

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

Sealed
UNSEALED
PER ORDER
5/23/08
UNITED STATES COURTS
SOUTHERN DISTRICT OF TEXAS
FILED

UNITED STATES OF AMERICA

v.

ALEJANDRO FLORES-CACHO
aka Alejandro Bolanos-Cacho
JORGE GUSTAVO AREVALO-KESSLER
RICHARD GARCIA-SANCHEZ

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Criminal Number

JUN 28 2007

Michael N. Milby, Clerk of Court

H 07 - 272

INDICTMENT

INTRODUCTION

THE GRAND JURY CHARGES THAT:

AT ALL TIMES MATERIAL TO THIS INDICTMENT:

1. **ALEJANDRO FLORES-CACHO** aka Alejandro Bolanos-Cacho, controlled a cocaine and money laundering organization throughout Mexico, Venezuela and the United States, including Houston, Texas, Santa Ana, California, Winston-Salem, North Carolina, Ft. Lauderdale, Florida, Atlanta, Georgia, New Orleans, Louisiana, Yankton, South Dakota and Tulsa, Oklahoma, which warehoused, transported, and distributed multi-kilogram quantities of cocaine and laundered the proceeds therefrom.

2. **JORGE GUSTAVO AREVALO-KESSLER** is a pilot who orchestrated the collection and transportation of drug proceeds for the **ALEJANDRO FLORES-CACHO** drug trafficking organization and used the drug proceeds to purchase and maintain aircraft used to transport cocaine and drug proceeds of the organization.

3. **RICHARD GARCIA-SANCHEZ** is a pilot who orchestrated the collection and transportation of drug proceeds for the ALEJANDRO FLORES-CACHO drug trafficking organization and used the drug proceeds to purchase and maintain aircraft used to transport cocaine and drug proceeds of the organization. In addition, RICHARD GARCIA-SANCHEZ controlled the everyday operations for the organization at the behest of ALEJANDRO FLORES-CACHO in Mexico.

COUNT ONE

CONSPIRACY TO LAUNDER MONETARY INSTRUMENTS

From in or about September of 2002 and continuously thereafter, up to and including the date of this indictment, in the Southern District of Texas, and elsewhere, and within the jurisdiction of this Court,

ALEJANDRO FLORES-CACHO
aka Alejandro Bolanos-Cacho

JORGE GUSTAVO AREVALO-KESSLER

RICHARD GARCIA-SANCHEZ

defendants herein, did knowingly and intentionally agree, combine, conspire and confederate with each other and others known and unknown to the Grand Jury, to commit the following offenses against the United States in violation of Title 18, United States Code, Section 1956(h), to wit:

1. To knowingly conduct and cause to be conducted a financial transaction affecting interstate and foreign commerce, that is, the transfer of United States currency which represents the proceeds of a specified unlawful activity, namely, the distribution

of a controlled substance in violation of Title 21, United States Code, Sections 841 and 846, with the intent to promote the carrying on of said specified unlawful activity and knowing the funds represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Section 1956(a)(1)(A)(i)

2. To knowingly conduct and cause to be conducted a financial transaction affecting interstate and foreign commerce, that is, the transfer of United States currency which represents the proceeds of a specified unlawful activity, namely, the distribution of a controlled substance in violation of Title 21, United States Code, Sections 841 and 846, knowing that the transaction in whole or in part was designed to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity, knowing the funds represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

OVERT ACTS

In furtherance of the conspiracy described in count one and to effect the objects thereof, the defendants named therein and other persons both known and unknown to the Grand Jury, performed or caused the performance of the following Overt Acts, among others not described herein, in the Southern District of Texas and elsewhere:

1. The Grand Jury specifically realleges and adopts by reference each and every allegation contained in Counts 2, 3, 4 and 5.
2. On or about October 28, 2002, a Jet Commander Aircraft, bearing Tail Number N382AA, piloted by JORGE GUSTAVO AREVALO-KESSLER and containing drug

proceeds in the amount of Three Million One Hundred Fifty-one Thousand (\$3,151,000.00) Dollars in United States and Panamanian currency, landed at the Marcos A. Gelabert Airport in Panama City, Panama.

3. On or about December 19, 2002, JORGE GUSTAVO AREVALO-KESSLER caused to be delivered \$79,700.00 to an individual in Houston, Texas.

