

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA	:	<u>INDICTMENT</u>
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-v-	:	St 02 Cr. 416 (NRB)
MARIO VILLANUEVA MADRID,	:	
LUIS ERNESTO VILLANUEVA TENORIO, and	:	
CONSUELO MARQUEZ,	:	
Defendants.	:	

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COUNT ONE

Money Laundering Conspiracy

The Grand Jury charges:

Background of the Conspiracy

1. At all times relevant to this Indictment, a narcotics trafficking organization led by Alcides Ramon Magaña (the "ARM organization") was one of the most powerful and influential drug cartels in Mexico. The ARM organization established its illicit operations in the Mexican State of Quintana Roo in or about 1994 and was responsible for shipping hundreds of tons of cocaine from Colombia through Quintana Roo to the United States.

2. At all times relevant to this Indictment, to facilitate the ARM organization's transportation of multi-kilogram cocaine shipments through Quintana Roo, ARM associates made payments to members of the political party in power, including MARIO VILLANUEVA MADRID, the defendant, who was the

A TRUE COPY  
 UNITED STATES MAGISTRATE  
 FOR THE SOUTHERN DISTRICT OF N.Y.  
*M. Rivera*  
 DEPUTY CLERK

Governor of Quintana Roo from in or about April 1993 to in or about March 1999.

3. From in or about 1994 up to in or about March 1999, the ARM organization regularly made cash payments to MARIO VILLANUEVA MADRID, the defendant, in exchange for MARIO VILLANUEVA MADRID's protection and assistance. More specifically, MARIO VILLANUEVA MADRID was paid between \$400,000 and \$500,000 in cash for each load of cocaine that the ARM organization brought into and shipped out of Quintana Roo. From in or about 1994 through in or about March 1999, the ARM organization paid millions of dollars to MARIO VILLANUEVA MADRID and his associates. In return, MARIO VILLANUEVA MADRID provided state and federal police and other resources to offload, transport, store, and protect the cocaine shipments. The cash payments were delivered to MARIO VILLANUEVA MADRID by deputies of Alcides Ramon Magaña.

4. At all times relevant to this Indictment, MARIO VILLANUEVA MADRID, the defendant, established various bank and brokerage accounts in the Southern District of New York and elsewhere with his son, LUIS ERNESTO VILLANUEVA TENORIO, the defendant, for the purpose of laundering the cash payments MARIO VILLANUEVA MADRID received from the ARM organization for facilitating its narcotics trafficking activity. LUIS ERNESTO VILLANUEVA TENORIO assisted MARIO VILLANUEVA MADRID in laundering

these cash payments through the aforementioned bank and brokerage accounts.

5. At all times relevant to this indictment, CONSUELO MARQUEZ, the defendant, was employed first as a registered representative with Serfin Securities, Inc. ("Serfin Securities"), in New York, New York, and then as a registered representative with Lehman Brothers, Inc. ("Lehman Brothers"), in New York, New York. CONSUELO MARQUEZ was the investment representative on certain of the accounts established by MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants, for the purpose of laundering illicitly derived funds, and assisted MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO in laundering those funds.

6. In or about 1998, the Mexican Attorney General's office began an investigation of MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants, and others for suspected narcotics trafficking and money laundering in connection with the activities of the ARM organization. In or about late March 1999, days before MARIO VILLANUEVA MADRID's term as Governor of Quintana Roo was to expire, and with it his immunity from criminal prosecution under the Mexican constitution, MARIO VILLANUEVA MADRID disappeared. LUIS ERNESTO VILLANUEVA TENORIO disappeared some time thereafter. On or about April 6, 1999, the Mexican Attorney General's office disclosed

publicly that it had issued a warrant for MARIO VILLANUEVA MADRID's arrest on narcotics trafficking charges, among other things.

Statutory Allegations

7. From in or about 1993 up to and including in or about May 2001, in the Southern District of New York and elsewhere, MARIO VILLANUEVA MADRID, LUIS ERNESTO VILLANUEVA TENORIO, and CONSUELO MARQUEZ, the defendants, and others known and unknown to the Grand Jury, unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with each other to commit an offense against the United States, to wit, to violate Title 18, United States Code, Section 1956(a).

