

UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA,

Plaintiff,

vs.

REAL PROPERTY LOCATED AT 1404
NORTH HIGHWAY 190, COVINGTON,
LOUISIANA 70433; 19237 14TH AVENUE,
COVINGTON, LOUISIANA 70433; ONE
PARCEL OF LAND ON 13TH AVENUE,
COVINGTON, LOUISIANA 70433;
19311 14TH AVENUE, COVINGTON,
LOUISIANA 70433; 19317/19321 14TH
AVENUE, COVINGTON, LOUISIANA 70433;
TWO PARCELS OF LAND ON 13TH
AVENUE, COVINGTON, LOUISIANA 70433;
425 DEPRE STREET, MANDEVILLE,
LOUISIANA 70448; 717 HEAVENS DRIVE,
UNIT 8, MANDEVILLE, LOUISIANA 70471;
725 HEAVENS DRIVE, UNIT 4,
MANDEVILLE, LOUISIANA 70471;
AND ALL RENTAL AND OTHER INCOME
GENERATED BY THE PROPERTIES OR
TRACEABLE THERETO,

Defendants.

Civ Case No.:

**VERIFIED COMPLAINT FOR
FORFEITURE IN REM**

VERIFIED COMPLAINT FOR FORFEITURE IN REM

The United States of America, by and through its undersigned attorneys, brings this claim against the Defendant Real Properties captioned above and described herein, and alleges as follows:

I.

NATURE OF THE ACTION

1. This is a civil action in rem to forfeit nine pieces of real property and associated rents held by or for the benefit of Mario Roberto Zelaya Rojas (“Mario Zelaya”), former Executive Director of the Honduran Institute of Social Security (“HISS”) and his brother, Carlos Alberto Zelaya Rojas (“Carlos Zelaya”).

2. The Defendant Real Properties—all of which are located in this District—were acquired through financial transactions and other conduct in the United States with the proceeds of bribery and other acts of public corruption occurring in the Republic of Honduras in violation of Honduran law during the period from in or about December 2011 through January 2013. As property constituting, derived from, or traceable to the proceeds of “specified unlawful activity” and property involved in money laundering violations of 18 U.S.C. §§ 1956 and 1957, the Defendant Real Properties are subject to forfeiture under 18 U.S.C. § 981(a)(1)(C) and (A).

3. As alleged herein, while serving as HISS’ Executive Director, Mario Zelaya solicited and received personal “commissions” or bribes in the amount of \$2.08 million from Compania de Servicios Multiples, S. de R. L. (“COSEM”), a Honduran company performing under a contract to digitize records and provide other services to HISS. In return for the corrupt payments, Mario Zelaya, along with two members of HISS’ Board of Directors, caused HISS to resume contract payments to COSEM, which had been suspended or delayed by HISS.

4. In an effort to conceal the nature, source, location, ownership and/or control of the illicit payments, the principals of COSEM used a subsidiary or affiliate company of COSEM, CA Technologies, to wire transfer at least \$1,355,000 of the total \$2.08 million in bribe monies into this District for the direct and indirect benefit of Mario Zelaya. The illicit funds were used

by Mario Zelaya and Carlos Zelaya to purchase the Defendant Real Properties between on or about January 6, 2012 and November 29, 2012.

II.

JURISDICTION AND VENUE

5. This is a civil forfeiture action brought pursuant to 18 U.S.C. § 981(a)(1)(A) and (C).

6. This Court has jurisdiction over the subject matter. *See* 28 U.S.C. §§ 1345 and 1355, and 18 U.S.C. § 981(a)(1)(A) and (C).

7. This Court has in rem jurisdiction over the Defendant Real Properties. *See* 28 U.S.C. §§ 1345 and 1355(a).

8. Venue lies in this District because acts or omissions giving rise to the forfeiture occurred in the District and because the Defendant Real Properties are located in the District. *See* 28 U.S.C. §§ 1355(b)(1) and 1395(b).

III.

PARTIES

9. The Plaintiff is the United States of America.

10. The Defendant Real Properties are identified as follows:

- a. 1404 North Highway 190, Covington, Louisiana 70433, described as the south half of Square 137 of the Town of Alexiusville subdivision in the Parish of St. Tammany (“1404 N. Hwy. 190”);
- b. 19237 14th Avenue, Covington, Louisiana 70433, described as Sections 10 and 48, Township 7 South, Range 11 East, Alexiusville subdivision in the Parish of St. Tammany (“19237 14th Avenue”);

