

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 21-CR-20528-Williams
18 U.S.C. § 1956(h)
18 U.S.C. § 982

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOHN ROBERT LUZURIAGA AGUINAGA,

Defendant.

FACTUAL PROFFER IN SUPPORT OF GUILTY PLEA

The United States Department of Justice, Criminal Division, Fraud Section (the “government”), and the Defendant, JOHN ROBERT LUZURIAGA AGUINAGA (the “defendant”), stipulate and agree that the information stated herein is true and accurate and a sufficient basis for the defendant’s plea of guilty to the money laundering conspiracy in violation of Title 18, United States Code, Section 1956(h) charged in the instant case. Had this matter proceeded to trial, the defendant stipulates and agrees that the government would have proven the facts alleged below beyond a reasonable doubt and the forfeiture allegations set forth in the criminal Information by a preponderance of the evidence.

Instituto de Seguridad Social de la Policia Nacional (“ISSPOL”) was the Ecuadorian public institution responsible for managing the financial contributions by Ecuadorian police officers toward their social security. ISSPOL was controlled by the government of Ecuador and performed a function that Ecuador treated as its own. ISSPOL was an “instrumentality” of the Ecuadorian government and ISSPOL employees were “foreign officials” as those terms are used in the Foreign

Corrupt Practices Act (“FCPA”), Title 15, United States Code, Sections 78dd-2(h)(2)(A) and dd-3(f)(2)(A).

The defendant, a citizen of Ecuador, served as the ISSPOL Risk Director from at least in or around 2014 through at least in or around 2019. The defendant also served on ISSPOL’s Investment Committee. In those capacities, the defendant had influence over ISSPOL investment decisions. The defendant was a “foreign official” as that term is defined in the FCPA, Title 15, United States Code Sections 78dd-2(h)(2)(A) and dd-3(f)(2)(A).

Jorge Cherrez Miño (“Cherrez”) was a citizen of Ecuador who served as the manager, president, and director of a group of investment fund companies. Some of these companies were incorporated in the Southern District of Florida, (“the U.S. Investment Fund Companies”) and Cherrez was an officer, director, employee, and agent of a “domestic concern” as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-2(a). Cherrez also controlled two Panama registered companies (“Cherrez Panama Company 1” and “Cherrez Panama Company 2”).

Overview

As described in more detail below, Cherrez and the U.S. Investment Fund Companies he controlled paid approximately \$1,397,066 in bribes for the benefit of the defendant in exchange for the defendant using his official positions as the ISSPOL Risk Director and on ISSPOL’s Investment Committee to assist Cherrez, the U.S. Investment Fund Companies, and others to obtain and retain business for, and direct business to, Cherrez, Cherrez Panama Company 1, and others in violation of the FCPA and Ecuador’s criminal law against bribery of a public official.

Between in or around 2014 and in or around 2020, the defendant and others, also knowingly and willfully conspired to knowingly engage in a monetary transaction by, through, or to a

financial institution, affecting interstate commerce in criminally derived property of a value greater than \$10,000 that was derived from specified unlawful activity, that is violations of the FCPA and Ecuador's criminal law against bribery of a public official. The defendant knew that this conduct was unlawful.

Illegal Bribery and Money Laundering Scheme

From at least in or around 2014 through at least in or around 2019, the defendant, as the Risk Director of ISSPOL and sitting on ISSPOL's Investment Committee, had influence over ISSPOL investment decisions, including who ISSPOL hired to invest its funds. Cherrez bribed the defendant and other ISSPOL officials to obtain two kinds of investment contracts. These contracts were reviewed and approved by the defendant and others. First, in or around December 2015 and January 2016, Cherrez Panama Company 2 corruptly obtained an agreement with ISSPOL, whereby ISSPOL gave Cherrez Panama Company 2 approximately \$327 million worth of local Ecuadorian bonds to invest in the global market ("swap transaction"). In exchange for the bribe payments, Cherrez was able to obtain and structure the swap transaction to allow him to invest a portion of the ISSPOL funds for his own benefit. Between in or around 2016 and in or around 2019, Cherrez, through his Panama companies, had obtained approximately \$65 million on this swap transaction. Cherrez Panama Company 1 received payments resulting from the swap transaction in its bank account in the United States, and a portion of that money was transferred into U.S. Investment Fund Companies' bank accounts in the United States.

