



## U.S. Agents Aided Mexican Drug Trafficker to Infiltrate His Criminal Ring

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(Photo: Reuters) Harold Mauricio Poveda-Ortega, an accused Colombian drug trafficker, in custody in 2010.

The New York Times on January 9, 2012 released the following:

“By GINGER THOMPSON

WASHINGTON — American drug enforcement agents posing as money launderers secretly helped a powerful Mexican drug trafficker and his principal Colombian cocaine supplier move millions in drug proceeds around the world, as part of an effort to infiltrate and dismantle the criminal organizations wreaking havoc south of the border, according to newly obtained Mexican government documents.

The documents, part of an extradition order by the Mexican Foreign Ministry against the Colombian supplier, describe American counternarcotics agents, Mexican law enforcement officials and a Colombian informant working undercover together over several months in 2007. Together, they conducted numerous wire transfers of tens of thousands of dollars at a time, smuggled millions of dollars in bulk cash — and escorted at least one large shipment of cocaine from Ecuador to Dallas to Madrid.

The extradition order — obtained by the Mexican magazine *emeequis* and shared with The New York Times — includes testimony by a Drug Enforcement Administration special agent who oversaw a covert money laundering investigation against a Colombian trafficker named Harold Mauricio Poveda-Ortega, also known as “The Rabbit.” He is accused of having sent some 150 tons of cocaine to Mexico between 2000 and 2010. Much of that cocaine, the authorities said, was destined for the United States.

Last month, The Times reported that these kinds of operations had begun in Mexico as part of the drug agency’s expanding role in that country’s fight against organized crime. The newly obtained documents provide rare details of the extent of that cooperation and the ways that it blurs the lines between fighting and facilitating crime.

Morris Panner, a former assistant United



States attorney who is an adviser at the Center for International Criminal Justice at Harvard, said there were inherent risks in international law enforcement operations. “The same rules required domestically do not apply when agencies are operating overseas,” he said, “so the agencies can be forced to make up the rules as they go along.” Speaking about the

Drug Enforcement Agency’s money laundering activities, he said: “It’s a slippery slope. If it’s not careful, the United States could end up helping the bad guys more than hurting them.”

Shown copies of the documents, a Justice Department spokesman did not dispute their authenticity, but declined to make an official available to speak about them. But in a written statement, the D.E.A. strongly defended its activities, saying that they had allowed the authorities in Mexico to kill or capture dozens of high-ranking and midlevel traffickers.

“Transnational organized groups can be defeated only by transnational law enforcement cooperation,” the agency wrote. “Such cooperation requires that law enforcement agencies — often from multiple countries — coordinate their activities, while at the same time always acting within their respective laws and authorities.”

The documents make clear that it can take years for these investigations to yield results. They show that in 2007 the authorities infiltrated Mr. Poveda-Ortega’s operations. Mr. Poveda-Ortega was considered the principal cocaine supplier to the Mexican drug cartel leader Arturo Beltran Leyva. Two years later, Mexican security forces caught up with and killed Mr. Beltran Leyva in a gunfight about an hour outside of Mexico City.

As for Mr. Poveda-Ortega, in 2008 he escaped a raid on his mansion outside Mexico City in which the authorities detained 15 of his associates and seized

hundreds of thousands of dollars, along with two pet lions. But the authorities finally captured him in Mexico City in November 2010.

According to the newly obtained documents, Mexico agreed to extradite Mr. Poveda-Ortega to the United States last May. But the American authorities refused to say whether the extradition had occurred.

“That’s how long these investigations take,” said an American official in Mexico who would speak only on the condition that he not be identified discussing secret law enforcement operations. “They are an enormously complicated undertaking when it involves money laundering, wires, everything.”

The documents, which read in some parts like a dry legal affidavit and in others like a script for a B-movie, underscore that complexity. They mix mind-numbing lists of dates and amounts of illegal wire transfers that were conducted during the course of the investigation.

One scene described in the documents depicts the informant making deals to launder money during meetings with traffickers at a Mexico City shopping mall. Another describes undercover D.E.A. agents in Texas posing as pilots, offering to transport cocaine around the world for \$1,000 per kilo.

Those accounts come from the testimony by a D.E.A. special agent who described himself as a 12-year veteran and a resident of Texas. There is also testimony by a Colombian informant who posed as a money launderer and began collaborating with the D.E.A. after he was arrested on drug charges in 2003. The Times is withholding the agent’s and the informant’s names for security reasons.

In January 2007, the informant reached out to associates of Mr. Poveda-Ortega and began talking his way into a series of money-laundering jobs — each one bigger than the last — that helped him win the confidence of low-level traffickers and ultimately gain access to the kingpins.

A handful of undercover D.E.A. agents, according to the documents, posed as associates to the informant, including the two who offered their services as pilots



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and another who told the traffickers that he had several businesses that gave him access to bank accounts that the traffickers could use to deposit and disperse their drug money.

In June 2007, the traffickers bit, asking the informant to give them an account number for their deposits. And over a four-day period in July, they transferred tens of thousands of dollars at a time from money exchange houses in Mexico into an account the D.E.A. had established at a Bank of America branch in Dallas.

According to the testimony, the traffickers' deposits totaled \$1 million. And on the traffickers' instructions, the informant withdrew the money and the D.E.A. arranged for it to be delivered to someone in Panama.

Testimony by the informant suggests that the traffickers were pleased with the service.

"At the beginning of August 2007, Harry asked my help receiving \$3 million to \$4 million in American money to be laundered," the informant testified, referring to one of the Colombian traffickers involved in the investigation. "During subsequent recorded telephone calls I told Harry I couldn't handle that much money." Still, the informant and the D.E.A. tried to keep up. On one occasion, they enlisted a Mexican undercover law enforcement agent to pick up \$499,250

from their trafficking targets in Mexico City. And a month later, that same agent picked up another load valued at more than \$1 million.

The more the money flowed, the stronger the relationship became between the informants and the traffickers. In one candid conversation, the traffickers boasted about who was able to move the biggest loads of money, the way fishermen brag about their catches. One said he could easily move \$4 million to \$5 million a month. Then the others spoke about the tricks of the trade, including how they had used various methods, including prepaid debit cards and an Herbalife account, to move the money.

The next day, the informant was summoned to his first meeting in Mexico City with Mr. Poveda-Ortega and Mr. Beltran Leyva, who asked him to help them ship a 330-kilogram load to Spain from Ecuador. The documents say the shipment was transported over two weeks in October, with undercover Ecuadorean agents retrieving the cocaine from a tour bus in Quito and American agents testing its purity in Dallas before sending it on to Madrid.

The testimony describes the informant reassuring the traffickers in code, using words like "girlfriend" or "chick" to refer to the cocaine, and saying that she had arrived just fine. But in reality, the

testimony indicates, the Spanish authorities, tipped off in advance by the D.E.A., seized the load shortly after its arrival, rather than risk losing it."

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