- c. One parcel of land on 13th Avenue, Covington, Louisiana 70433, described as Lots 1, 2, 3 and 4 of Parcel A, Square 136, except the western 30 feet measuring 30 ft. on 13th Street and 120 ft. in depth between parallel lines, Alexiusville subdivision in the Parish of St. Tammany (“13th Avenue Parcel”);
- d. 19311 14th Avenue, Covington, Louisiana 70433, described as Lot 1-F, Alexiusville subdivision in the Parish of St. Tammany (“19311 14th Avenue”);
- e. 19317/19321 14th Avenue, Covington, Louisiana 70433, described as Lot 1-E, Alexiusville subdivision in the Parish of St. Tammany (“19317/19321 14th Avenue”);
- f. Two parcels of land on 13th Avenue, Covington, Louisiana 70433, described as Lots 1, 2, 3 and 4 of Parcel D, Square 136, Alexiusville subdivision in the Parish of St. Tammany and the Western 30 feet of Lots 1, 2, 3 and 4 of Parcel A, Square 136, measuring 30 feet on 13th Street and 120 feet in depth between parallel lines in Alexiusville subdivision in the Parish of St. Tammany (“Western 13th Avenue Parcels”);
- g. 425 Depre Street, Mandeville, Louisiana 70448, described as Lots 37 and 38 of Square 32, Mandeville, Louisiana (“425 Depre Street”);
- h. 717 Heavens Drive, Unit 8, Mandeville, Louisiana 70471, described as Unit 717-8 Bradford Row Condominium on Lots 13, 14, 15, 16, 17, 18, 19, and 20 of Square 2 (“717 Heavens Drive”);
- i. 725 Heavens Drive, Unit 4, Mandeville, Louisiana 70471, described as Unit 725-4 Bradford Row Condominium on Lots 13, 14, 15, 16, 17, 18, 19, and 20 of Square 2 (“725 Heavens Drive”);

- j. All rental and other income generated by the Defendant Real Properties or traceable thereto.

11. The Defendant Real Properties described in subparagraphs 10.a through 10.i were restrained for thirty days pursuant to the October 3, 2014 Order of this Court.¹ That Restraining Order was issued under 18 U.S.C. § 981(b)(4) in connection with the arrest and charge of Mario Zelaya in the Republic of Honduras.

12. On November 13, 2014, the 30-day Restraining Order was extended by this Court, upon application of the United States, until January 14, 2015.

13. The Defendant Real Properties have not been seized, nor does the United States request authority from this Court to do so. The United States will, however, take the following action in accordance with 18 U.S.C. § 985(b)(1), (c)(1), and (c)(2):

- a. post notice of the action and a copy of this Verified Complaint on the Defendant Real Properties, where feasible;
- b. serve notice of this action on the persons having title to the Defendant Real Properties along with a copy of this Verified Complaint;
- c. execute writs of entry for purposes of conducting an inspection and inventory of some or all of the Defendant Real Properties, if necessary; and
- d. file *lis pendens* in the parish or county land records to denote the Defendant Real Properties' status as defendants in this in rem action.

¹ The parcel of land described in subparagraph 10.c. was previously identified in the United States' Application for a Restraining Order Under 18 U.S.C. § 981(b)(4) as being located on 14th Avenue when, in fact, the parcel is located on 13th Avenue. Accordingly, it is referred to herein as the 13th Avenue Parcel, rather than the 14th Avenue Parcel. The legal description of the property, including the lot, parcel, and square remains the same.

14. As of December 19, 2014, at least six of the Defendant Real Properties either are, or are advertised as, income-generating rental properties. Accordingly, the United States may move this Court at a later date for an order restraining any and all rent monies and directing that those funds be paid directly into an escrow account maintained by or on behalf of the United States until this action is concluded.

IV.

RELEVANT PERSONS AND ENTITIES

Mario Roberto Zelaya Rojas ("Mario Zelaya")

15. Mario Zelaya is a Honduran national and has worked as an orthopedic surgeon in Honduras.

16. In or about April 2010, he was appointed as the Executive Director of the Honduran Institute of Social Security ("HISS"). He served as a public official in this office from April 2010 to January 2014.

17. On or about February 6, 2014, a judge in the Criminal Court of the Judicial Section of Tegucigalpa, Honduras issued an arrest warrant for Mario Zelaya on the grounds that he had violated Honduran laws prohibiting, among other things, abuse of authority, misappropriation of public funds, and fraud. After being a fugitive for approximately seven months, Zelaya was arrested in Honduras on September 9, 2014.

18. On or about September 14, 2014, Mario Zelaya was formally indicted in Honduras for bribery and money laundering.

Carlos Alberto Zelaya Rojas ("Carlos Zelaya")

19. Carlos Zelaya is a brother of Mario Zelaya. Carlos Zelaya is a Honduran national currently residing in this District.

C&M Motors, LLC (“C&M Motors”)

20. C&M Motors was incorporated in the State of Louisiana on August 1, 2011, by Carlos Zelaya.

21. C&M Motors’ Federal Employer Identification Number is xx-xxx5074.

22. C&M Motors maintains a place of business at the 1404 N. Hwy. 190 property and the company is in the business of buying and selling used vehicles.

23. C&M Motors is the record owner of one of the Defendant Real Properties.

C&M Wholesalers, LLC (“C&M Wholesalers”)

24. C&M Wholesalers was incorporated in the State of Louisiana on or about April 25, 2011. The company was incorporated by Carlos Zelaya as the sole member.

25. On or about July 25, 2011, Mario Zelaya was added as a second member of C&M Wholesalers. He was removed as a member approximately three years later, on or about May 21, 2014.

