

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Na. 10-1

*S31e - 6-0()drvi(2,11*

IN RE CRIMINAL COMPLAINT  
FOR ALVARO COBAR BUSTAMANTE,

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CRIMINAL COVER SHEET

1. Did this matter originate from a matter pending in the Northern Region of the United States Attorney's Office prior to October 14, 2003? Yes  No
2. Did this matter originate from a matter pending in the Central Region of the United States Attorney's Office prior to September 1, 2007<sup>9</sup> Yes  No

Respectfully submitted,

ARIANA FAJARDO ORSHAN  
UNITED STATES ATTORNEY

By:

  
WALTER M. NORKIN

Assistant United States Attorney  
Southern District of Florida  
Court ID No. A5502189  
99 Northeast 4th Street, 6th Floor  
Miami, Florida 33132-2111  
Telephone: (305) 961-9409  
[E-mail: walter.norkin@usdoj.gov](mailto:walter.norkin@usdoj.gov)

AO 91 (Rev. 08/09) Criminal Complaint

UNITED STATES DISTRICT COURT

for the  
Southern District of Florida

United States of America  
v.

ALVARO ESTUARDO COBAR BUSTAMANTE

Case No. - - 035 Ar'ockien24

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of January 2015 to the present date in the county of Miami-Dade in the Southern District of Florida and elsewhere, the defendant(s) violated:

*Code Section*  
Title 18 U.S.C. § 1656(h)

*Offense Description*  
The defendant, together with others, did knowingly and willfully combine, conspire, confederate and agree with other persons to conduct a financial transaction involving property represented to be the proceeds of specified unlawful activity, to wit: narcotics trafficking, with the intent to conceal and disguise the nature, location, source, ownership and control of property believed to be proceeds of specified unlawful activity, in violation of Title 18, United States Code, Sections 1956(h) and 1956(a)(3)(B)

This criminal complaint is based on these facts:

SEE ATTACHED AFFIDAVIT

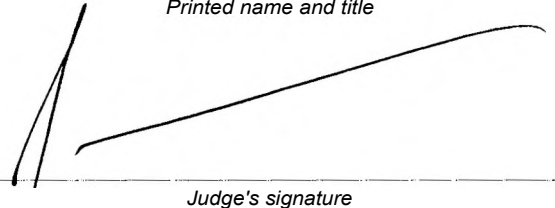
21 Continued on the attached sheet.

  
Complainant's signature

S.A. Paul West, Federal Bureau of Investigation  
Printed name and title

Sworn to before me and signed in my presence.

Date: 09/25/2019

  
Judge's signature

City and state: Miami, Florida

U.S. MAGISTRATE JUDGE JONATHAN GOODMAN  
Printed name and title

**AFFIDAVIT**

I, PAUL J. WEST, Special Agent with the Federal Bureau of Investigation (FBI), having been first duly sworn, do hereby depose and state as follows:

**INTRODUCTION**

1. I submit this application in furtherance of an investigation worked by FBI with the United States Drug Enforcement Administration (DEA).

2. As a Special Agent with FBI, I perform the duties provided by law and regulation, and I am empowered to conduct investigations of offenses against the United States.

3. I have been employed as a Special Agent with FBI since approximately January 2008. As a Special Agent, I am responsible for investigations of offenses under Titles 18 and 21 of the United States Code, including those that focus on unlawful money laundering and other financial crimes. I am currently assigned to a squad that is responsible for conducting investigations that target International Drug Trafficking Organizations. Since October of 2008, I have been working on federal narcotics investigations and have participated in several investigations which led to the arrest and conviction of narcotics distributors. Since 2008, I have received training and experience in interviewing and interrogation techniques, arrest procedures, search and seizure, narcotics, white collar crimes, search warrant applications, and various other crimes. In the course of my training and experience, I have become familiar with the methods and techniques associated with the manufacturing, importation, and distribution of narcotics, the laundering of drug proceeds, and the organization of drug conspiracies, as well as the methods in which the payment and laundering of illicit proceeds are conducted. In the course of conducting these investigations, I have been involved in the use of the following investigative techniques: interviewing informants and cooperating witnesses; conducting physical surveillance; supporting

and conducting undercover operations; consensual monitoring and recording of both telephonic and non-telephonic communications; analyzing telephone pen register and caller identification systems data; conducting court-authorized electronic surveillance; and preparing and executing search warrants that have led to the substantial seizures of narcotics, money, firearms, and other contraband.

