

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA : SEALED INDICTMENT

- v. - : 19 Cr.

MIGUEL CESPEDES, :
a/k/a "Miguel Melao,"

Defendant.

19 CRIM 839
X

- - - - -
COUNT ONE

(Operation of an Unlicensed Money Transmission Business)

The Grand Jury charges:

Cespedes' International Money Broker Business

1. From at least in or about June 2018 through at least in or about 2019, MIGUEL CESPEDES, a/k/a "Miguel Melao," the defendant, participated in a scheme to launder funds from locations throughout the United States to recipients in, among other places, Colombia. Among other things, the purpose of the scheme was to enable clients with cash located in the United States to transfer the value of that cash to other countries, principally Colombia, without the need for physically transporting United States currency across an international border or directly depositing large amounts of cash into the legitimate financial system.

2. To effectuate the scheme, "clients," i.e., the

owners of funds located in the United States, utilized the services of money brokers operating primarily in Colombia (the "Money Brokers"). The Money Brokers offered "contracts" typically requiring (a) the pick-up of United States currency from couriers throughout the United States and the receipt of international wires in the United States, and (b) the delivery of a corresponding amount of pesos in Colombia to the Money Brokers. In exchange for successfully delivering on a contract, the Money Brokers earned a commission, taken from the pesos received by him or her in Colombia. The person(s) with whom the Money Brokers contracted to arrange for the pick-up and receipt of United States currency also received a commission taken from the pesos received by the Money Brokers in Colombia. Although the payment of commissions from the funds collected pursuant to a contract meant that the clients did not receive the full value of the funds that the clients owned in the United States, this scheme enabled the clients to avoid the risks of having large quantities of cash detected at international borders and to avoid triggering financial reporting requirements.

3. MIGUEL CESPEDES, a/k/a "Miguel Melao," the defendant, engaged in the scheme as a Colombian-based Money Broker. As a Money Broker, CESPEDES offered and executed upon

multiple contracts requiring the pick-up of funds throughout the United States, and the delivery of a corresponding value of pesos to him in Colombia. In exchange for his work as a Money Broker, CESPEDDES received a commission taken from the pesos delivered to him in Colombia, as did the individuals with whom he contracted.

4. Typically, as part of the scheme, the funds collected in the United States pursuant to a contract offered by MIGUES CESPEDDES, a/k/a "Miguel Melao," the defendant, were deposited in a bank account located in the United States, and then transferred to a separate bank account associated with a consumer electronics products business based in East Hanover, New Jersey (the "Consumer Electronics Business"). The bank account of the Consumer Electronics Business was also located in the United States (the "Consumer Electronics Business Bank Account"). Upon receiving confirmation that funds collected pursuant to a Money Broker contract issued by CESPEDDES were available for deposit into the Consumer Electronics Business Bank Account, the owner of the Consumer Electronics Business arranged for the export of a roughly equivalent value of consumer electronics products to certain consumer electronic product suppliers located in Colombia (the "Colombian Electronics Suppliers"). The Colombian Electronics Suppliers, in turn, arranged to pay for the products

by delivering pesos to an individual in Colombia, who then delivered them to CESPEDDES. In this way, funds collected in the United States were able to be remitted in Colombia, without requiring that they be reported, declared, or smuggled over international borders.

Statutory Allegations

5. From at least in or about June 2018, through in or about 2019, in the Southern District of New York and elsewhere, MIGUEL CESPEDDES, a/k/a "Miguel Melao," the defendant, did knowingly conduct, control, manage, supervise, direct, and own all and part of an unlicensed money transmitting business affecting interstate and foreign commerce, to wit, CESPEDDES transmitted money from, through and out of the United States, including money collected in the Southern District of New York, without an appropriate state license, which conduct was punishable as a misdemeanor under New York law, and without meeting the Federal registration requirements set forth for money transmitting businesses.

(Title 18, United States Code, Sections 1960 and 2.)

COUNT TWO

(Conspiracy to Commit Money Laundering)

The Grand Jury further charges:

6. The allegations contained in paragraphs 1 through 4 of this Indictment are hereby repeated, realleged and incorporated by reference, as fully set forth herein.

7. In or around May 2019, in the Southern District of New York and elsewhere, MIGUEL CESPEDES, a/k/a "Miguel Melao," the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to violate Title 18, United States Code, Section 1956(a)(1)(B)(i).

8. It was a part and object of the conspiracy that MIGUEL CESPEDES, a/k/a "Miguel Melao," the defendant, and others known and unknown, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, conducted and attempted to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity, to wit, narcotics distribution in violation of Title 21, United States Code, Section 841, 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, to wit, CESPEDES agreed to effectuate the deposit and transmission in one and more United States bank accounts of

proceeds of narcotics distribution collected in the Southern District of New York, pursuant to a contract issued by him in his capacity as a Money Broker, knowing that the proceeds derived from criminal activity.

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

FORFEITURE ALLEGATION

9. As a result of committing the offenses alleged in Counts One and Two of this Indictment, MIGUEL CESPEDES, a/k/a "Miguel Melao," the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any and all property, real and personal, involved in said offense, or any property traceable to such property, including but not limited to a sum of money in United States currency representing the amount of property involved in said offense.

Substitute Assets Provision

10. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

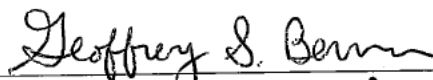
- a. cannot be located upon the exercise of due diligence;

- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)


FOREPERSON



GEOFFREY S. BERMAN *ATW*
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

MIGUEL CESPEDES,
a/k/a "Miguel Melao,"

Defendant.

INDICTMENT

19 Cr.

(18 U.S.C. §§ 1956(h), 1960, & 2)

GEOFFREY S. BERMAN
United States Attorney.

A TRUE BILL

Foreperson.