26. C&M Wholesalers’ Federal Employer Identification Number is xx-xxx0682.

27. The incorporation documents for C&M Wholesalers list the company’s current business address as the address of C&M Motors, the 1404 N. Hwy. 190 property.

28. C&M Wholesalers is the record owner of five of the Defendant Real Properties. On information and belief, the company is not engaged in any other commercial activity.

Compania de Servicios Multiples, S. de R. L. (“COSEM”)

29. COSEM is the company whose principals agreed to make bribe payments to or for the benefit of Mario Zelaya in order to resume receiving timely payments under a contract it had with HISS.

30. COSEM was incorporated in Honduras in or around 1994. The company maintains a

business address at Colonia el Trapiche, Tegucigalpa, Honduras.

31. Oscar Roberto Lainez Reina (“Oscar Lainez”) is the company’s General Manager or Chief Executive Officer. His business partner is Jorge Daniel Herrera (“Jorge Herrera”).

32. COSEM is in the business of selling computers, digital technology, and computer software.

33. Between in or about 2010 through 2014, Mario and Carlos Zelaya’s father, Mario Roberto Zelaya Palencia, was employed as an accountant at COSEM, responsible for preparing financial statements and balance sheets.

CA Technologies S de RL (“CA Technologies”)

34. CA Technologies is a subsidiary or affiliate of COSEM. It was incorporated in Honduras on or about September 29, 2011.

35. The principles of COSEM—Oscar Lainez and Jorge Herrera—are also the managing partners of CA Technologies.

36. CA Technologies maintains bank accounts at Banco Financiera Comercial Hondurena S.A. (“Banco Ficohsa”). Oscar Lainez and Jorge Herrera are signatories to some or all of those accounts.

37. CA Technologies is an internet and catalog retailer of computer equipment marketed primarily to individuals and small businesses.

Central American Technologies, Inc.

38. Central American Technologies is a Panamanian company incorporated in or around 2010.

39. Upon information and belief, the sole function of this company is to open and maintain bank accounts in Panama on behalf of CA Technologies.

40. The bank accounts opened and maintained by Central American Technologies are controlled by the principles of COSEM and CA Technologies, Oscar Lainez and Jorge Herrera.

Inversiones Inmobiliarias y Turisticas Novaterra (“Inversiones Novaterra”)

41. Inversiones Novaterra is a company that was incorporated in Honduras on or about October 18, 2007, by Gabriela Maria Lainez Reina (“Gabriela Lainez”) and Elena Maria Cornavaca Paz.

42. Inversiones Novaterra is in the business of building, buying, and selling real estate and purchasing and selling construction materials.

43. At all times relevant to the allegations in this Complaint, Gabriela Lainez was a manager at Inversiones Novaterra and had the authority to direct the company’s business affairs.

44. Gabriela Lainez is the sister of COSEM’s General Manager, Oscar Lainez. Elena Maria Cornavaca Paz is Oscar Lainez’s wife.

V.

EVIDENCE SUPPORTING FORFEITURE

A. Background

45. The Republic of Honduras is one of the poorest countries in Latin America. More than half of the population lives in poverty and per capita income is one of the lowest in the region.

46. The Honduran Institute of Social Security (“HISS”) is a government agency that provides social security services to the people of Honduras, including worker’s compensation, retirement, maternity, and death benefits.

47. HISS’ financial resources are allocated in the Honduran national budget, but HISS receives additional funding from the contributions of public and private employees, their employers, and other grants and contributions.

48. In or about March 2010, Mario Zelaya was sworn in as the Executive Director of HISS. He served as the agency's Executive Director until January 2014.

49. As the Executive Director of HISS, Mario Zelaya's official government salary was approximately \$46,874 in 2010, \$56,000 per year in 2011-2013, and \$4,000 for the month of January 2014. Upon information and belief, between 2010 and 2013, Mario Zelaya also earned a total of approximately \$170,836 through outside employment as a doctor in Honduras.

50. Upon information and belief, prior to being appointed the Executive Director of HISS, Mario Zelaya worked in Honduras in the Central District Town Hall. His average yearly income from known sources from 2006-2009 was approximately \$25,000.

51. HISS is governed by a nine-member Board of Directors with five alternate members. Some Board Members also sit on committees charged with overseeing certain of HISS' functions and, in certain instances, they approve funding requests made by the Executive Director of HISS.

52. At all times relevant to the facts set forth in this complaint, Javier Rodolfo Pastor Vasquez ("Pastor") was the Honduran Vice-Minister of Health and president of the Board of Directors of HISS.

53. At all times relevant to the facts set forth in this complaint, Carlos Montes Rodriguez ("Montes") was the Honduran Vice-Minister of Labor and a member of the Board of Directors of HISS.

54. On or about December 2, 2010, Mario Zelaya appointed Pastor and Montes to a subcommittee of the Board of Directors called the Contract Verification Committee. The purpose of the Contract Verification Committee was to monitor COSEM's compliance with and performance of the COSEM Contract.