8. It was a part and an object of said conspiracy that MARIO VILLANUEVA MADRID, LUIS ERNESTO VILLANUEVA TENORIO, and CONSUELO MARQUEZ, the defendants, together with others known and unknown, in an offense involving and affecting interstate and foreign commerce, knowing that the property involved in certain financial transactions, to wit, the receipt, custody and transfer of United States currency, represented the proceeds of some form of unlawful activity, unlawfully, wilfully and knowingly, would and did conduct and attempt to conduct such financial transactions which in fact involved the proceeds of specified unlawful activity, to wit, the proceeds of narcotics trafficking and the proceeds of bribery of a foreign public official, with

the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code, Sections 1956(a) (1) (A) (i), 1956(c) (7) (D), and 1956(c) (7) (B) (i) & (iv).

9. It was a further part and an object of said conspiracy that MARIO VILLANUEVA MADRID, LUIS ERNESTO VILLANUEVA TENORIO, and CONSUELO MARQUEZ, the defendants, together with others known and unknown, in an offense involving and affecting interstate and foreign commerce, knowing that the property involved in certain financial transactions, to wit, the receipt, custody and transfer of United States currency, represented the proceeds of some form of unlawful activity, unlawfully, wilfully and knowingly, would and did conduct and attempt to conduct such financial transactions which in fact involved the proceeds of specified unlawful activity, to wit, the proceeds of narcotics trafficking and the proceeds of bribery of a foreign public official, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Sections 1956(a) (1) (B) (i), 1956(c) (7) (D), and 1956(C) (7) (B) (i) & (iv).

Means and Methods of the Conspiracy

10. Among the means and methods by which MARIO VILLANUEVA MADRID, LUIS ERNESTO VILLANUEVA TENORIO, and CONSUELO

MARQUEZ, the defendants, and their coconspirators conducted and participated in the conduct of the conspiracy were the following:

a. During the course of the charged conspiracy, MARIO VILLANUEVA MADRID, the defendant, received millions of dollars in narcotics proceeds in payment for his role in the transportation, storage, and shipment through Quintana Roo of hundreds of tons of cocaine by the ARM organization, as well as bribes in his capacity as a public official in Mexico.

b. Beginning in or about late 1995, a significant portion of these illegally derived funds were deposited by MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants, in bank and brokerage accounts in Mexico, Switzerland, the Bahamas, Panama, the United States and other locations. To conceal the illicit origin of the funds deposited into the accounts, many of the accounts were established in the names of offshore corporations and third parties, including fictitious third parties. All of the accounts were established for the benefit of, or were used by, MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO for the purpose of sheltering monies received from the ARM organization for assisting in its narcotics-trafficking activities.

c. To facilitate the scheme to conceal their ownership and control of the narcotics proceeds and avoid detection of the funds by law enforcement, MARIO VILLANUEVA

MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants, solicited and received the assistance of CONSUELO MARQUEZ, the defendant. Specifically, in her capacity as a registered representative with Serfin Securities and Lehman Brothers, CONSUELO MARQUEZ, the defendant, coordinated the establishment of several offshore corporations of which MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO were beneficiaries. The offshore corporations were structured to conceal MARIO VILLANUEVA MADRID's and LUIS ERNESTO VILLANUEVA TENORIO's beneficial ownership thereof. Also in her capacity as a registered representative, CONSUELO MARQUEZ established brokerage accounts at Lehman Brothers in the names of the offshore corporations controlled by MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, and coordinated a series of transfers of narcotics proceeds into and out of these accounts at the direction of MARIO VILLANUEVA MADRID and/or LUIS ERNESTO VILLANUEVA TENORIO.

