SAN FRANCISCO - Two sons of the former comptroller of the Philippines' armed forces were arrested today on bulk cash smuggling charges, based upon an indictment issued by a federal grand jury here in December.

Juan Paulo Depakakibo Garcia, of Pontiac, Mich., and Ian Carl Depakakibo Garcia of Las Vegas, Nev., are each charged with one count of conspiracy to commit bulk cash smuggling and one count of bulk cash smuggling. Juan Paulo Depakakibo Garcia is also charged with one count of failing to file a report on the import of monetary instruments and one count of making a false statement to a government agency.

The prosecution is the result of an investigation by U.S. Immigration and Customs Enforcement (ICE), U.S. Customs and Border Protection, the Internal Revenue Service Criminal Investigation and the Department of Defense, Defense Criminal Investigative Service.

Juan Paulo Depakakibo Garcia was arrested in Pontiac, and Ian Carl Depakakibo Garcia was arrested in Las Vegas. Both are being held in San Francisco to answer to the charges. The Garcias are the sons of Carlos Garcia, the former comptroller of the Philippines' armed forces, who was recently found guilty in the Philippines of perjury for misdeclaration of his assets and liabilities in 2000.

In December 2003, according to the indictment, the two Garcia brothers smuggled $100,000 in United States currency into the United States from the Philippines. When the two entered the United States, they failed to declare the money, which was concealed on them and in their luggage. Carlos Garcia, his wife and three sons, including Juan Paulo and Ian Carl, are also facing plunder charges in the Philippines for allegedly illegally amassing more than 300 million in Philippine pesos during former General Carlos Garcia's active military service.

The maximum penalty for each of the four counts in the indictment - conspiracy to commit bulk cash smuggling, bulk cash smuggling, failure to report the importation of monetary instruments and false statements to a government agency - is five years in prison, and a $250,000 fine. The penalty for failure to declare the importation of monetary instruments increases to 10 years in prison if a defendant is convicted of this charge in addition to one of the other three charges in the indictment.

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