B. COSEM's Agreement to Pay \$2.08 Million in Bribes for the Benefit of Mario Zelaya

55. On or about December 6, 2010, HISS entered into contract No. 047-2010 with COSEM. The contract was titled "*Consultoria de Servicios Profesionales de Organizacion, Digitalizacion, Digitacion, Depuracion, Automatizacion, Sistematizacion de Archivos y Bases de Datos de Planillas y Tarjetas de Afiliacion de la Cuenta Individual del [HISS]*" (the "COSEM Contract").

56. The COSEM Contract was signed by HISS' Executive Director, Mario Zelaya, and COSEM's General Manager, Oscar Lainez.

57. The COSEM Contract had a three-year term, from December 6, 2010 to December 6, 2013. The primary objective of the COSEM Contract was for the company to organize, de-duplicate, automate, and digitize HISS' records, including medical records, human resources files, payroll, accounting documents, and also to identify and correct mistakes in HISS' existing data files.

58. The COSEM Contract obligated HISS to pay COSEM a total of \$19,775,000 in installments based on tasks completed by COSEM. Each installment payment varied, but averaged approximately \$500,000 to \$600,000 per month.

59. HISS' Executive Director, Mario Zelaya, was responsible for signing payment orders and checks to COSEM under the COSEM Contract.

60. Between December 2010 and in or around June 2011, HISS caused payments to be made to COSEM in accordance with the COSEM Contract.

61. In or around June 2011, HISS began experiencing financial difficulties. As a result, the Institute began prioritizing payments to its vendors. In the course of this process, HISS ceased making timely payments to COSEM.

62. Because HISS ceased making timely payments, COSEM began suffering liquidity

problems. As a result, the company became unable to make payroll for approximately 900 employees working on the COSEM Contract.

63. In an effort to resolve the situation, COSEM's General Manager, Oscar Lainez, and his business partner, Jorge Herrera, contacted Mario Zelaya in the summer of 2011.

64. In or around September or the beginning of October 2011, Mario Zelaya met with Oscar Lainez and Jorge Herrera in Tegucigalpa, Honduras. During that meeting, Oscar Lainez and Jorge Herrera explained to Mario Zelaya that COSEM needed HISS to make immediate and timely payments under the COSEM Contract for COSEM to continue operating and to fulfill its obligations to HISS under the COSEM Contract.

65. Mario Zelaya then advised Oscar Lainez and Jorge Herrera that in order for HISS to resume making timely payments to COSEM under the COSEM Contract, they would have to pay him a personal "commission" or bribe of approximately \$2 million.

66. At the same meeting in Tegucigalpa in or around September or the beginning of October 2011, Mario Zelaya also stated to Oscar Lainez and Jorge Herrera that he alone could not cause HISS to resume timely payments to COSEM, but that the company would also need the assistance of Pastor and Montes.

67. Mario Zelaya stated that Pastor and Montes were "key" members of HISS' Board of Directors who could influence the Board of Directors' Administrative Committee and that they should also receive "commissions" or bribes. Mario Zelaya also stated that the Administrative Committee had the authority to prioritize vendor payments.

68. At or around the time of the first meeting—September or the beginning of October 2011—Mario Zelaya advised Oscar Lainez as to the bribe amounts that should be paid to him, Pastor, and Montes. Mario Zelaya was to receive \$2.08 million, Pastor was to receive \$250,000,

and Montes was to receive \$150,000.

69. Oscar Lainez then agreed to make the payments to or for the benefit of Mario Zelaya, Pastor, and Montes. In return, Mario Zelaya agreed that he, Pastor, and Montes would cause HISS to resume making timely payments to Oscar Lainez's company, COSEM, under the COSEM Contract.

70. In or around September or the beginning of October 2011, Mario Zelaya introduced Oscar Lainez to Pastor and Montes.

71. Mario Zelaya explained to Oscar Lainez that he could speak freely about the bribery scheme with Pastor and Montes. He also explained to Pastor and Montes that Oscar Lainez could be trusted and that they could speak freely with him about the scheme.

72. Beginning in or around October 2011, Oscar Lainez, Jorge Herrera, Pastor, and Montes engaged in a series of meetings, usually at COSEM's offices in Tegucigalpa, Honduras, to discuss the manner in which the bribes would be paid. Mario Zelaya attended some, but not all of these meetings.

73. At one of these meetings that he did attend, Mario Zelaya directed Jorge Herrera of COSEM to transfer some of the bribe monies into the United States for the purchase of property.

74. In an effort to conceal the illicit payments, COSEM's principals, Oscar Lainez and Jorge Herrera, used the bank accounts of COSEM's subsidiary or affiliate company, CA Technologies, to make the bribe payments for the benefit of Mario Zelaya.

75. Oscar Lainez and Jorge Herrera used CA Technologies, rather than COSEM to transfer the illicit funds, because they did not want it to appear that COSEM was involved in the bribery scheme as it was party to a contract with HISS. Further, they could not properly justify the payments on COSEM's books.

