



Law Officers' Department

Press Statement – for immediate release

International collaboration leads to nearly £3 million for Jersey



Pictured: From left, John Harris, Director General, Jersey Financial Services Commission; Attorney General Robert MacRae QC; John M Farley, Director, Department of the Treasury, Executive Office for Asset Forfeiture and Matthew Allen, Assistant Director, Immigration and Customs Enforcement, Department of Homeland Security

As a result of a disclosure made to the police by a local financial services provider, Jersey authorities were alerted to the existence of a substantial trust and corporate structure containing the proceeds of Paul Edward Hindelang's drug trafficking. This information was subsequently shared with the US authorities.

During the 1970s Hindelang had been one of the most prolific and innovative smugglers of marijuana from Colombia to the United States. He was the pioneer of the 'mother ship' smuggling technique by which freighters loaded with marijuana sailed to US waters where they unloaded their cargo to medium sized ships which in turn divided their cargo between recreational sized craft for the trip to shore. The drugs were widely distributed in the United States and Hindelang made an enormous amount of money.

Hindelang was caught by a 'sting' operation. He was indicted in the US in 1981 for drug trafficking offences. He eventually entered into a plea agreement with the US authorities whereby he received a sentence of 10 years' imprisonment and forfeited \$50 million to the United States.

At or about the time of the plea agreement Hindelang secretly gifted part of his illicit drug proceeds to his friend and nominee Don Tomas Batalla-Esquivel - a resident of Costa Rica.

Batalla-Esquivel opened accounts in Switzerland into which he deposited Hindelang's criminal funds. From the Swiss accounts the money was transferred to Jersey where it was settled on trust. From this initial trust the funds were transferred into a complex web of further trusts and underlying companies.

In 2000 a Request for assistance was received by Her Majesty's Attorney General from the US District Court for the Southern District of Florida (via the United States Department of Justice in Washington DC). The Request sought the gathering of documentary evidence and a *Saisie judiciaire* (Restraint Order) in respect of the Jersey assets.

On 8 February 2000, a *Saisie judiciaire* was granted by the Royal Court following an application by the Attorney General on behalf of the US authorities. An extensive evidence gathering exercise followed.

The Royal Court considered a number of complex legal challenges to the *Saisie judiciaire* brought by Batalla-Esquivel. All of these were successfully defended by the Attorney General. These hearings involved novel points of law and resulted in some ground breaking judgments.

On 15 April 2004, the Attorney General applied to the Royal Court to register three US Forfeiture Orders issued by the US District Court for the Southern District of Florida.

For complex legal reasons that exercise was only partly completed and further consideration of the matter was adjourned pending decisions by the US authorities as to how they wished to proceed with specific residual items of realisable property including a life insurance policy on the life of Batalla-Esquivel and some land in Nevada.

The process of registration was finally completed at a further hearing before the Royal Court on 17 March 2014 at which an additional US Forfeiture Order was registered.

Following the hearings in 2004 and 2014 total sums of \$7,135,075.97 and £302,319.78 were transferred to the Criminal Offences Confiscations Fund ("the COCF").

Under the permanent Asset Sharing Agreement entered into between Jersey and the United States on 28 January 2015, the Attorney General subsequently initiated asset sharing discussions with the US authorities.

It has now been agreed that the confiscated assets will be shared equally with the US authorities and a ceremony marking this took place in Washington DC on 16 October 2017 attended by Jersey's Attorney General and John Harris, Director General of the JFSC.

The return of 50% of confiscated assets to the US marks the satisfactory conclusion of this case and will result in the sums of \$US 3,567,537.98 and £151,159.89 (plus accrued interest) being available in the COCF to be used for the benefit of the public of the Island.

The Attorney General, Robert MacRae QC, said: "This case demonstrates clearly the determination of law enforcement authorities successfully to conclude a case even when it may take many years to do so. It is a truly excellent example of International co-operation which once again demonstrates that the use of nominees and complex trust structures will not defeat the efforts of law enforcement. Jersey is no hiding place for the proceeds of crime."

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