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## **CALI CARTEL LEADERS PLEAD GUILTY TO DRUG AND MONEY LAUNDERING CONSPIRACY CHARGES**

### ***Rodriguez-Orejuela Brothers, Other Family Members Agree to \$2.1 Billion in Forfeiture***

WASHINGTON – Miguel and Gilberto Rodriguez-Orejuela, brothers who ran the infamous Cali Cartel in Colombia that was responsible for importing tons of cocaine into the United States over the last two decades, have pleaded guilty to a charge of conspiracy to import cocaine into the United States and have agreed to plead guilty to conspiracy to commit money laundering by hiding the proceeds of narcotics trafficking, the Department of Justice announced today.

The guilty pleas by the Rodriguez-Orejuela brothers were entered today before Judge Federico A. Moreno, in U.S. District Court for the Southern District of Florida. Under the terms of a plea agreement with the U.S. government, the Rodriguez-Orejuela brothers each pleaded guilty to one count of conspiracy to import five kilograms or more of cocaine, as charged in an indictment from the Southern District of Florida, and agreed to plead guilty in Miami at a later date to one count of conspiracy to commit money laundering, as charged in an indictment in the Southern District of New York.

Under the terms of the plea deal, the Rodriguez-Orejuela brothers have agreed to the entry of a final judgment of forfeiture in the amount of \$2.1 billion to be levied against their narcotics-related assets and businesses found anywhere in the world. That would include any narcotics-funded assets put in the names of family members to thwart forfeiture.

Miguel and Gilberto Rodriguez-Orejuela, 62 and 67 years old, respectively, were sentenced by Judge Moreno to 30 years in prison based on their illegal conduct after 1997, when Colombia lifted the seven-year-long prohibition against extraditing its nationals. The agreement also calls for the United States to recommend to the court that the sentence on the New York charge run concurrently to this sentence.

“These guilty pleas deal a final and fatal blow to the Cali Cartel, a violent drug trafficking organization that once operated outside of the law,” said Attorney General Alberto R. Gonzales. “But as drug traffickers and kingpins around the world now know, they are not beyond the reach of justice in the United States – the Cali Cartel has been dismantled and the brothers now face years in American prisons. Their arrests, extradition to the United States and now their convictions were all made possible by extraordinary cooperation from the Colombian

government, our valued partner in the fight to eradicate narcotics trafficking and the violence that so often accompanies it.”

The Rodriguez-Orejuela brothers were leaders of the Cali Cartel, a narcotics trafficking organization based in Cali, Colombia that for many years was the largest supplier of cocaine to the United States, responsible for sending more than 200 tons of cocaine to this country. The Cartel was a sophisticated criminal enterprise handling all aspects of the cocaine trade, including production, transportation, wholesale distribution and money laundering. At the height of its reign, the Cartel used violence to terrorize would-be competitors and potential witnesses and relied upon corruption to influence and gain control of many Colombian institutions.

The four leaders of the Cali Cartel – Miguel Rodriguez Orejuela, Gilberto Rodriguez Orejuela, Helmer Herrera Buitrago, and Jose Santacruz Londono – were named in the Annex to Executive Order 12978 (Specially Designated Narcotics Traffickers) which was signed by President Clinton on Oct. 21, 1995 to utilize economic sanctions authorities under the International Emergency Economic Power Act (IEEPA) to attack the financial empires built by the Cali Cartel. The Treasury Department's Office of Foreign Assets Control (OFAC) investigated and subsequently designated hundreds of front companies and individuals in Colombia and ten other countries since October 1995 to OFAC's list of Specially Designated Narcotics Traffickers list. OFAC's actions to apply economic sanctions gravely affected the Cali Cartel's ability to use many of the financial assets they derived from their narcotics trafficking activities.

After Colombia lifted its ban on the extradition of nationals in 1997, U.S. law enforcement and their Colombian counterparts continued to investigate the Rodriguez-Orejuela brothers, resulting in the criminal charges in Miami and New York. Then in December 2004, Gilberto Rodriguez-Orejuela was extradited from Colombia, and Miguel was extradited in March 2005 to face prosecution on those charges.