4. On or about February 3, 2003, another person or persons known to the Grand Jury made a delivery of \$1,189,930.00 to an individual at the Louis Armstrong Airport located in New Orleans, Louisiana.

5. On or about March 24, 2003, another person or persons known to the Grand Jury delivered \$888,775.00 to an individual at the Smith Reynolds Airport located in Winston-Salem, North Carolina.

6. On or about March 24, 2003, another person or persons known to the Grand Jury delivered \$300,000.00 to and individual at the Smith Reynolds Airport located in Winston-Salem, North Carolina.

7. On or about May 7, 2003, another person or persons known to the Grand Jury delivered approximately \$50,020.00 to an individual in Tulsa, Oklahoma.

8. On or about April 17, 2003, another person or persons known to the Grand Jury delivered \$1,000,040.00 to an individual in Winston-Salem, North Carolina.

9. On or about June 26, 2003, another person or persons known to the Grand Jury delivered \$999,895.00 to an individual in Houston, Texas.

10. On or about July 2, 2003, another person or persons known to the Grand Jury delivered \$37,900.00 in Houston Texas.

11. On or about the week of July 20, 2003, RICHARD GARCIA-SANCHEZ instructed an individual to charter an aircraft from Ontario, California, to Grand Island, Nebraska.

COUNT TWO

On or about February 18, 2003, in the Southern District of Texas, and elsewhere, and within the jurisdiction of this Court,

ALEJANDRO FLORES-CACHO
aka Alejandro Bolanos-Cacho

JORGE GUSTAVO AREVALO-KESSLER

defendants herein, aided and abetted by each other and other persons known and unknown to the Grand Jury, did knowingly conduct or attempt to conduct a financial transaction affecting interstate and foreign commerce, that is, the deposit of United States currency into a financial institution which represented the proceeds of a specified unlawful activity, namely, the distribution of a controlled substance in violation of Title 21, United States Code, Sections 841 and 846 with intent to promote the carrying on of said specified unlawful activity and knowing that the transaction in whole or in part was designed to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is funds, amounting to approximately \$499,880.00 (FOUR HUNDRED NINETY NINE THOUSAND EIGHT HUNDRED EIGHTY DOLLARS) in United States currency, represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), (a)(1)(B)(i) and 2.

COUNT THREE

On or about February 22, 2003, in the Southern District of Texas, and elsewhere, and within the jurisdiction of this Court,

ALEJANDRO FLORES-CACHO
aka Alejandro Bolanos-Cacho

JORGE GUSTAVO AREVALO-KESSLER

defendants herein, aided and abetted by each other and other persons known and unknown to the Grand Jury, did knowingly conduct or attempt to conduct a financial transaction affecting interstate and foreign commerce, that is, the deposit of United States currency into a financial institution which represented the proceeds of a specified unlawful activity, namely, the distribution of a controlled substance in violation of Title 21, United States Code, Sections 841 and 846, with intent to promote the carrying on of said specified unlawful activity and knowing that the transaction in whole or in part was designed to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is funds, amounting to approximately \$500,020.00 (FIVE HUNDRED THOUSAND TWENTY DOLLARS) in United States currency, represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), (a)(1)(B)(i) and 2.

COUNT FOUR

On or about May 19, 2003, in the Southern District of Texas, and elsewhere, and within the jurisdiction of this Court,

ALEJANDRO FLORES-CACHO
aka Alejandro Bolanos-Cacho

defendant herein, aided and abetted by other persons known and unknown to the Grand Jury, did knowingly conduct or attempt to conduct a financial transaction affecting interstate and foreign commerce, that is, the deposit of United States currency into a financial institution which represented the proceeds of a specified unlawful activity, namely, the distribution of a controlled substance in violation of Title 21, United States Code, Sections 841 and 846 with intent to promote the carrying on of said specified unlawful activity and knowing that the transaction in whole or in part was designed to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is funds, amounting to approximately \$1,994,650.00 (ONE MILLION NINE HUNDRED NINETY FOUR THOUSAND SIX HUNDRED FIFTY DOLLARS) in United States currency, represented the proceeds of some form of unlawful activity. In violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), (a)(1)(B)(i) and 2.

