories. The investigation also revealed that money was sent from U.S.-based PIJ members to the accounts of the PIJ family members of PIJ affiliated suicide bombers in the Middle East.

In February 2003, a Federal Grand Jury in the Middle District of Florida indicted Sami Al-Arian and seven co-defendants for alleged violations of the Racketeer Influenced and Corrupt Organizations Act (RICO) and for providing material support to a terrorist organization, among other violations.

In February 2003, the FBI in Tampa, Florida, and Chicago, Illinois, arrested Sami Al-Arian, Hatem Fariz, Sameeh Hammoudeh and Ghassan Ballout. In addition to the arrests, the FBI executed seven search warrants on the residences and businesses of Al-Arian and his associates. The remaining four defendants are currently fugitives in Syria, Lebanon, Gaza Strip and the United Kingdom.

A trial date of January 2005 was set for this case in Tampa, Florida. Al-Arian and Hammond were being detained pending trial, while Farris and Ballot were released after posting bonds.

Drugs, Money, and Terrorist Ties

Bureau of Immigration and Customs Enforcement (ICE) agents in New York initiated an investigation of a company suspected to be involved in the smuggling and distribution of pseudoephedrine. Additional information indicated that employees at the business were sending a large number of negotiable checks to Sanaa, Yemen. During the investigation, ICE agents conducted several wire intercepts on the targets' telephone lines, cellular telephones and fax machine. In December 2002, ICE agents, in coordination with other Federal, state and local officers, executed three federal search warrants in the New York area. Agents also arrested and indicted three suspects for violation of U.S. laws associated with failure to register as a money service business, and seized approximately \$60,000 in cash and checks, numerous documents, and a handgun. Additionally, agents seized a bank account containing approximately \$130,000, which was used to facilitate illegal wire transfers outside the United States. Analysis of the documents seized as a

result of the search warrants and bank records revealed that the suspects had transferred money via wire to an individual with suspected ties to the al-Qaida terrorist group.

Illegal Wire Remitter: Violation of Iraq Sanctions Regulations

Bureau of Immigration and Customs Enforcement (ICE) agents initiated an investigation of a Seattle-based money remitting company with approximately 30 remitting agents throughout the United States. The investigation revealed that remitting agents collected money and subsequently sent the funds to Iraq through Jordan and various other Middle Eastern countries. Some funds were used to purchase goods that were subsequently shipped to Iraq. Agents identified \$28 million, which was wired through numerous bank accounts. Agents identified approximately \$12 million that was illegally transferred to Iraq in violation of the U.S. International Emergency Economic Powers Act (IEEPA) regulations relating to Iraq sanctions. During the investigation, ICE agents conducted three wire intercepts, executed 36 search warrants, arrested six individuals, indicted 16 individuals and indicted three bank accounts.

Terrorist Financing: Mohammed Ali Hassan Al-Moayad

In December 2003, an influential Imam and political leader from Yemen, Mohammed Ali Hassan Al-Moayad, was indicted in the Eastern District of New York for providing, and conspiracy to provide, material support and resources to al-Qaida and Hamas, in violation of 18 U.S.C. 2339B. Al-Moayad's assistant, Mohammed Mohsen Yahya Zayed, was also indicted on the conspiracy charges. The defendants were extradited from Germany in November 2003, after a sting operation where they sought from a confidential informant a \$2 million donation to fund violent jihad. To establish his bona fides and to entice this donation, Al-Moayad explained to the donor that he (al Moayad) has strong connections to al-Qaida and Hamas, via a financing network that reaches into Brooklyn, and that prior to September 11, 2001, he (al Moayad) provided recruits and more than \$20 million to Usama bin Laden. A trial date for al Moayad and Zayed had not been set by the end of 2003.

Terrorist Financing: Virginia Charities

For more than two years, Federal law enforcement agents have been jointly investigating a group of individuals living in Northern Virginia, who operate over 100 different for-profit companies and ostensibly charitable organizations. The majority of these organizations, which appear to be educational and charitable organizations, are actually "paper" organizations that are registered at common addresses, but have no apparent physical presence. The individuals under investigation have moved or authorized the movement of millions of dollars in funds through a series of transactions that involve both the charities and the for-profit corporations they control.