In pleading guilty to the charge in the Miami indictment, the Rodriguez-Orejuela brothers admitted that they imported five kilograms or more of cocaine into the United States, beginning in or about 1990 and continuing until in or about July 2002. Specifically, the brothers were responsible for the importation of over 200,000 kilograms of cocaine from Colombia that was smuggled into the United States through Central America. The Cali Cartel used a variety of methods to smuggle the cocaine into the country, including: the concealment of the drug in shipments of concrete posts sent from Colombia to Venezuela and eventually South Florida; the concealment of cocaine in shipments of ceramic tiles sent from Colombia to Panama to Guatemala, where the cocaine was removed from the tile, repackaged in boxes of frozen vegetables and then shipped to South Florida; and the concealment of cocaine in shipments of coffee from Colombia to Panama, and then South Florida. Although the defendants were imprisoned by Colombia in 1995, they continued to run the Cali Cartel from prison by working through Miguel's son, William Rodriguez-Abadia, and others who oversaw various aspects of the cartel using new routes and new methods – such as the hiding of cocaine in shipments of empty chlorine gas cylinders and, later, the placement of cocaine in containers of pumpkins for surreptitious removal by co-conspirators working at the Port of Miami. On March 8, 2006, William Rodriguez-Abadia pleaded guilty in Miami to his involvement in this drug trafficking conspiracy and was sentenced to more than 21 years in prison.

The Rodriguez-Orejuela brothers agreed to plead guilty to a money laundering conspiracy charged in the Southern District of New York that alleged that they laundered the illicit fortune of the Cali Cartel through a pharmaceutical drug empire that included more than 400 retail drug stores across Colombia and pharmaceutical drug laboratories that manufactured the drugs. By investing millions of dollars in cocaine-trafficking proceeds into these ostensibly legitimate companies – which included Drogas La Rebaja and Laboratorios Kressfor – the Rodriguez-Orejuela brothers laundered millions of dollars in Cali Cartel cocaine proceeds.

In addition to the agreements entered by the brothers, 28 family members of the Rodriguez-Orejuelas entered into an agreement with the United States today. Under the terms of that separate agreement, the family members agreed to forfeit their right, title, and interest in all Rodriguez-Orejuela business entities and other assets worldwide, as well as all assets of any nature in the United States. Once they have taken all steps to relinquish any claims to these properties, the family members will be eligible to be removed from OFAC's list of persons designated as Specially Designated Narcotics Traffickers. They will be required to continue to assist the U.S. and Colombian governments in any ongoing or later related forfeiture actions. The U.S. government has agreed not to prosecute six of the relatives who, although not involved in narcotics trafficking, could be prosecuted for related crimes.

The convictions of the Rodriguez-Orejuela brothers result from Operation Cornerstone, an Organized Crime Drug Enforcement Task Force (OCDETF) investigation led by U.S. Immigration and Customs Enforcement (ICE) that began in August 1991 with the discovery of more than 12,000 kilograms of cocaine at the port of Miami hidden inside a cargo of cement posts imported from South America. Subsequent investigation led to the arrest of several individuals and provided evidence that the Cali Cartel had become the greatest drug trafficking threat to the United States, eclipsing the dying Medellin Cartel. Operation Cornerstone yielded several major seizures of cocaine, including the cocaine hidden in products shipped from Central America. Since it began, Operation Cornerstone has led to the conviction of 105 defendants, the seizure of 47,500 kilograms of cocaine, and documentation through seized records and witness testimony of 200,000 kilos of cocaine being smuggled into the United States, representing \$2.1 billion in drug proceeds, all related to the Miami drug prosecution.