COUNT FIVE

On or about August 4, 2003, in the Southern District of Texas, and elsewhere, and within the jurisdiction of this Court,

**ALEJANDRO FLORES-CACHO
aka Alejandro Bolanos-Cacho**

defendant herein, aided and abetted by other persons known and unknown to the Grand Jury, did knowingly conduct or attempt to conduct a financial transaction affecting interstate and foreign commerce, that is, the deposit of United States currency into a financial institution which represented the proceeds of a specified unlawful activity, namely, the distribution of a controlled substance in violation of Title 21, United States Code, Sections 841 and 846 with intent to promote the carrying on of said specified unlawful activity and knowing that the transaction in whole or in part was designed to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is funds, amounting to approximately \$997,910.00 (NINE HUNDRED NINETY SEVEN THOUSAND NINE HUNDRED TEN DOLLARS) in United States currency, represented the proceeds of some form of unlawful activity.

In violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), (a)(1)(B)(i) and 2.

COUNT SIX

DRUG CONSPIRACY

From in or about September of 2002 and continuously thereafter, up to and including the date of this indictment, in the Southern District of Texas, and elsewhere, and within the jurisdiction of this Court,

ALEJANDRO FLORES-CACHO
aka Alejandro Bolanos-Cacho

JORGE GUSTAVO AREVALO-KESSLER

RICHARD GARCIA-SANCHEZ

defendants herein, did unlawfully, knowingly and intentionally agree, combine, conspire and confederate with each other, and with others known and unknown to the Grand Jury, to commit an offense defined in Title 21, United States Code, Sections 841, namely, to possess with intent to distribute a controlled substance. The overall scope of the conspiracy involved five (5) kilograms or more of a mixture or substance containing a detectable amount of cocaine, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 846, 841(a)(1) and (b)(1)(A).

NOTICE OF CRIMINAL FORFEITURE

(Title 18, United States Code, Section 982)

Pursuant to Title 18, United States Code, Section 982, as a result of the commission of a violations charged in Counts One through SIX of the Indictment, the defendants

ALEJANDRO FLORES-CACHO

aka Alejandro Bolanos-Cacho

JORGE GUSTAVO AREVALO-KESSLER

RICHARD GARCIA-SANCHEZ

are provided notice that upon conviction, the United States intends to forfeit all property, real and personal, involved in the offense and all property traceable to such property, including, but not limited to, the following property:

Approximately \$ 10,000,000.00 in United States dollars.

NOTICE OF CRIMINAL FORFEITURE

(Title 21, United States Code, Section 853)

Pursuant to Title 21, United States Code, Section 853, as a result of the commission of the conspiracy charged in Count Twelve, the defendants

ALEJANDRO FLORES-CACHO

aka Alejandro Bolanos-Cacho

JORGE GUSTAVO AREVALO-KESSLER

RICHARD GARCIA-SANCHEZ

are provided notice that upon conviction, the United States intends to forfeit-

(1) any property constituting, or derived from, any proceeds obtained, directly or indirectly, as the result of such violation; and

(2) any property used or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violations, including, but not limited to, the following property:

Approximately \$ \$10,000,000.00 in United States dollars.

SUBSTITUTE ASSETS

In the event that the property which is subject to forfeiture to the United States, as a result of any act or omission of any of the defendants:

- (1) cannot be located upon exercise of due diligence;
- (2) has been placed beyond the jurisdiction of the Court;
- (3) has been transferred or sold to, or deposited with a third party;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be divided without difficulty;

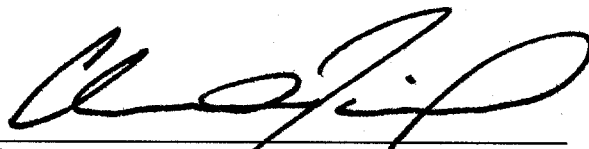
it is the intent of the United States to seek forfeiture of any other property of the defendant up to the value of such property, pursuant to 21 U.S.C. §853(p), and Title 18, United States Code, Section 982(b)(1) incorporating Title 21, United States Code, Section 853(p).

A TRUE BILL. 7 11

Original Signature on File

DONALD J. DeGABRIELLE, Jr.
United States Attorney

By:



CLAUDE HIPPARD
Assistant United States Attorney