Second, from at least in or around 2014 through at least in or around 2019, ISSPOL and Cherrez Panama Company 1 entered into bond repurchase transactions whereby Cherrez Panama Company 1 sold bonds to ISSPOL with a promise to repurchase the bonds on a set date for a set amount plus interest. As of August 2020, Cherrez had failed to meet his payment obligations to

ISSPOL on more than half of the bond repurchase transactions, resulting in \$111 million overdue in repurchase agreements.

In order to obtain and retain the investment business from ISSPOL, from at least in or around 2014 through in or around 2020, Cherrez and the entities he controlled paid more than approximately \$2.6 million in bribes to ISSPOL officials, including approximately \$1,397,066 in bribes for the benefit of the defendant who used his influence over ISSPOL's financial investments to benefit Cherrez and his companies. Cherrez directed bribe payments to the defendant by making: (1) payments of approximately \$419,226 by check payable to the defendant; (2) payments of approximately \$663,000 to relatives of the defendant for his benefit; and (3) payments to a U.S. bank account in the name of one of the U.S. Investment Fund Companies, over which Cherrez held signatory authority, and for which the defendant held a debit card in his name that the defendant used to make purchases and cash withdrawals totaling approximately \$313,840 ("defendant debit card account"). Some examples of specific transactions are provided below.

On or about June 14, 2018, the defendant and Cherrez sent text messages to each other regarding ISSPOL investments, which were translated from Spanish. During this communication, the defendant sent a text message to Cherrez with an image of a spreadsheet attached. The spreadsheet showed different ISSPOL investments and a line item for percentages owed to individuals, including approximately \$289,226 that was owed to "JL." On or about the next day, Cherrez caused a U.S.-based bank account of U.S. Investment Fund Companies to write a check to the defendant for approximately \$189,226. The defendant endorsed the check, and the check was deposited the same day in the defendant's bank account, which was located in the Southern District of Florida.

On or about December 31, 2015, the defendant sent a text message to Cherrez, which has

been translated from Spanish, stating "Thank you for fixing my financial life and that of my family." On or about February 23, 2016, Cherrez caused a U.S. Investment Fund Company to write a check in the amount of approximately \$80,000 to a relative of the defendant. The defendant's relative deposited the check in a U.S.-based bank account.


On or about January 12, 2018, Cherrez, while located in the Southern District of Florida, sent a text message to the defendant requesting information regarding ISSPOL investments and whether the money had been credited. The defendant confirmed the money was credited and Cherrez said (translated from Spanish) "good news." In the text message, the defendant stated the amount ISSPOL had to invest, and Cherrez told the defendant he was working on it and sent a text message stating "47908." On or about the same day, Cherrez caused U.S. Investment Fund Companies to transfer approximately \$47,908 into the defendant debit card account. On or about February 27, 2019, Cherrez, while in Miami, Florida, withdrew approximately \$15,000 cash from the defendant debit card account to purchase a cashier's check payable to a relative of the defendant. Additionally, the defendant communicated via text message about the ISSPOL scheme with Cherrez, while Cherrez was located in the Southern District of Florida. Furthermore, Cherrez directed checks to be deposited into banks in the United States, including in the Southern District of Florida on behalf of the defendant.

The preceding statement is a summary, made for the purpose of providing the Court with a factual basis for the defendant's guilty plea to the charge against him. It does not include all the facts known to the defendant concerning criminal activity in which the defendant and others

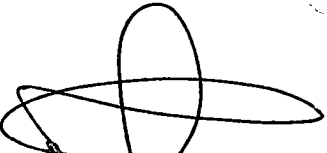
engaged. The defendant makes this statement knowingly and voluntarily and because he is in fact guilty of the crime charged.

JOSEPH S. BEEMSTERBOER
ACTING CHIEF, FRAUD SECTION
DEPARTMENT OF JUSTICE

Date: 2/2/2022

By: 
ALEXANDER KRAMER
JAMES MANDOLFO
DREW BRADYLYONS
TRIAL ATTORNEYS

Date: 2-2-22


ANA M. DAVIDE, ESQ.
COUNSEL FOR DEFENDANT

Date: 2-2-22


JOHN ROBERT LUZURIAGA AGUINAGA
DEFENDANT