The financial transactions include: contributions to the charities from the for-profit corporations, loans to for-profit corporations, contributions, loans and grants between charities, and the movement of funds from the charities into offshore trusts and other foreign entities. For example, of the \$54 million in grants and allocations reported between 1996 and 2000, almost half was transferred to entities in the Isle of Man, while \$20 million remained within accounts that belong to the charities. Almost \$8 million went to unidentified recipients. By exercising common control, those controlling the charities leverage the tax benefits of the movement of funds among tax-exempt and for-profit entities, without ever surrendering control of the funds. Although substantial funds are moved among various entities, the individuals under investigation maintain control over the funds, even as the group transfers those funds among entities with interlocking directorates, common officers, common physical locales, and centralized control. The

government maintains that absent any plausible legal explanation for these convoluted transactions, the transactions have been designed to prevent the United States from tracking the funds, in violation of the charter of the charitable organizations and the laws relating to charities and their tax exempt status.

Financial records obtained with legal process and judicially authorized searches of the premises of many of these organizations, leads the government to believe that these individuals are laundering money by transmitting funds internationally to promote violent crimes against foreign nations, in violation of 18 U.S.C. 1956, providing material support or resources to a foreign terrorist organization, in violation of 18 U.S.C. 2339B, and other crimes.

Other ongoing Federal investigations into the fundraising activities of the Palestinian Islamic Jihad and Hamas reveal that front organizations associated with these groups received funding from the Virginia charities. Investigators believe that the individuals in Virginia who are under investigation are conspiring to do the following: abuse the tax code's charitable exemption provisions; use their web of interlocking corporate entities to move funds so as to conceal the true nature, source, disposition and taxability of those funds; and misrepresent the nature of the relationships among the charities and the for-profit companies to avoid scrutiny of their financial transactions.

Soliman Biheiri, who ran an investment firm handling investments for one of the purported charities, was charged with unlawful procurement of citizenship, making false statements and immigration related fraud, in violation of 18 U.S.C. 1425(a), 1001, and 1015(a), on August 7, 2003. He was convicted in October 2003 and was scheduled to be sentenced in January 2004.

Terrorist Financing: Abdurahman Alamoudi

Abdurahman Alamoudi, a naturalized U.S. citizen and president of the American Muslim Council, was arrested in September 2003 upon his arrival in the United States from London. In August 2003 he was stopped in England with \$340,000 in U.S. currency in his suitcase on his way to Syria. At the time, Alamoudi claimed that the funds were payment to him by the Libyan government for his help in lifting U.S. sanctions and that he planned to deposit the money in a Saudi Arabian bank and bring it back to the U.S. in smaller increments so as to avoid detection by U.S. law enforcement.

In October 2003, Alamoudi was indicted for making false statements in violation of 18 U.S.C. 1001, conducting illegal transactions with the Libyan government in violation of 18 U.S.C. 2332d, violating the IEEPA in violation of 50 U.S.C. 1701, money laundering in violation of 18 U.S.C. 1956, structuring coin and currency transactions in violation of 31 U.S.C. 5324, passport misuse in violation of 18 U.S.C. 1544, U.S. naturalization fraud in violation of 18 U.S.C. 1425 and failure to report control over foreign bank accounts in violation of 31 U.S.C. 5322.

Terrorist Financing: Fundraiser Convicted

Enaam M. Arnaout, the director of Benevolence International Foundation, an Islamic charity in suburban Chicago, was charged with funneling money to a terror network and other violent groups in late 2002. The indictment described a multi-national criminal enterprise that over many years fraudulently used charitable contributions from Americans—Muslim, non-Muslim and corporations—to support al-Qaida, the Chechen mujahedin, and armed violence in Bosnia. Arnaout pleaded guilty in February 2003 to operating a charity as a Racketeer Influenced Corrupt Organization (RICO) enterprise and failing to tell donors that their money was being used to support violent actions. In August 2003, the defendant was sentenced to more than 11 years imprisonment and to

pay restitution to the United Nations High Commission on Refugees in the amount of \$315,000.