“At one time, the Rodriguez-Orejuela brothers oversaw one of the world's most powerful criminal organizations, believed to be responsible for roughly 80 percent of the cocaine supplied to the United States. They were also behind a reign of terror and corruption that impacted governments and people across the globe. Today, these brothers rank as arguably the highest-level trafficking figures to ever occupy U.S. jail cells. Their guilty pleas mark the culmination of 15 years of investigation by ICE agents, DEA agents and Colombian authorities,” said Julie Myers, Assistant Secretary for U.S. Immigration and Customs Enforcement.

“The founding brothers of Colombia's notorious Cali Cartel once cornered the world's cocaine market and smuggled it to the United States on a colossal scale,” said Drug Enforcement Administrator Karen P. Tandy. “Now, after today's conviction, the Cali Cartel will be reduced to extinction with its members in American prison, like the common criminals they are, stripped of all the wealth, power and influence they once possessed.”

“As with many criminal organizations, the vulnerability of the Rodriguez-Orejuela family has been its finances. By relentlessly uncovering and immobilizing the hidden assets of the Cali cartel, the Office of Foreign Assets Control and our law enforcement colleagues incapacitated a once-powerful drug organization and helped to deliver the guilty pleas and forfeitures being announced today,” said Adam Szubin, Director of the Office of Foreign Assets Control.

John Walters, Director of National Drug Control Policy, said, “This success is a global success because narco-terrorism knows no boundaries. President Uribe and the men and women of the Colombian Security Forces are to be commended for their courage and dedication to justice in arresting and extraditing the Rodriguez-Orejuela brothers. We must continue to support Colombia and the Colombian people's strong resolve to destroy the illegal drug industry.”

“The hard work and perseverance of the federal prosecutors and agents of Operation Cornerstone has led to the unparalleled conviction of more than 100 defendants, the forfeiture of over \$2 billion and the seizure of nearly 50,000 kilos of cocaine being smuggled into the United States. Today, their work, and the work and their colleagues at the Office of Foreign Assets Control, resulted in the guilty pleas of the Rodriguez-Orejuela brothers. Infamous as the leaders of the Cali Drug Cartel, the 30-year prison sentence of the Rodriguez-Orejuela brothers ends the Cali chapter of the war on drugs,” said U.S. Attorney R. Alexander Acosta of the Southern District of Florida.

“The Rodriguez-Orejuela brothers masterminded a narcotics-trafficking business that generated an illicit billion-dollar fortune – a business they propagated throughout the Americas by repeatedly reorganizing their corporations to conceal their interest,” stated Michael J. Garcia, U.S. Attorney for the Southern District of New York. “This case is a testament to our strong partnership with Colombian law enforcement. The powerhouse once known as the Cali Cartel has been effectively bankrupted, and the vast amounts of illegal money derived from their drug trade can now be recouped. We’re committed to identifying and exposing the money laundering networks of the world’s largest narcotics-trafficking organizations and bringing them to justice in the United States.”

The prosecutions of the Rodriguez-Orejuela brothers in Miami were handled by Assistant U.S. Attorneys Ed Ryan, Richard Gregorie, Matthew Axelrod, Lisa Hirsch, Alison Lehr and Laurence Bardfeld at the U.S. Attorney’s Office in the Southern District of Florida. The Southern District of New York case was the result of the two-year Operation Dynasty led by the U.S. Attorney’s Office, the Drug Enforcement Administration (DEA) and OFAC. The case was handled by Assistant U.S. Attorneys Boyd M. Johnson III, Kevin R. Puvalowski, and Glen G. McGorty. Assistance to both OCDETF cases was provided by the Narcotic and Dangerous Drug Section of the Criminal Division the Department of Justice. The cases were investigated by U.S. Immigration and Customs Enforcement at the Department of Homeland Security and the DEA. Assistance in the investigation was provided by the U.S. Marshals Service, South Florida High Intensity Drug Trafficking Area (HIDTA) task force, the Office of White House Office of National Drug Control Policy, the Colombian Police and the Colombian Fiscalia (the Office of the Prosecutor General).

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