

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
CORPUS CHRISTI DIVISION

|                               |   |                  |
|-------------------------------|---|------------------|
| UNITED STATES OF AMERICA      | § |                  |
| Plaintiff,                    | § |                  |
| v.                            | § | CIVIL ACTION NO. |
|                               | § |                  |
|                               | § |                  |
| ALL FUNDS ON DEPOSIT          | § |                  |
| AT SUN SECURED ADVANTAGE      | § |                  |
| ACCOUNT NUMBER 26-2673-031320 | § |                  |
| HELD AT THE BANK OF N.T.      | § |                  |
| BUTTERFIELD AND SON LIMITED   | § |                  |
| IN BERMUDA                    | § |                  |
| Defendant,                    | § |                  |

VERIFIED COMPLAINT FOR CIVIL FORFEITURE IN REM

The United States of America, Plaintiff, files this action for forfeiture against all funds on deposit at Sun Secured Advantage Account Number 26-2673-031320, held at The Bank of N.T. Butterfield and Son Limited in Bermuda, and alleges on information and belief that:

1. This is a civil action in rem brought to enforce the provisions of: (a) 18 U.S.C. § 981(a)(1), which provides for the forfeiture of personal property involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956, 1957 or 1960 or any property traceable to such property; and (b) 18 U.S.C. § 981(a)(1)(C) which provides for the forfeiture of any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. § 1956(c)(7)(B)(iv) and 18 U.S.C. § 1961(1), including property that is derived from bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official.

2. The property subject to forfeiture are all funds on deposit at Sun Secured Advantage Account Number 26-2673-031320, held at The Bank of N.T. Butterfield and Son Limited in

Bermuda (hereinafter referred to as “Defendant Property”). As of January 4, 2013, Defendant Property consisted of \$2,275,544.41 on deposit at Sun Secured Advantage Account Number 26-2673-031320, held at The Bank of N.T. Butterfield and Son Limited in Bermuda.

3. This Court has jurisdiction under 28 U.S.C. §§ 1345 and 1355. This court has *in rem* jurisdiction over Defendant Property under 28 U.S.C. § 1355(b) and §1355(b)(2). Venue is proper in this district pursuant to 28 U.S.C. § 1355(b)(1), because the acts or omissions giving rise to the forfeiture occurred in this district.

4. Hector Javier VILLARREAL Hernandez (hereinafter referred to as VILLARREAL) was the former Secretary of Finance for the state of Coahuila, Mexico. In approximately December 2005, VILLARREAL was appointed by the then Governor of the State of Coahuila, Mexico, Humberto Moreira, to the position of Under Secretary of Program and Budget for the State of Coahuila. In July 2008, VILLARREAL was appointed by the same Governor to the position of Secretary of Finance for the State of Coahuila. On August 19, 2011, VILLARREAL resigned as the Secretary of Finance for the State of Coahuila.

5. All appointed employees, such as VILLARREAL, are required to provide financial disclosures each year about their annual income, assets, and liabilities. As the Secretary of Finance for the State of Coahuila, VILLARREAL earned approximately \$100,000 pesos a month (\$8,172.94 U.S. dollars based on the historical average exchange rate from 7/1/08 to 8/19/2011 of \$12.2355). Mexican government authorities requested VILLARREAL’s financial disclosures from the State of Coahuila. VILLARREAL’s only known source of income was from his position as the Secretary of Finance for the State of Coahuila. VILLARREAL and his wife, Maria Teresita BOTELLO Gamez (hereinafter referred to as BOTELLO), have not received any

income or assets from family members, inheritances, prior employment, or outside employment from VILLARREAL's duties as the Secretary of Finance.

6. VILLARREAL became a subject of investigation by the Government of Mexico. On October 28, 2011, a local judge from the State of Coahuila charged VILLARREAL with forging state documents to obtain fraudulent loans for several million pesos between 2008 and 2011. On October 29, 2011, VILLARREAL was arrested and released on bond. VILLARREAL fled to the United States after that and remains a fugitive from Mexico.

7. In 2011, Mexico law enforcement officials initiated an investigation involving fraudulent loans obtained from Mexican banks by VILLARREAL while he held the position of Secretary of Finance. The investigation by the State of Coahuila and Mexican authorities includes three fraudulent loans from two different Mexican banks from July 2010 to March 2011 totaling over \$3,000,000,000 Mexican Pesos (\$246,000,000 U.S. dollars based on exchange rates on the dates of the loans).

