



***United States Attorney
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**INTERNATIONAL MONEY LAUNDERERS EXTRADITED FROM COLOMBIA
SENTENCED TO 98 MONTHS' IMPRISONMENT IN
MANHATTAN FEDERAL COURT**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York announced that on Friday, August 11, 2006, United States District Judge HAROLD BAER, JR., sentenced NICOLAS OTALVARO-ORTIZ and his brother GABRIEL OTALVARO-ORTIZ each to 98 months' imprisonment in connection with their guilty pleas in "Operation White Dollar," an international money-laundering case that targeted the Colombian Black Market Peso Exchange ("BMPE"). Operation White Dollar led to the indictment of 34 defendants in the United States, Canada, and Colombia on money-laundering charges, and the forfeiture of more than \$20 million in Colombian drug proceeds from bank accounts around the world. The OTALVARO-ORTIZ brothers were extradited from Colombia to the United States in 2005, and pleaded guilty to money-laundering charges in March 2006.

The BMPE is an informal currency exchange system in which one or more "peso brokers" serve as middle-men between narcotics traffickers who control massive quantities of drug money in cash in the United States and companies and individuals in Colombia who wish to purchase U.S. dollars outside the legitimate Colombian banking system so that they can, among other things, avoid the payment of taxes, import duties and transaction fees owed to the Colombian government.

Operation White Dollar was an Organized Crime Drug Enforcement Task Force (OCDEF) investigation involving the United States Attorney's Office for the Southern District of New York, the Drug Enforcement Administration (DEA), the New York Police Department, the Internal Revenue Service (IRS), the Office of the Special Narcotics Prosecutor for the City of New York, and the Manhattan District Attorney's Office, as well as the United Kingdom's National Crime Squad, the Royal Canadian Mounted Police ("RCMP"), and the Colombian Departamento Administrativo De Seguridad ("DAS"). These agencies collectively targeted the BMPE

system from top to bottom, from the peso brokers dealing directly with narcotics traffickers right down to the Colombian companies and individuals facilitating the system by purchasing the drug dollars.

At their sentencings, United States District Judge HAROLD BAER, JR. found, among other things, that NICOLAS and GABRIEL OTALVAR-ORTIZ laundered between \$400,000 and \$1,000,000 in Colombia drug money, and that they knew or believed that the funds they were transferring constituted the proceeds of narcotics trafficking.

Mr. GARCIA praised the investigative efforts of the DEA, the NYPD, the IRS, the Office of the Special Narcotics Prosecutor for the City of New York, the Manhattan District Attorney's Office, OCDETF, the DAS, the RCMP, and the National Crime Squad.

Operation White Dollar is being prosecuted by the Office's International Narcotics Trafficking Unit. Assistant United States Attorneys BOYD M. JOHNSON III and KEVIN R. PUVALOWSKI are in charge of the prosecution.

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