



*United States Attorney
Southern District of New York*

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**MANHATTAN U.S. ATTORNEY ANNOUNCES
EXTRADITION FROM COLOMBIA OF PRINCIPAL OF INTERNATIONAL
MONEY LAUNDERING ORGANIZATION**

PREET BHARARA, the United States Attorney for the Southern District of New York, JOHN P. GILBRIDE, the Special Agent-In-Charge of the New York Field Division of the Drug Enforcement Administration ("DEA"), RAYMOND W. KELLY, the Police Commissioner of the City of New York, and JOHN MELVILLE, the Acting Superintendent of the New York State Police ("NYSP"), today announced the extradition from Colombia of MARGARITA LEONOR PABON CASTRO, 36, on charges relating to her role in a conspiracy to launder millions of dollars worth of narcotics proceeds through Colombian marketing giant D.M.G. Group ("DMG"). PABON CASTRO arrived in New York late yesterday and is expected to be presented before U.S. Magistrate Judge JAMES C. FRANCIS IV in Manhattan federal court today.

According to the Superseding Indictment filed in Manhattan federal court:

The DMG Organization

DAVID EDUARDO HELMUT MURCIA GUZMÁN, 28, created DMG (named after MURCIA GUZMÁN's own initials) in 2003 as a vehicle for a multi-level marketing scheme, through which customers could buy pre-paid debit cards. DMG sold these pre-paid debit cards to customers in Latin America, who could use them to purchase electronics and other items at retail stores operated by DMG. By 2008, DMG's customers numbered approximately 400,000. By January 2009, DMG ceased operation.

PABON CASTRO, a personal friend of MURCIA GUZMÁN, was the legal advisor to DMG and sat on the board of several DMG Group companies. PABON CASTRO also assisted in accounting matters for DMG and in hiding information from Colombia's Superintendencia de Sociedades, an agency responsible for the regulation of corporations. In addition, PABON CASTRO assisted MURCIA GUZMÁN and others in establishing hundreds of subsidiary and affiliated companies linked to DMG in countries including Colombia, Panama, and the United States.

The Money Laundering Conspiracy

PABON CASTRO and six others are charged with laundering narcotics proceeds through DMG and DMG's affiliated companies, using the Colombian Black Market Peso Exchange, an informal value transfer system commonly used to launder illicitly-obtained dollars in the United States, in exchange for pesos taken in for "legitimate" purchases in Colombia. For example, in the fall of 2007, MURCIA GUZMÁN and PABON CASTRO, approached another individual in Colombia and said that they had cash -- apparently in U.S. dollars -- that they could not deposit into the Colombian banking system. MURCIA GUZMÁN and PABON CASTRO asked the individual to set up an account in the United States where these funds could be deposited. Thereafter, the individual opened an account at Merrill Lynch in the United States, under the name "Blackstone International Development" (the "Blackstone Account"). Neither MURCIA GUZMÁN nor PABON CASTRO were listed as owners of the Blackstone Account.

In March 2008, MURCIA GUZMÁN and PABON CASTRO told the same individual that they had provided \$2.2 million worth of Colombian Pesos to GERMAN ENRIQUE SERRANO-REYES, 45, in Colombia, and, in exchange, SERRANO-REYES had caused nearly \$2.2 million to be wired into the Blackstone Account through 18 separate wire transfers. In May 2008, the United States Government seized about \$2.2 million from the Blackstone Account pursuant to a court order. When MURCIA GUZMÁN was informed of the seizure of

the Blackstone Account, MURCIA GUZMÁN told the individual who set up the account that he should not attempt to retrieve the contents of the account, and should not under any circumstances inform the authorities of MURCIA GUZMÁN's or PABON CASTRO's interest in the Blackstone Account.

The Indictment also alleges that DMG-affiliated defendants, including MURCIA GUZMÁN, SERRANO-REYES, WILLIAM SUÁREZ SUÁREZ, 42, SANTIAGO BARANCHUK-RUEDA, 34, DANIEL ANGEL RUEDA, 36, and LUIS FERNANDO CEDIEL ROZO, 34, coordinated the pick-up and transportation of millions of dollars in narcotics proceeds in Mexico. The defendants concealed narcotics proceeds by investing them in legitimate real estate and limited liability companies in the United States.

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PABON CASTRO, MURCIA GUZMÁN, SUÁREZ SUÁREZ, ANGEL RUEDA, CEDIEL ROZO, BARANCHUK-RUEDA, and SERRANO-REYES are all charged with one count of conspiracy to commit money laundering. All the defendants, with the exception of ANGEL RUEDA, have been extradited to the United States. If convicted, each defendant faces a maximum sentence of 20 years in prison. The case is assigned to U.S. District Court Judge WILLIAM H. PAULEY III.

Mr. BHARARA praised the outstanding investigative work of the DEA's New York Drug Enforcement Task Force -- which is comprised of agents and officers of the DEA, the New York City Police Department, and the NYSP -- and the DEA's Bogota Country Office. Mr. BHARARA also thanked the U.S. Marshals Service and the Department of Homeland Security's U.S. Immigration and Customs Enforcement for their assistance. Mr. BHARARA also thanked the Colombian government and the U.S. Department of Justice's Office of International Affairs for their ongoing

Manhattan U.S. Attorney PREET BHARARA stated: "With her alleged participation in a sophisticated money laundering conspiracy, Margarita Pabon Castro used her legal and accounting expertise to hide millions of dollars in dirty money. Alongside our law enforcement partners here and abroad, the Manhattan U.S. Attorney's Office will continue to pursue money launderers who profit from and drive the international drug trade."

DEA Special-Agent-in-Charge JOHN P. GILBRIDE stated: "Margarita Lenor Pabon Castro was extradited last night on charges of laundering narco dollars into pesos as part of the DMG Group. By joining efforts with our law enforcement and

prosecutorial partners we identified, indicted and extradited those responsible for a million-dollar-a-year money laundering organization who worked for drug traffickers around the world."

New York City Police Commissioner RAYMOND W. KELLY stated: "Derailing the money train that moves drug cash through various laundering schemes is important to the fight against international drug dealers. I commend the work of the US Attorney's Office, NYPD detectives and all the State and Federal law enforcement who worked together with the Colombian government to secure these important indictments and extraditions."

This case is being handled by the Office's Terrorism and International Narcotics Unit. Assistant United States Attorneys BENJAMIN A. NAFTALIS, TELEMACHUS P. KASULIS, and MICHAEL LOCKARD are in charge of the prosecution.

The charge and allegations contained in the Indictment are merely accusations and the defendants are presumed innocent unless and until proven guilty.

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