Terrorist Financing: Ties with Internet Service Provider

In August 2003, Mousa Abu Marzook, his wife Nadia Marzook, and Bayan, Basman, Ghassan, Hazim and Ihsan Elashi (the Elashi brothers) and the INFOCOM Corporation were indicted in the Northern District of Texas. The Elashi brothers owned and operated INFOCOM, an Internet service provider and computer exporter, which shipped computers and computer components to Libya and Syria—countries designated as state sponsors of terrorism. Exports to those countries are strictly controlled. The defendants filed false Shipper's Export Declaration forms with the U.S. Department of Commerce, on which they either falsely identified the final destination or stated that no license was required for the shipments. In addition, the defendants filed false Shipper's Export Declaration forms for other shipments on which they undervalued the shipment to assist their customers in evading the duties imposed by the customers' country. The Elashi brothers have been charged with violations of the following: IEEPA, money laundering, and multiple counts of making false statements on Shipper's Export Declaration forms.

In the early 1990's INFOCOM received a significant investment from Mousa Abu Marzook, a leader of the political section of HAMAS and a relative of the Elashi brothers. In 1993, Marzook, and Bayan, Ghassan, and Basman Elashi attempted to conceal Marzook's involvement with INFOCOM by creating an agreement stating that his investment belonged to Nadia Marzook, his wife and a cousin of the Elashi brothers. The agreement called for periodic payments to Nadia as a return on the investment. In 1995 the United States designated Mousa Abu Marzook as a Specially Designated Terrorist, which precludes others from having financial dealings with Marzook. Nevertheless, the Elashi brothers continued to make periodic payments to Mousa Abu Marzook by disguising them as payments to Nadia. The resulting charges are for money laundering and violations of IEEPA. The trial is scheduled for May 2004.

Terrorist Financing: Kidnapping

On February 13, 1997, employees of Overnight Solutions were preparing a Venezuelan fishing camp for guests when seven hooded and armed suspects entered the camp and took control. One camp employee was forced to divulge details about the guests' planned arrival and the location of weapons. The following day, a plane carrying a U.S. citizen was allowed to land and was then taken by the defendants and was held hostage and flown from the site. During his nine months in captivity, he was controlled by armed men wearing *Fuerzas Armadas Revolucionarias de Colombia* (FARC) uniforms. FARC is a designated foreign terrorist organization. The hostage witnessed his captors murder two men who had provided assistance to the group. Subsequent negotiations with one of the defendants resulted in the payment of a \$1 million ransom on November 23, 1997, whereupon the American hostage was released.

On October 29, 2002, the defendants Jorge Briceno Suarez, Tomas Molina Caracas and a defendant whose alias was "El Loco" were indicted for: (1) conspiracy to commit hostage taking resulting in death (18 U.S.C. 1203(a)); (2) hostage taking resulting in death (18 U.S.C. 1203 (a)); (3) hostage taking (18 U.S.C. 1203); and (4) using a firearm during a crime of violence (18 U.S.C. 924(c)).

Terrorist Financing: Drugs for Weapons

In December 2002, four persons were indicted in the Southern District of Texas for a \$25 million drugs-for-weapons plot involving the United Self Defense Forces of Colombia (AUC). The defendants were charged with conspiring to provide material support or

resources to the foreign terrorist organization (FTO), in violation of 18 U.S.C. sec. 2339B, and a drug conspiracy, in violation of 21 U.S.C. secs. 841(a)(1), (b)(1)(A), and 846. Defendants Elkin Alberto Arroyave Ruiz (a.k.a. Commandante Napo) and Edgar Fernando Blanco Puerta (a.k.a. Commandante Emilio), both high-ranking members of the AUC, were arrested in a sting operation in Costa Rica. After being extradited to the United States, Arroyave Ruiz pled guilty to the material support conspiracy. In exchange, the drug charges against him were dropped. Blanco Puerta remained in Costa Rica, challenging extradition. Also indicted in December 2002, were two brokers in the United States, Carlos Ali Romero Varela and Uwe Jensen. They pled guilty to all charges in April 2003, and June 24, 2003, respectively. In addition, Adriana Gladys Mora was indicted on September 3, 2003, on material support and drug charges. She conspired to help arrange a related drug buy in the United States, to establish for the AUC the bona fides of defendant Varela.

Terrorist Financing: Cash and Material

In August 2002, Earnest James Ujaama was charged with providing material support to the Taliban in violation of 18 U.S.C. 2339 (A) and (B) but pled to conspiring with others to provide support, including money, computer software, technology and services to the Taliban and to persons in the territory of Afghanistan controlled by the Taliban. Following a plea agreement, Ujaama pled guilty to one count of conspiracy to violate the IEEPA and was sentenced in April 2003 to 24 months in prison.