76. Between on or about October 21, 2011 and October 2, 2013, at the direction of Pastor, Oscar Lainez and Jorge Herrera caused two checks and five wire transfers in the total amount of \$235,000 to be made to or for the benefit of Pastor, including payments to a seafood company called “Mariscos Hybur,” owned by members of his family.

77. Between on or about October 21, 2011 and December 27, 2011, at the direction of Montes, Oscar Lainez and Jorge Herrera caused two wire transfers from Oscar Lainez and CA Technologies in the total amount of \$150,000 to be made for the benefit of Montes, including to third parties.

78. After the bribe monies were paid for the benefit of Montes, on or about December 27, 2011, the timely payments from HISS to COSEM under the COSEM Contract resumed almost immediately. Upon information and belief, Mario Zelaya signed the checks payable to COSEM.

79. Further, between on or about December 27, 2011 and November 2012, COSEM’s general manager, Oscar Lainez, caused CA Technologies to send wire transfers in various amounts for the ultimate benefit of Mario Zelaya totaling approximately \$2.08 million.

80. Of the total approximately \$2.08 million in bribe payments made to Mario Zelaya, \$1,355,000 was wire transferred into this District and used to purchase the Defendant Real Properties.

C. \$1.08 Million in Bribe Proceeds Was Wire Transferred by CA Technologies to a Title Company to Purchase Six of the Defendant Real Properties

81. At Mario Zelaya’s direction, COSEM’s general manager, Oscar Lainez caused four wire transfers in the total amount of approximately \$1.08 million to be sent from a Panamanian bank, Multibank Panama, account number xxxxxxxx9886, held in the name of Central American Technologies to escrow account number xxx-xx2652, maintained at Resource Bank in Covington, Louisiana, by Title Company A—a title company located in Mandeville, Louisiana.

82. The Central American Technologies account used to send the wire transfers to Title Company A was held by or for the benefit of CA Technologies and was controlled by Oscar Lainez and Jorge Herrera.

83. These four wire transfers were made on or about the dates and in the amounts set forth in Table 1 below and were made for the benefit of Mario Zelaya and his brother, Carlos Zelaya.

Table 1
\$1.08 Million Wire Transferred by CA Technologies to Title Company A

Date of Wire Transfer	Sender	Sender Account Information	Recipient	Amount of Wire Transfer
Sept. 4, 2012	Central American Technologies, Inc.	Multibank, Panama (acct no. 9886)	Title Company A	\$250,000
Sept. 11, 2012	Central American Technologies, Inc.	Multibank, Panama (acct no. 9886)	Title Company A	\$250,000
Oct. 29, 2012	Central American Technologies, Inc.	Multibank, Panama (acct no. 9886)	Title Company A	\$250,000
Nov. 23, 2012	Central American Technologies, Inc.	Multibank, Panama (acct no. 9886)	Title Company A	\$330,000
Total:				\$1,080,000

84. Between the September 11, 2012 and October 29, 2012 wire transfers from Central American Technologies to Title Company A, a representative from Title Company A initiated a telephone call to Carlos Zelaya. During that call, the representative told Carlos Zelaya that the closing for five of the Defendant Real Properties had to be delayed because Title Company A had not yet received sufficient funds to purchase them.

85. Carlos Zelaya then added his brother, Mario Zelaya, to the call, who was in Honduras at the time. During the ensuing three-way conversation, Carlos Zelaya and Mario Zelaya began speaking in Spanish to one another—a language understood by the title company representative.

Carlos informed Mario that additional monies were needed to purchase the properties and Mario responded that he could not send all of the money needed at that time.

86. During the same call, Mario Zelaya instructed Carlos Zelaya, in Spanish, to tell Title Company A that additional funds were forthcoming. Carlos Zelaya then relayed the same information to the Title Company A representative in English.

87. Thereafter, the third and fourth wire transfers identified in Table 1 above, dated October 29 and November 23, 2012, were sent to and received by the Title Company A escrow account.

88. The funds transferred from the Central American Technologies account at the direction of Oscar Lainez remained in Title Company A's escrow account until October 30, 2012, when the five Defendant Real Properties identified in sub-paragraphs 10.b through 10.f were purchased at the same time for a total amount of \$600,000 as set forth below in Table 2:

Table 2
Five Defendant Real Properties Purchased with Funds from CA Technologies

Date of Purchase	Property Address	Purchaser/Name on Title	Purchase Price
Oct. 30, 2012	19237 14th Avenue	C&M Wholesalers	\$160,000
Oct. 30, 2012	19311 14th Avenue	C&M Wholesalers	\$160,000
Oct. 30, 2012	19317/19321 14th Avenue	C&M Wholesalers	\$210,000
Oct. 30, 2012	13th Avenue Parcel	C&M Wholesalers	\$26,244
Oct. 30, 2012	Western 13th Avenue Parcels	C&M Wholesalers	\$43,756
Total:			\$600,000

89. The purchase and sale of the five Defendant Real Properties listed in Table 2 and described more specifically in sub-paragraphs 10.b through 10.f were reflected in three purchase agreements. Based on arrangements made by Mario Zelaya with the sellers of the properties, all three agreements were signed on or about July 19, 2012, by Mario Zelaya who was identified as

the buyer on each agreement.