d. In the weeks surrounding the disappearance of MARIO VILLANUEVA MADRID, the defendant, as described in paragraph 6 above, CONSUELO MARQUEZ, the defendant, at the direction and/or request of MARIO VILLANUEVA MADRID and/or LUIS ERNESTO VILLANUEVA TENORIO, the defendants, coordinated an elaborate effort to liquidate the proceeds in the Lehman Brothers brokerage accounts controlled by MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, and to transfer the funds to third-party accounts. To

hide MARIO VILLANUEVA MADRID's and LUIS ERNESTO VILLANUEVA TENORIO's ownership of the funds and to render the funds less likely to be identified by law enforcement, these third-party accounts were made to appear to have no connection to MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO. Certain of the third-party accounts, including a Lehman Brothers brokerage account in the names "Carlos Patiño, Brigida Patiño, and Felipe Patiño" (the "Lehman Patiño Account") were established by CONSUELO MARQUEZ using false information concerning the beneficiaries thereof. A time deposit account at Banamex, New York, Inc., was established in the name of "Lehman Brothers Private Client Services" (the "Banamex Time Deposit Account") without the knowledge or consent of Lehman Brothers. Other accounts, such as a Lehman Brothers brokerage account in the name of "Bank One Investment Management and Trust Group" were used by CONSUELO MARQUEZ to deposit MARIO VILLANUEVA MADRID's and LUIS ERNESTO VILLANUEVA TENORIO's narcotics proceeds on a temporary basis before transferring those funds to other accounts.

e. As a result of this laundering scheme, CONSUELO MARQUEZ, the defendant, at the direction of MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants, coordinated a series of transfers of millions of dollars of narcotics proceeds from the Lehman Brothers brokerage accounts controlled by MARIO VILLANUEVA MADRID and LUIS ERNESTO

VILLANUEVA TENORIO to third-party accounts, including the Banamex Time Deposit Account. Thereafter, CONSUELO MARQUEZ coordinated a series of transfers of the majority of these funds to Lehman Brothers, ultimately depositing them in the Lehman Brothers Patiño Account, which was established by CONSUELO MARQUEZ within days of MARIO VILLANUEVA MADRID's disappearance.

f. As a further part of the laundering scheme, millions of dollars in narcotics proceeds were transferred by CONSUELO MARQUEZ, the defendant, at MARIO VILLANUEVA MADRID's and LUIS ERNESTO VILLANUEVA TENORIO's direction to accounts at other banks and brokerage firms in the Bahamas, Panama, and the United States, including accounts at Banamex in Nassau, the Bahamas, and accounts at a brokerage firm called Intercontinental Asset Management in San Antonio, Texas.

#### Overt Acts

11. In furtherance of said conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere.

a. In or about 1994, in Chetumal, Mexico, a coconspirator not identified as a defendant herein delivered approximately \$500,000 in narcotics proceeds to MARIO VILLANUEVA MADRID, the defendant.

b. On or about September 23, 1994, MARIO

VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants, opened a numbered account with Credit Suisse bank in Zurich, Switzerland (the "Credit Suisse Account").

c. On or about December 6, 1994, from Mexico, MARIO VILLANUEVA MADRID, the defendant, forwarded instructions to Credit Suisse to deposit two cashier's checks in the amount of \$660,000 and \$88,846 in the Credit Suisse Account.

d. On or about September 11, 1995, from Mexico, LUIS ERNESTO VILLANUEVA TENORIO, the defendant, forwarded instructions to Credit Suisse to deposit a cashier's check in the amount of \$100,000 in the Credit Suisse Account.

e. On or about April 23, 1995, from Mexico, LUIS ERNESTO VILLANUEVA TENORIO, the defendant, forwarded to CONSUELO MARQUEZ in New York, New York documentation regarding the formation of a British Virgin Islands corporation named Harley, Ltd.

f. On or about May 3, 1995, in New York, New York, CONSUELO MARQUEZ, the defendant, established an account at Serfin Securities in the name of Harley, Ltd. (the "Serfin Harley Account") for the benefit of MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants.

g. On or about August 16, 1995, in New York, New York, CONSUELO MARQUEZ, the defendant, opened a brokerage account in the name of Harley Ltd. at Lehman Brothers (the "Lehman Harley

Account") for the benefit of MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants.

h. On or about December 14, 1995, from Mexico, LUIS ERNESTO VILLANUEVA TENORIO, the defendant, forwarded instructions to Serfin Securities to transfer the balance of the Serfin Harley Account to Lehman Brothers in care of CONSUELO MARQUEZ, the defendant.