4. This affidavit is made in support of a criminal complaint charging Alvaro Estuardo COBAR BUSTAMANTE (hereinafter "COBAR") with conspiracy to commit money laundering, in violation of Title 18, United States Code, Sections 1956(h) and 1956(a)(3)(B).

5. Although I am familiar with the full breadth of the facts and circumstances of this investigation, I have not included in the affidavit each and every fact known to me, but only those facts and circumstances that I believe are sufficient to establish probable cause.

6. The statements contained in this affidavit are based on my investigation, information provided by others, and on my experience and training as a federal agent and that of other agents participating in the investigation, including agents of the DEA.

## PROBABLE CAUSE

### **I. Background of the Investigation**

7. In 2013, the FBI and DEA were investigating multiple Drug Trafficking Organizations (DTOs) entrenched in Guatemala. Guatemala is a strategically important country for large-scale DTOs because it is a trans-shipment point for a cocaine trafficking pipeline that goes from Colombia to Mexico, before branching off to various locations within the United States. Cocaine that originates in Colombia is often transported to Guatemala before it is re-sold or moved further north into Mexico, where cartels are charged with importing the cocaine into the U.S. Thus, Colombian and Mexican organizations, hoping to minimize exposure to U.S. law enforcement,

buy and sell multi-ton quantities of cocaine in Guatemala and this, in turn, creates a market place of opportunities for Guatemalan DTOs, who act as middle-men receiving and re-selling multi-ton quantities of cocaine.

8. Through my experience, I have learned the corruption of local and federal public officials is paramount to the success of international DTOs operating in Mexico, Central America, or South America. DTOs utilize bribery to detect and ultimately disrupt government operations targeting the DTO. Elected representatives throughout Central and South America control the appointment of key law enforcement officers who are responsible for enforcing the rule of law in rural territories coveted by DTOs smuggling contraband. DTOs are motivated to support electoral campaigns to ensure corruptible officials are gainfully employed throughout these territories. To that end, the aforementioned Guatemalan DTOs maintained control of smuggling routes by, among other things, routinely paying bribes to politicians and government officials on a local, state, and federal level. As a result, Guatemalan law enforcement did not interfere with on-going smuggling operations. These bribe payments extended to political candidates favored to gain election.

9. In addition to political corruption, the business community plays a role in either helping or preventing narcotics trafficking. As cocaine trafficking is a profit-driven crime, it is of supreme importance for DTOs to have the ability to move and launder money, both to reap the profits of their unlawful endeavors and to keep their criminal activities going. While the movement of money and money laundering can be achieved through unsophisticated means, the most successful DTOs find ways to enlist legitimate or seemingly legitimate businesses into their schemes. Banks in particular are prized targets of DTOs and the ability to move or launder money through a banking institution represents not only an achievement for a DTO but the pinnacle of

bad confluences — drug trafficking, corruption and bank involvement — that can seriously plague a country otherwise battling narcotics trafficking.

**II. The Identification and Investigation of COBAR as a Money Launderer for Narcotics Traffickers**

**A. COBAR's Prior Money Laundering Activities**

10. During the course of the investigation, agents debriefed a cooperating witness (hereinafter "CW1"), who has pled guilty to narcotics trafficking and is cooperating in the hopes of receiving a more lenient sentence. CW1 stated, in sum and substance, that CW1 knew COBAR to be a money launderer. More specifically, CW1 explained that after CW1 and COBAR became friends socially and COBAR learned that CW1 had a lot of friends in the narcotics business (and presumed, correctly, that CW1 was also a narcotics trafficker), COBAR confided to CW1 that COBAR could assist CW1 with clandestine money transactions. COBAR stated, in sum and substance, that he could buy and sell U.S. currency, set up credit cards with large prepaid limits, issue bank checks that did not name CW1, and move money through "mirror transactions" between Guatemala, Panama, Colombia, and Mexico.<sup>1</sup>

11. CW1 stated that, between 2015 and 2016, CW1 conducted multiple transactions with COBAR where CW1 provided U.S. dollars to COBAR and had him convert the money to a local currency or bank checks. CW1 added that each transaction was between approximately \$100,000 to \$200,000, that each transaction involved money that was the proceeds of narcotics transactions, and that CW1 needed the U.S. currency clandestinely turned into local currency so

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<sup>1</sup> Based on my training, experience and knowledge of this investigation, I know that a "Mirror Exchange" is a form of black market currency transaction that takes place outside the ambit of banking institutions. In a mirror exchange, currency is delivered to an individual in one country and currency of an equal value is issued to an individual in a different country. The currency that is originally delivered does not actually move countries but is instead exchanged through an agreement between individuals who are part of the same underground money movement network.

















