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# Former President Of Guatemala, Alfonso Portillo, Sentenced In Manhattan Federal Court For Laundering Millions Of Dollars Through United States Banks

### FOR IMMEDIATE RELEASE

Thursday, May 22, 2014

Preet Bharara, the United States Attorney for the Southern District of New York, announced that ALFONSO PORTILLO, the former President of Guatemala, was sentenced today in Manhattan federal court to 70 months in prison for laundering millions of dollars through bank accounts located in the United States. PORTILLO, who served as the President of Guatemala from January 14, 2000, to January 14, 2004, arrived in the Southern District of New York on May 24, 2013, after being extradited to the United States by the Government of Guatemala. On March 18, 2014, Portillo pled guilty to the sole charge in the Indictment before United States District Judge Robert P. Patterson, who imposed today's sentence.

United States Attorney Preet Bharara said: "Alfonso Portillo, the former head of state in Guatemala, used his office as a siphon to extract millions of dollars in bribes from Taiwan. Today he has been sentenced to a lengthy prison term for laundering the proceeds of his influence-peddling. The U.S. banking system is not open for business to those seeking to hide illegal funds."

According to the Indictment, PORTILLO's plea allocution, and the evidence at sentencing:

From December 1999 through August 2002, while serving as President of Guatemala, PORTILLO received \$2.5 million in bribery payments from the Government of Taiwan. In his plea allocution, PORTILLO stated, "I understood that, in exchange for these payments, I would use my influence to have Guatemala continue to recognize Taiwan diplomatically." Knowing that the \$2.5 million was the proceeds of illegal payments from Taiwan, PORTILLO conspired with others to launder the \$2.5 million through bank accounts located in the United States. PORTILLO also stated that he and others had the illegally obtained funds "carried from Guatemala to the United States" and then deposited into the U.S. accounts. The \$2.5 million in payments consisted of five checks provided by the Government of Taiwan's Embassy in Guatemala. Three of the checks, totaling \$1.5 million, were issued in 2000, and were endorsed personally by PORTILLO. PORTILLO then caused the checks to be deposited in a bank account in Miami, Florida. Two additional checks totaling \$1 million were issued in 2002 and were made payable to a company known as Oxy Financial Corp. ("Oxy Financial"). These two checks were deposited at the International Bank of Miami, in an account held by Oxy Financial. As PORTILLO stated in his guilty plea allocution, these and other transactions were "designed, in part, to conceal and disguise the source and ownership of the money." More than \$1.5 million of the Taiwanese payments received by PORTILLO were ultimately deposited into bank accounts in the name of PORTILLO's former wife and daughter at Banco Bilbao Vizcaya Argentaria ("BBVA") in Paris, France. Money transferred into the BBVA accounts was further laundered through financial institutions in Luxembourg and Switzerland, among other places.

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In addition to the prison term, PORTILLO, 62, was ordered to pay \$2.5 million in forfeiture and a \$100 special assessment fee.

Mr. Bharara praised the outstanding investigative work of the New York Field Office of the Internal Revenue Service, Criminal Investigation ("IRS-CI"), DEA's New York Organized Crime Drug Enforcement Strike Force – which comprises agents and officers of the DEA, the New York City Police Department, Immigration and Customs Enforcement's Homeland Security Investigations, the New York State Police, the U. S. Internal Revenue Service Criminal Investigation Division, the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Secret Service, and the U.S. Marshals Service – the DEA's Guatemala Country Office, the Department of State, and the U.S. Department of Justice's Office of International Affairs for their work in this investigation. Mr. Bharara also recognized and thanked the United Nations Commission Against Impunity in Guatemala ("CICIG"), the Guatemalan Special Prosecutor's Office for the CICIG, and the Ministerio Público in Guatemala for their assistance in the investigation.

This prosecution is being handled by the Office's Terrorism and International Narcotics Unit. Assistant United States Attorneys Adam Fee and Shane T. Stansbury are in charge of the prosecution.

14-154

[Return to Top](#)