i. On or about July 25, 1996, from New York, New York, CONSUELO MARQUEZ, the defendant, forwarded to a third party in the British Virgin Islands documentation regarding the formation of a British Virgin Islands corporation named Fisherman Properties Limited.

j. On or about July 26, 1996, CONSUELO MARQUEZ, the defendant, opened a brokerage account in the name of Fisherman Properties, Ltd. at Lehman Brothers (the "Lehman Fisherman Account") in New York, New York.

k. On or about March 10, 1997, CONSUELO MARQUEZ, the defendant, opened a brokerage account in the name of Davidson Worldwide, Ltd. at Lehman Brothers (the "Lehman Davidson Account") in New York, New York.

l. On or about March 17, 1997, from New York, New York, CONSUELO MARQUEZ, the defendant, forwarded to a third party in the British Virgin Islands documentation regarding the formation of a British Virgin Islands corporation named Davidson

Worldwide Limited.

m. On or about July 3, 1997, LUIS ERNESTO VILLANUEVA TENORIO, the defendant, forwarded to CONSUELO MARQUEZ, the defendant, in New York, New York instructions to transfer \$500,000 from the Lehman Fisherman Account to an account at First Union Bank of Florida in the name of Marimba Holdings which was controlled by MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants.

n. On or about July 3, 1997, LUIS ERNESTO VILLANUEVA TENORIO, the defendant, forwarded to CONSUELO MARQUEZ, the defendant, in New York, New York instructions to transfer \$1,000,000 from the Lehman Davidson Account to an account at First Union Bank of Florida in the name of Marimba Holdings.

o. On or about June 29, 1998, CONSUELO MARQUEZ, the defendant, directed the transfer of approximately \$445,384.81 from the Serfin Harley Account to the Lehman Davidson Account in New York, New York.

p. On or about February 5, 1999, CONSUELO MARQUEZ, the defendant, caused the issuance of checks from the Lehman Fisherman Account in amounts of: \$975,700; \$812,073; \$925,300; and \$698,147.

q. On or about February 5, 1999, CONSUELO MARQUEZ, the defendant, caused the issuance of checks from the Lehman Davidson Account in amounts of: \$976,260; \$875,350;

\$995,500; \$775,800; \$885,900; \$675,000; and \$673,754.

r. On or about February 5, 1999, in New York, New York, LUIS ERNESTO VILLANUEVA TENORIO, the defendant, met with CONSUELO MARQUEZ, the defendant, for the purpose of picking up the checks enumerated in subparagraphs "p" and "q" above.

s. On or about March 5, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, established the Banamex Time Deposit Account for the benefit of MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants.

t. On or about March 25, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, established the Lehman Patiño Account for the benefit of MARIO VILLANUEVA MADRID and LUIS ERNESTO VILLANUEVA TENORIO, the defendants.

u. On or about March 30, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, forwarded instructions to transfer approximately \$1.5 million from the Banamex Time Deposit Account to a Lehman Brothers brokerage account in the name of "Bank One Investment Management and Trust" (hereinafter, the "Lehman BOIMT Account").

v. On or about March 31, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$2.4 million from the Lehman Fisherman Account to the Banamex Time Deposit Account.

w. On or about April 1, 1999, in New York, New

York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$500,000 from the Lehman BOIMT Account to the Lehman Patiño Account.

z. On or about April 6, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$1 million from the Lehman BOIMT Account to the Lehman Patiño Account.

aa. On or about April 7, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$1.75 million from the Lehman Davidson Account to the Banamex Time Deposit Account.

bb. On or about April 13, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$980,000 from the Banamex Time Deposit Account to the Lehman Patiño Account.

cc. On or about April 16, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$1.022 million from the Lehman Fisherman Account to the Banamex Time Deposit Account.

dd. On or about April 16, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$4.066 million from the Lehman Davidson Account to the Banamex Time Deposit Account.

ee. On or about April 16, 1999, in New York, New

York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$985,000 from the Banamex Time Deposit Account to the Lehman Patiño Account.

ff. On or about April 28, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$760,000 from the Lehman BOIMT Account to the Lehman Patiño Account.

gg. On or about May 4, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$4 million from the Banamex Time Deposit Account to an account at Bank of New York, for ultimate deposit into an account in the name of "Rockford Consultants, Ltd."