8. On February 3 and March 8, 2012, Mexican government authorities filed false loan charges and issued arrest warrants for VILLARREAL's involvement in the false loans with two Mexican banks. The charges allege that VILLARREAL and other co-conspirators acquired loans by providing false information to Mexican banks. The false information involved the use of false registry stamps or previously approved registry stamps used on the false loan contracts.

9. The conspiracy began when VILLARREAL requested a loan on behalf of the State of Coahuila. He then drafted and submitted a false loan contract for approval by the federal Treasury Department. VILLARREAL conspired to falsify the approval of the submitted loan contract. His co-conspirators, who worked at the federal Treasury Department, placed a

fraudulent federal registry stamp or a previously approved registry stamp on the loan contract to make it appear that the loan contract had been approved. After the loan contract obtained the false registry stamp or previously approved registry stamp and received “approval,” the loan contract was submitted to a Mexican federal bank for issuance of a loan to the State of Coahuila. Once the loan proceeds were obtained, they were available for use by the State of Coahuila. VILLARREAL had full authority over the disposition of the loan proceeds for the State of Coahuila.

10. The Mexican bank providing the loan proceeds required the State of Coahuila to open a bank account at the specific bank. In order for the State of Coahuila to repay these loans, they requested money from the Mexican federal government. After the State of Coahuila received monies from the Mexican federal government, they did repay the loans to the Mexican banks.

11. VILLARREAL fraudulently acquired Mexican Pesos totaling over \$35 million in U.S. dollars and funneled the monies into United States bank accounts. VILLARREAL laundered these ill gotten gains from the state of Coahuila with the assistance of family members, including his wife, BOTELLO. These family members assisted VILLARREAL by, among other things, opening bank accounts at U.S. banks, establishing business entities and purchasing real estate in the names of these business entities. Also, VILLARREAL opened an offshore investment account in Bermuda during this time period. Since April 2009, it is estimated that VILLARREAL and his associates received over \$35 million dollars through foreign exchange transactions and cross border wires and subsequently purchased numerous real properties in San Antonio, Brownsville and South Padre Island, Texas with the illegal proceeds.

12. Defendant Property consists of all funds on deposit at Sun Secured Advantage Account Number 26-2673-031320, held at The Bank of N.T. Butterfield and Son Limited in Bermuda. As of January 4, 2013, Defendant Property consisted of \$2,275,544.41 on deposit in the Bermuda account. On May 8, 2008, Altagracia Daniela Rodriguez-Garcia (hereinafter referred to as RODRIGUEZ) opened JP Morgan Chase Bank Account Number xxxxxxxx6728 in Brownsville, Texas. On May 11, 2009, VILLARREAL was added to this account as a signator in his name. During this investigation, law enforcement has learned that RODRIGUEZ is VILLARREAL'S mistress.

13. In August 2009, VILLARREAL went to JP Morgan Chase in Brownsville, Texas to open an offshore investment account and at that time opened Sun Secured Advantage Account Number 26-2673-031320, held at The Bank of N.T. Butterfield and Son Limited in Bermuda. This is the account that currently holds Defendant Property.

14. Between August 27, 2009 and April 14, 2011, there were six wire transfers, including three deposits from the Brownsville, Texas JP Morgan Chase Bank Account Number xxxxxxxx6728 to the Bank of NT Butterfield & Son Limited in Bermuda. During that time, there were three deposits totaling \$3,955,000.00 in U.S. dollars and three withdrawals totaling \$1,940,000.00 in U.S. dollars. The chart below details these activities:

Account activity for Sun Secured Advantage account 26-2673-031320 in Bermuda

| <b>Date</b>  | <b>Transaction</b> | <b>Note</b>  | <b>Amount</b>          |
|--------------|--------------------|--|------------------------|
| 08/27/2009   | Deposit            | Wire Transfer from Rodriguez & Villarreal JP Morgan Chase Bank Account #xxxxxxxx6728 | \$ 2,934,000.00        |
| 04/29/2010   | Withdrawal         | Purchase Real Estate in Texas  | \$ (1,830,000.00)      |
| 12/29/2010   | Deposit            | Wire Transfer from Rodriguez & Villarreal JP Morgan Chase Bank Account #xxxxxxxx6728 | \$ 321,000.00          |
| 01/21/2011   | Deposit            | Wire Transfer from Rodriguez & Villarreal JP Morgan Chase Bank Account #xxxxxxxx6728 | \$ 700,000.00          |
| 03/07/2011   | Withdrawal         | Purchase Real Estate   | \$ (50,000.00)         |
| 04/14/2011   | Withdrawal         | Buying a property (lot) - Real Estate  | \$ (60,000.00)         |
| <b>Total</b> |                    |  | <b>\$ 2,015,000.00</b> |

As of January 4, 2013, Sun Security Advantage account # 26-2673-031320 has a balance of \$2,275,544.41.

15. The Defendant Property is subject to forfeiture pursuant to: (a) 18 U.S.C. § 981(a)(1), which provides for the forfeiture of personal property involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956, 1957 or 1960 or any property traceable to such property; and (b) 18 U.S.C. § 981(a)(1)(C) which provides for the forfeiture of any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. § 1956(c)(7)(B)(iv) and 18 U.S.C. § 1961(1), including property that is derived from bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official.

**NOTICE TO ANY POTENTIAL CLAIMANT**

YOU ARE HEREBY NOTIFIED if you assert an interest in the property subject to forfeiture and want to contest the forfeiture, you must file a verified claim which fulfills the requirements set forth in Rule G of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions. The verified claim must be filed no later than 35 days from the date this complaint is sent in accordance with 18 U.S.C. § 985 and Rule G(4)(b).

An answer or motion under Fed. R.Civ.P. 12 must be filed no later than twenty-one (21) days after filing the claim. The claim and answer must be filed with the United States District Clerk for the Southern District of Texas and a copy must be served upon the undersigned Assistant United States Attorney at the address provided in this complaint.

**PRAYER**

WHEREFORE, the United States of America prays that judgment of forfeiture be entered against the Defendant Property in favor of the United States of America and for such costs and other relief to which the United States of America may be entitled.

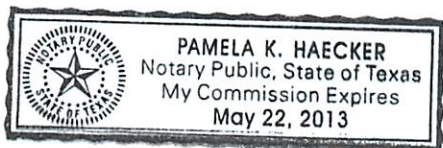
Respectfully submitted,

KENNETH MAGIDSON  
United States Attorney

By: s/ Julie K. Hampton  
JULIE K. HAMPTON  
Assistant United States Attorney  
State Bar No. 24032269  
Federal Bar No. 431286  
800 N. Shoreline Blvd., Suite 500  
One Shoreline Plaza  
Corpus Christi, Texas 78401  
(361) 888-3111

VERIFICATION

I, Luis Reyna, a special agent with the Internal Revenue Service, hereby affirm and verify that the facts set forth in the foregoing Complaint for Forfeiture in Rem are true and correct to the best of my knowledge and belief.



Luis Reyna  
Luis Reyna  
Special Agent, IRS

Sworn and subscribed before me, the undersigned authority, on this 5<sup>th</sup> day of February, 2013.

Pamela K. Haecker  
Notary Public in and for the State of Texas

My commission expires: MAY 22, 2013



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Verified Complaint for Forfeiture In Rem was mailed via certified mail or certified international mail, return receipt requested to:

1. J.A. "Tony" Canales  
Attorney for Hector Javier Villarreal Hernandez  
2601 Morgan Avenue  
Corpus Christi, TX 78405
2. Robert Kelly Pace  
Attorney for Hector Javier Villarreal Hernandez & Maria Teresita Botello Gamez  
435 S. Bois D'Arc  
Tyler, TX 75702
3. Hector Javier Villarreal Hernandez  
C Santos Degollado 32  
Col Modelo  
Matamoros, Tamaulipas, Mexico 87360
4. Maria Teresita Botello Gamez  
C Santos Degollado 32  
Col Modelo  
Matamoros, Tamaulipas, Mexico 87360
5. Altigracia Daniela Rodriguez-Garcia  
To Be Served in Person

on this the 6th day of February, 2013.

s/ Julie K. Hampton  
JULIE K. HAMPTON  
Assistant United States Attorney