

AO 91 (Rev. 11/11) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

District of Puerto Rico

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United States of America)
v.)
Bryce Gilroy MERREN)
Defendant(s)

Case No. 14- 326m

US DISTRICT COURT
SAN JUAN, PR
MAR 5 2014

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of March 3, 2014 in the county of in the District of Puerto Rico, the defendant(s) violated:

Code Section	Offense Description
21 U.S.C. § 846 21 U.S.C. § 841 (a)(1) & (b)(1)(A)(ii) 18 U.S.C. § 1956 (a)(2)(A)	The defendant herein did knowingly and intentionally attempt to possess with the intent to distribute five (5) kilograms or more of a mixture and substance containing cocaine, a Schedule II Narcotic Substance in violation of 21 U.S.C. § 846 and § 841 (a)(1); and transported, transmitted or transferred a monetary instrument or funds through a place outside of the US or to a place in the US from a place outside the US with the intent to promote the carrying on of a specified unlawful activity in violation of 18 USC § 1956(a)(2)(A).

This criminal complaint is based on these facts:

See the Affidavit attached.

Continued on the attached sheet.

Revised by AUSA Denise Lopez
3/5/2014

Harry Schmidt
Complainant's signature

HSI SA Harry Schmidt
Printed name and title

Sworn to before me and signed in my presence.

Date: MAR 5 2014

City and state: SAN JUAN, PUERTO RICO

Camille Velez Rive
Judge's signature

US MAGISTRATE JUDGE CAMILLE VELEZ RIVE
Printed name and title

United States District Court
FOR THE DISTRICT OF PUERTO RICO

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

I, Harry Schmidt, a Special Agent with the U.S. Department of Homeland Security (DHS), Homeland Security Investigations (HSI), being duly sworn, depose and state as follows:

INTRODUCTION

1. I am a Special Agent with the DHS, HSI, San Juan, Puerto Rico office, and have been duly employed in this position since October 2010. I am currently assigned to the Financial Crimes Investigations Group, where investigations are conducted related to violations of Title 18, 19, 21, and 31 of the *United States Code*.
2. I have attended the United States Immigration and Customs Enforcement Special Agent Training (ICESAT), at the Federal Law Enforcement Training Center, in Glynco, Georgia and graduated from the eleven week (11), full time residence “Criminal Investigator Training Program” and from the eleven-week (11) US ICE Special Agent Training Program. I have received training and have participated in criminal investigations, including investigations relating to narcotics smuggling, financial investigations, aiding and harboring of aliens smuggled into United States jurisdiction, among others.
3. Information set forth in this affidavit is based on my personal knowledge and on information provided to me by other criminal investigators, law enforcement officers, and other sources during the course of this investigation. The information is not a complete statement of all the facts related to this case. I have drafted this



affidavit for the limited purpose of establishing probable cause for certain violations of law; therefore, I have not included all of the facts of this investigation.

4. Based on my training and experience, my knowledge of this case and my discussions with other law enforcement officers, I am familiar with the methods, schemes, and operations of narcotic traffickers.
5. Based upon my training and experience, along with my personal knowledge of the facts of this investigation to which this affidavit relates, your affiant respectfully submits that there is probable cause to believe that Bryce Gilroy MERREN attempted to possess with intent to distribute cocaine, in violation of Title 21, *United States Code*, Sections 841 and 846 and committed Money Laundering, in violation of Title 18, *United States Code*, Section 1956.



FACTS ESTABLISHING PROBABLE CAUSE

6. In July, 2013, HSI San Juan received confidential information regarding Bryce Gilroy MERREN (hereinafter MERREN) who was seeking to purchase approximately 3,000 kilograms of Cocaine and establish a United States (U.S.) Bank account in order to deposit drug proceeds and make an initial payment for the transportation of the narcotics. Subsequently, on or about July 20, 2013, a meeting was held between MERREN and an HSI Undercover Agent (hereinafter UCA1). During the course of the meeting, MERREN suggested to conduct a narcotics sea transfer during the month of September upon returning to the Cayman Islands from a Florida Boat show. It was agreed that an initial 1,000 kilograms of cocaine would be transferred in the first smuggling venture and

subsequently smuggling ventures of 2,000 and 3,000 kilograms of cocaine. Furthermore, MERREN stated his interest in establishing bank accounts in Puerto Rico in order to deposit a down payment for the narcotics and launder drug proceeds by establishing a money laundering scheme.