hh. On or about June 4, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$615,000 from the Banamex Time Deposit Account to the Lehman Patiño Account.

ii. On or about June 11, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$300,000 from the Banamex Time Deposit Account to the Lehman Patiño Account.

jj. On or about June 18, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$1.59 million from the Banamex Time Deposit Account to the Lehman Patiño Account.

kk. On or about September 23, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$60,000 from the Lehman Davidson Account to an account at Chase in the name of Banca Serfin.

ll. On or about October 8, 1999, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$250,000 from the Lehman BOIMT Account to the Lehman Patiño Account.

mm. On or about April 24, 2000, in New York, New York, CONSUELO MARQUEZ, the defendant, arranged for the transfer of approximately \$316,958.31 from the Lehman BOIMT Account to the Lehman Patiño Account.

(Title 18, United States Code, Section 1956(h).)

**COUNTS TWO THROUGH FOURTEEN**

**(Substantive Money Laundering Counts)**

The Grand Jury further charges:

12. The allegations contained in paragraphs 1 through 11 of this Indictment are realleged and incorporated as if fully set forth herein.

13. On the dates set forth below, in the Southern District of New York and elsewhere, MARIO VILLANUEVA MADRID, LUIS ERNESTO VILLANUEVA TENORIO, and CONSUELO MARQUEZ, the defendants, and others known and unknown to the Grand Jury, in an offense involving and affecting interstate and foreign commerce, knowing

that the property involved in certain financial transactions set forth below represented the proceeds of some form of unlawful activity, unlawfully, wilfully and knowingly, did conduct and attempt to conduct the financial transactions set forth below, which in fact involved the proceeds of specified unlawful activity, to wit, the proceeds of narcotics trafficking and the proceeds of bribery of a foreign public official, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity:

2	CONSUELO MARQUEZ	4/6/99	\$1.3 million transfer from Banamex Time Deposit to Lehman BOIMT Account
3	CONSUELO MARQUEZ	4/6/99	\$1 million transfer from Lehman BOIMT Account to Lehman Patiño Account
4	CONSUELO MARQUEZ	4/7/99	\$1.75 million transfer from Lehman Davidson Account to Banamex Time Deposit
5	CONSUELO MARQUEZ	4/13/99	\$980,000 transfer from Banamex Time Deposit to Lehman Patiño Account
6	CONSUELO MARQUEZ	4/16/99	\$4.065 million transfer from Lehman Davidson Account to Banamex Time Deposit

7	CONSUELO MARQUEZ	4/16/99	\$1.022 million transfer from Lehman Fisherman Account to Banamex Time Deposit
8	CONSUELO MARQUEZ	4/20/99	\$985,000 transfer from Banamex Time Deposit to Lehman Patiño Account
9	CONSUELO MARQUEZ	4/30/99	\$760,000 transfer from Lehman BOIMT Account to Lehman Patiño Account
10	CONSUELO MARQUEZ	5/4/99	\$4 million transfer from Banamex Time Deposit to Bank of New York Account in name of Wexford Clearing Services on behalf of Rockford Consultants Ltd.
11	CONSUELO MARQUEZ	6/4/99	\$615,000 transfer from Banamex Time Deposit to Lehman Patiño Account
12	CONSUELO MARQUEZ	6/11/99	\$300,000 transfer from Banamex Time Deposit to Lehman Patiño Account
13	CONSUELO MARQUEZ	6/18/99	\$1.59 million transfer from Banamex Time Deposit to Lehman Patiño Account

14	CONSUELO MARQUEZ	10/8/99	\$250,000 transfer from Lehman BOIMT Account to Lehman Patiño Account
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(Title 18, United States Code, Sections  
1956(a)(1)(B)(i) and 2.)

  
DAVID N. KELLEY  
United States Attorney

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

MARIO VILLANEUVA MADRID,  
LUIS ERNESTO VILLANEUVA TENORIO,  
CONSUELO MARQUEZ,

Defendants.

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INDICTMENT

S6 02 Cr. 416 (NRB)

(Title 18, United States Code,  
Sections 1956(h), 1956(a)(1)(B)(i),  
and 2).

DAVID N. KELLEY  
United States Attorney.

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