90. Before the closing, however, Carlos Zelaya directed Title Company A to change the name of the buyer of the five Defendant Real Properties listed in Table 2 and described more specifically in sub-paragraphs 10.b through 10.f from Mario Zelaya to C&M Wholesalers.

91. At the time of these purchases, Mario Zelaya and Carlos Zelaya were the members of C&M Wholesalers.

92. The change of the name of the buyer was made in order to conceal the nature, source, location, ownership, or control of the proceeds of the bribe monies paid by COSEM for the benefit of Mario Zelaya.

93. Carlos Zelaya appeared at the real estate closing for the five Defendant Real Properties listed in Table 2 and described more specifically in sub-paragraphs 10.b through 10.f.

94. On or about July 19, 2012, Mario Zelaya also signed a purchase agreement for the Defendant Real Property located at 1404 N. Hwy. 190 consisting of a 5.86 acre used car dealership with a small sales office on the lot. This Defendant Real Property is described more specifically in sub-paragraph 10.a.

95. On or about November 29, 2012, the 1404 N. Hwy. 190 Property was purchased with approximately \$480,000 of the funds remaining in the Title Company A Escrow account that originated with CA Technologies, plus a cashier's check in the amount of \$8,017 dated November 28, 2012, and a check in the amount of \$10,000 dated July 19, 2012, from JPMorgan Chase Bank account number xxxx62581 held in the name of Mario R. Zelaya.

96. Carlos Zelaya appeared at the real estate closing for the Defendant Real Property located at 1404 N. Hwy. 190 (identified in sub-paragraph 10.a).

97. In order to conceal the nature, source, location, ownership, or control of the proceeds of

the bribe monies paid by COSEM for the benefit of Mario Zelaya, the Defendant Real Property located at 1404 N. Hwy. 190 was ultimately purchased in the name of C&M Motors—a company incorporated by Mario Zelaya’s brother, Carlos.

D. \$275,000 in Bribe Proceeds Were Wire Transferred by CA Technologies Indirectly to a Title Company in this District and Were Used to Purchase Three Defendant Real Properties

98. In or around December 2011, Mario Zelaya contacted Gabriela Lainez, the manager of the Honduran real estate company Inversiones Novaterra, and the sister of COSEM’s General Manager, Oscar Lainez.

99. Mario Zelaya explained to Gabriela Lainez that he intended to purchase property in New Orleans. He then told Gabriela Lainez that a subsidiary or affiliate of COSEM, CA Technologies, would send funds to Inversiones Novaterra for that purpose.

100. Mario Zelaya then asked Gabriela Lainez and her company, Inversiones Novaterra, to wire transfer the funds to Title Company B located in Mandeville, Louisiana.

101. Gabriela Lainez, on behalf of Inversiones Novaterra, agreed to receive the funds from CA Technologies and wire transfer them to Title Company B, provided that she earned a percentage-based fee for each transfer.

102. On December 27, 2011 and January 4, 2012, COSEM’s General Manager, Oscar Lainez caused COSEM’s subsidiary or affiliate, CA Technologies, to issue two checks to Inversiones Novaterra in the total amount of \$275,000, as described below in Table 3:

Table 3
Checks Totaling \$275,000 Issued by CA Technologies to Inversiones Novaterra

Date of Check	Check Details	Payor	Payee	Payee Bank	Amount
Dec. 27, 2011	Check 27	CA Technologies S de RL	Inversiones Inmobiliarias y Turisticas Novaterra	Banco Ficohsa account no. xxxxx2112	\$180,000
Jan. 4, 2012	Check 29	CA Technologies S de RL	Inversiones Inmobiliarias y Turisticas Novaterra	Banco Ficohsa account no. xxxxx2112	\$95,000
Total:					\$275,000

103. Once the funds were deposited into Inversiones Novaterra's account at Banco Ficohsa, Mario Zelaya directed Gabriela Lainez to wire transfer the funds to Title Company B in Mandeville, Louisiana.

104. These funds were transferred to Title Company B in order to purchase the Defendant Real Properties identified in sub-paragraphs 10.g through 10.i, located at 425 Depre Street, 717 Heavens Drive, and 725 Heavens Drive.