7. On or about August 27, 2013, a follow up meeting between UCA1 and an additional undercover agent (hereinafter UCA2) posing as a financial facilitator was held in San Juan, PR. During the course of the meeting, MERREN asked UCA2 about the possibility of opening a commercial and personal bank account in Puerto Rico in where UCA2 would be the main signer, and MERREN and an associate later identified by agents as Juan MOLINA-Garcia (hereinafter MOLINA) would be co-signers. MERREN stated to UCA2 that he would be willing to email any personal documents that would be needed to open the bank accounts. Furthermore, MERREN stated that he intended to deposit \$400,000 a day into the accounts through the use of commercial merchant machines. MERREN also stated that the accounts would be used as a guarantee for the narcotics smuggling venture and agreed to coordinate for the narcotics sea transfer to take place on or about November, 2013.

8. On or about September, 2013, MERREN and UCA2 maintained communication through the use of black berry messenger (BBM) and electronic email in order to further discuss details of the requested bank accounts. As previously stated by MERREN, on or about September 17, 2013, MERREN sent via email copies of his U.S. visa and Cayman Islands Passport in order to establish the U.S. bank account in Puerto Rico. Furthermore, on or about September 27, 2013, MERREN



sent copies of bank documents previously sent to MERREN by UCA2 in order to open the personal bank account, the documents were signed by MERREN as a co-signer of the account. Also MERREN sent the documents signed by his associate MOLINA as well as the identity documents of MOLINA to include copies of his Cayman Islands passport and Cayman Islands driver's license. On or about October, 2013, UCA2 successfully opened a commercial and personal bank account where MERREN, MOLINA and UCA2 appeared as signers and co-signers.

9. During the following weeks, MERREN and UCA1 initiated and maintained communication through BBM conversations where they exchanged sea coordinates to conduct the first smuggling venture. Additionally, during the conversations, MERREN questioned UCA1 about the transportation fee and it was agreed that UCA1 would charge \$1,000 per kilogram but that MERREN would only need to pay 50 percent initially, to what MERREN agreed. Also during follow up conversations, MERREN questioned UCA1 about the amount of fuel needed to facilitate the transportation and on whether or not UCA1 owned a fuel pump. UCA1 and MERREN agreed that a total of 350 gallons of diesel would be needed for refueling and that MERREN would mail UCA1 a complete pumping station named "PUI SI BOX" which is utilized to pump diesel into a gas tank.
10. On or about September 27, 2013, MERREN sent via the United States Postal Service, the "PUI SI BOX" diesel pump that was previously discussed during BBM conversations. As stated during a BBM conversation between MERREN and UCA1, the package containing the "PUI SI BOX" was sent from an associate

of MERREN located in Ft Lauderdale, Florida. Through additional follow up conversations, it was agreed between MERREN, UCA1 and UCA2 to conduct a third meeting in order to finalize details of the narcotics smuggling venture and the Money Laundering scheme through the use of the established U.S. bank accounts.

11. On or about November 06, 2013, a meeting was held between MERREN, UCA1 and UCA2 in order to discuss details of the smuggling venture and the Money Laundering scheme. During the course of the meeting, MERREN explained to UCA2 that he has legitimate businesses in the Cayman Islands and Curacao where he receives funds from customers from all over the world that conduct credit card transactions utilizing his businesses merchant machines in order to convert foreign currency into U.S. currency. MERREN charges a percentage for the exchange and then wire transfers the bulk amount of the currency back to its correspondent owner. MERREN also prepares purchase receipts for the customers in order to make it seem as if they are purchasing or paying for services. Additionally during the meeting, MERREN asked about the possibility of depositing a percentage of the down payment for UCA1 in the personal bank account.

12. On or about December, 2013, it was agreed through telephone conversations by MERREN and UCA1 that MERREN would make an initial down payment to cover the transportation fees for the smuggling venture. MERREN would deposit the down payment into the personal bank account established by UCA2 and it would serve as a guarantee in order to conduct the smuggling venture.

13. On or about March 03, 2014, MERREN made a wire transfer of \$200,000 from a Cayman Islands bank account into the U.S. bank account opened by UCA2 within Banco Popular of Puerto Rico.
14. MERREN advised UC2 via BBM that the \$200,000 would serve as a down payment to facilitate the narcotics smuggling venture.

CONCLUSION

Based upon my training, experience, and the abovementioned facts, I have probable cause to believe that MERREN committed the following violation of Federal Laws: Attempt to Possess with Intent to Distribute 5 kilograms or more of a mixture or substance containing a detectable amount of cocaine and Money Laundering. All in violation of Title 21, *United States Code*, Sections 841(a)(1) and 846 and Title 18, *United States Code*, Section 1956.

I hereby declare, under penalty of perjury, that the foregoing is true and correct to the best of my knowledge.



Harry Schmidt
Special Agent
Homeland Security Investigations

Sworn and subscribed to before me this 5th day of MARCH 2014.



CAMILLE VELEZ RIVÉ
UNITED STATES MAGISTRATE JUDGE
DISTRICT OF PUERTO RICO