105. Between December 28, 2011 and January 29, 2012, approximately \$297,671 in funds were wire transferred from Inversiones Novaterra to an escrow account maintained by Title Company B on or about the dates and in the amounts set forth below in Table 4:

Table 4
Funds in the Amount of \$297,671 were Wire Transferred from Inversiones Novaterra to Title Company B

Date of Wire Transfer	Sender	Sender Account Information	Recipient	Amount of Wire Transfer
Dec. 28, 2011	Inversiones Inmobiliarias y Turisticas Novaterra	Banco Ficohsa account no. xxxxx2112	Title Company B Escrow account no. xxxxx2601	\$188,980
Jan. 5, 2012	Inversiones Inmobiliarias y Turisticas Novaterra	Banco Ficohsa account no. xxxxx2112	Title Company B Escrow account no. xxxxx2601	\$103,480
Jan. 29, 2012	Inversiones Inmobiliarias y Turisticas Novaterra	Banco Ficohsa account no. xxxxx2112	Title Company B Escrow account no. xxxxx2601	\$5,211
Total:				\$297,671

106. Between January 6, 2012 and February 6, 2012, Mario Zelaya used the funds paid by COSEM—via CA Technologies and Inversiones Novaterra—to purchase the Defendant Real Properties located at 425 Depre Street, 717 Heavens Drive, and 725 Heavens Drive through transactions that took place on or about the dates and in the amounts set forth below in Table 5 below. These Defendant Real Properties are described more specifically in sub-paragraphs 10.g through 10.i.

Table 5
Three Defendant Real Properties Purchased Between January 6 and February 6, 2012,
with Funds from CA Technologies

Date of Purchase	Property Address	Purchaser/Name on Title	Purchase Price
Jan. 6, 2012	425 Depre Street	Mario Zelaya	\$305,000
Jan. 17, 2012	717 Heavens Drive	Mario Zelaya	\$70,000
Feb. 6, 2012	725 Heavens Drive	Mario Zelaya	\$73,000

107. Additional funds were used to purchase the Defendant Real Properties listed above in Table 5, including \$19,000 that was wire transferred to Title Company B on or about January 18, 2012, from account number xxxxxxxxxxx8331 at Banco Lafise SA (Honduras) in the name of Corporacion de Inv Nacionales S.A.

108. Mario Zelaya signed the closing documents for the Defendant Real Property located at 425 Depre Street.

109. Carlos Zelaya, acting through a power of attorney, signed the closing documents on Mario Zelaya's behalf for the Defendant Real Properties located at 717 Heavens Drive and 725 Heavens Drive.

VI.

CLAIMS

PREDICATE OFFENSE FOR MONEY LAUNDERING

110. For purposes of 18 U.S.C. §§ 1956 and 1957, "specified unlawful activity" is defined in 18 U.S.C. § 1956(c)(7)(B)(iv) to include, among other things, with respect to a financial transaction occurring in part in the United States, a foreign offense involving bribery of a public official.

111. Bribery of a public official is a criminal offense as set forth in Articles 361, 362, and

365, among others, of Chapter Five of the Penal Code of Honduras.

**FIRST CLAIM FOR RELIEF
VIOLATION OF 18 U.S.C. § 981(a)(1)(C)**

112. The factual allegations in paragraphs 1 through 109 above are incorporated by reference as if fully set forth herein.

113. The Defendant Real Properties constitute, or are derived from, proceeds traceable to a foreign offense involving bribery of a public official (18 U.S.C. § 1956(c)(7)(B)(iv)) and a conspiracy to commit such an offense.

114. Therefore, the Defendant Real Properties are subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C).

**SECOND CLAIM FOR RELIEF
18 U.S.C. § 981(a)(1)(A) FOR VIOLATIONS OF 18 U.S.C. § 1957**

115. The factual allegations in paragraphs 1 through 109 above are incorporated by reference as if fully set forth herein.

116. Title 18, U.S.C. § 1957 imposes a criminal penalty on any person who “[k]nowingly engages or attempts to engage in a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from specified unlawful activity.”

117. As set forth above, the Defendant Real Properties were involved in monetary transactions, or attempted monetary transactions, affecting interstate or foreign commerce, in property of a value greater than \$10,000, which was criminally derived from specified unlawful activity, that is, conduct constituting a foreign offense involving bribery of a public official.

118. As further set forth above, such transactions or attempted transactions were conducted with knowledge that the property involved was criminally derived.

119. Accordingly, the Defendant Real Properties are subject to forfeiture pursuant to 18

U.S.C. § 981(a)(1)(A) on the grounds that they constitute property involved in transactions or attempted transactions in violation of 18 U.S.C. § 1957, or are traceable to such property.

THIRD CLAIM FOR RELIEF
18 U.S.C. § 981(a)(1)(A) FOR VIOLATIONS OF 18 U.S.C. § 1956(a)(1)(B)(i)

120. The factual allegations in paragraphs 1 through 109 above are incorporated by reference as if fully set forth herein.

121. Title 18, U.S.C. § 1956(a)(1) imposes a criminal penalty on any person who:

knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity—

...

(B) knowing that the transactions is designed in whole or in part—

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity[.]

§ 1956(a)(1)(B)(i).

122. As set forth above, the Defendant Real Properties were involved in financial transactions, or attempted financial transactions, affecting interstate or foreign commerce, with proceeds of specified unlawful activity, that is, conduct constituting a foreign offense involving bribery of a public official.

123. As further set forth above, such transactions or attempted transactions were conducted with the knowledge that the property involved represented the proceeds of some form of unlawful activity, and knowing that such transactions or attempted transactions were designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of specified unlawful activity.

124. Accordingly, the Defendant Real Properties are subject to forfeiture to the United States under 18 U.S.C. § 981(a)(1)(A) on the grounds that they constitute property involved in

transactions or attempted transactions in violation of 18 U.S.C. § 1956(a)(1)(B)(i), or are traceable to such property.

FOURTH CLAIM FOR RELIEF
18 U.S.C. § 981(a)(1)(A) FOR VIOLATIONS OF 18 U.S.C. § 1956(a)(2)(B)(i)

125. The factual allegations in paragraphs 1 through 109 above are incorporated by reference as if fully set forth herein.

126. Title 18, U.S.C. § 1956(a)(2) imposes a criminal penalty on any person who:

transports, transmits, or transfers, or attempts to transport, transmit or transfer a monetary instrument or funds from a place in the United States to or through a place outside the United States or to a place in the United States from or through a place outside the United States—

(B) knowing that the monetary instrument or funds involved in the transportation, transmission, or transfer represent the proceeds of some form of unlawful activity and knowing that such transportation, transmission, or transfer is designed in whole or in part—

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity[.]

§ 1956(a)(2)(B)(i).

127. As set forth above, the Defendant Real Properties were involved in the transportation, transmission, or transfer of funds, or attempted transportation, transmission, or transfer of funds, affecting interstate or foreign commerce, to a place in the United States from or through a place outside the United States, with proceeds of some form of unlawful activity, that is, conduct constituting a foreign offense involving bribery of a public official.

128. As further set forth above, such transfers or attempted transfers were conducted with the knowledge that the property involved represented the proceeds of some form of unlawful activity, and knowing that such transfers or attempted transfers were designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of

specified unlawful activity.

129. Accordingly, the Defendant Real Properties are subject to forfeiture to the United States under 18 U.S.C. § 981(a)(1)(A) on the grounds that they constitute property involved in transactions or attempted transactions in violation of 18 U.S.C. § 1956(a)(2)(B)(i), or are traceable to such property.

FIFTH CLAIM FOR RELIEF
18 U.S.C. § 981(a)(1)(A) FOR VIOLATIONS OF 18 U.S.C. § 1956(h)

130. The factual allegations in paragraphs 1 through 109 above are incorporated by reference as if fully set forth herein.

131. Title 18, U.S.C. § 1956(h) imposes a criminal penalty on any person who “conspires to commit any offense defined in [18 U.S.C. §§ 1956 or 1957].”

132. As set forth above, the Defendant Real Properties were involved in a conspiracy to conduct, or attempt to conduct, transactions in violation of 18 U.S.C. §§ 1956(a)(1)(B)(i), (a)(2)(B)(i), and/or 1957, affecting foreign commerce, that involved the proceeds of specified unlawful activity, that is, conduct constituting a foreign offense involving bribery of a public official.

133. Accordingly, the Defendant Real Properties are subject to forfeiture to the United States under 18 U.S.C. § 981(a)(1)(A) on the grounds that they constitute property involved in transactions or attempted transactions in violation of 18 U.S.C. § 1956(h), or are traceable to such property.

WHEREFORE, Plaintiff United States of America prays:

- (a) that due process issue to enforce the forfeiture of the Defendant Real Properties;
- (b) that due notice be given to all interested parties to appear and show cause why forfeiture should not be decreed;

(c) that this Court decree forfeiture of the Defendant Real Properties to the United States of America for disposition according to law; and

(d) for such other and further relief as this Court may deem just and proper, together with the costs and disbursements of this action.

DATED: January 13, 2015

KENNETH ALLEN POLITE, JR.
UNITED STATES ATTORNEY

/s/ Michael B. Redmann

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UNITED STATES OF AMERICA

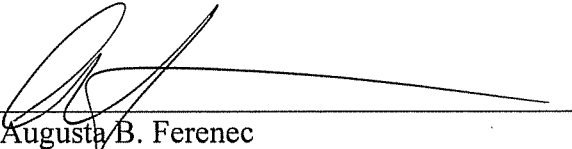
VERIFICATION

I, Augusta B. Ferenec, hereby verify and declare under the penalty of perjury that I am a Special Agent of the Department of Homeland Security, United States Immigration and Customs Enforcement, Homeland Security Investigations ("HSI"), that I have read the foregoing Verified Complaint for Forfeiture In Rem and know the contents thereof, and that the matters contained in the Verified Complaint are true to the best of my knowledge and belief.

The sources of my knowledge and information and the grounds for my belief include official files and records of the United States, publicly available files and historical information, files and records compiled by the District Attorney's Office of the Republic of Honduras, National Unit of Prosecutorial Support Division, information supplied to me by other law enforcement officers and other witnesses, as well as my investigation in this case, together with others, as a Special Agent of his, as well as my investigation and training.

I hereby declare under the penalty of perjury that the foregoing is true and correct.

Executed this 12 day of January 2015, at New Orleans, Louisiana.


Augusta B. Ferenec
Special Agent
Department of Homeland Security, United States
Immigration and Customs Enforcement,
Homeland Security Investigations