

HOW TO MAKE A BILLION DOLLARS DISAPPEAR

José Luis Merino, PDVSA, Alba Petróleos and the
Bukele Administration's enduring ties to transnational
criminal structures

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Disclaimer

This study is solely the work of IBI Consultants and does not reflect views of National Defense University, the Department of Defense or any part of the U.S. Government.

Author's Note

This study is the result of six years of research into the Bolivarian Joint Criminal Enterprise (BJCE), the alliance of Bolivarian states led by Venezuela, together with the FARC that has coalesced into a consortium of criminalized states and non-state actors working in concert with shared objectives. This joint criminal enterprise has not only taken billions of dollars from Venezuelan state coffers, but also used PDVSA, the state oil company, as the central structure for money laundering and corruption throughout the region. One of the primary components of the BJCE was the PDVSA majority-owned subsidiary, Alba Petróleos in El Salvador, controlled by former FMLN urban commando José Luis Merino. Known by his nom de guerre *Comandante Ramiro*, Merino has gone from feared Communist Party combatant who kidnapped the president's daughter in 1985 to chief weapons supplier of the FARC, to ideological enforcer of the hardline Marxism believing the United States remains the primary enemy of humanity, to chief financial illusionist and magician.

Alba Petróleos, operating under the direction of Merino, his allies in the Chávez/Maduro regime and successive Salvadoran administrations was sanctioned in 2019 as part of the U.S. Treasury Department's sanctions on PDVSA. The Salvadoran Attorney General raided 23 corporate and personal offices of the Alba Petróleos structure hours before the swearing in of Nayib Bukele, the incoming president promising draconian anti-corruption measures. This mistakenly seemed to end the Alba Petróleos scheme that had quietly funneled at least \$1 billion in funds to its leaders over the previous decade.

Bukele, who was a rising star in the FMLN before breaking with the party, ran on an anti-corruption platform. So it was surprising to document how Bukele and his companies received several million dollars in loans from the Alba Petróleos business empire in 2013 – before Alba Petróleos was sanctioned but when Merino's control and ties to the FARC and kidnappings had been publicly documented. In additions, some of Merino's closest allies and relatives hold key formal and informal positions in the Bukele administration along with officials accused of corruption in previous right-wing governments, particularly the discredited Antonio "Tony" Saca administration (2004-2009).

Given the ongoing influence of Merino and other groups in the Bukele administration and the documents showing that \$1 billion vanished through Alba Petróleos to offshore havens controlled by the Merino structure, the current study shows the complexities of eradicating corrupt structures once they become entrenched in government.

Introduction and Background

Nayib Bukele won the presidency of El Salvador in 2019 as an independent, portraying himself as a new Third Way that rejected the discredited political structures that had governed the country since the end of the civil war in 1992: the right-wing ARENA party and the Farabundo Martí National Liberation Front (FMLN), the party of former Marxist-led guerrillas. Both parties presided over massively corrupt governments. But after 18 months in office it is clear that Bukele's Third Way remains deeply enmeshed with criminal elements of both groups.

These actors' interests are fused by joint economic opportunities rather than divided by ideology, and occupy positions of power across the Bukele administration. Most of those relationships pass through the power structure created by a business consortium called Alba Petróleos, a massive money machine that from 2007-2017 made almost \$1 billion disappear through offshore companies and fraud. The operation was presided over by José Luis Merino, a former FMLN guerrilla commander whose close associates now senior members of the Bukele administration.

In 2006 Merino and the FMLN, on the cusp of winning presidential elections for the first time, struck a deal with their long-time ally and financial patron, Venezuela's Hugo Chávez and his radical populist Bolivarian Revolution. Together they created Alba Petróleos that, on paper, was to provide cheap oil products to the FMLN locally and nationally, in order to free up strained state resources to build schools, improve health care and build desperately needed infrastructure.

PDVSA, Venezuela's notoriously corrupt state oil company, owned 60 percent of the enterprise through a wholly owned subsidiary, PDV Caribe SA, represented by Astrúbal Chávez, cousin of the Venezuelan president. The FMLN was represented by Merino and FMLN leaders, who are 40 percent shareholders. Merino, a former Communist Party leader and commander of the FMLN's elite urban commandos, is better known as *Comandante Ramiro Vásquez*. He is under multiple investigations for drug trafficking and money laundering in the United States and El Salvador, and members of the U.S. Congress have written two bipartisan letters to the State and Treasury departments requesting Merino be formally sanctioned.

According to documents in possession of the author, rather than building a new El Salvador with the Venezuelan oil bonanza, Alba Petróleos over the next 11 years, made almost \$1 billion in "unrecoverable loans" to its own leaders and offshore shell companies the conglomerate controls, current administration officials — and former ARENA leaders.

In May 2019, the Attorney General's office in El Salvador raided 23 offices of Alba Petróleos, as well as the offices of Merino and other senior directors. Investigators found \$3.24 billion in "unjustified transactions" by the company from 2010-2017.¹ "From 2010 until March 2019 Alba Petróleos carried out transactions totaling \$3,242,023,671.64, which were identified and described in financial alerts for indications of money laundering," said the judicial order authorizing the searches. "This includes a) transactions in excess of income, costs and expenditures that are not justified by the nature of the business because they (the businesses) were designed with the intention of receiving and rerouting the funds to people other than the final beneficiaries; b) the unknown origin of the majority of the funds that were deposited in bank accounts, or the destination of that money."²

Alba Petróleos was also sanctioned by the U.S. Treasury as a majority-owned subsidiary of PDVSA. Multiple audits found that almost no oil was ever shipped to El Salvador by PDVSA, and that most of the operation appears to be built on falsified paperwork rather than the sale of oil. The judicial order noted “an atypical growth” of 333 percent in Alba Petróleos income from 2012 to 2013, and 337 percent growth the following year; the “incongruent comparison” of total income and sales, noting that reported sales accounted for only 30.5 percent of the income and that 92.5 percent of the reported expenditures were “incongruent with the business, showing the company channeled \$2,533,745,066.61 to unknown purposes.” In addition, the judicial order noted, the consortium made donations “in amounts that exceeds the company’s earning, aggravated by fact that the destination of the donations is not known at this time.”³

Ongoing investigations show much of the money that flowed through the structure were likely part of a major drug money laundering operation on behalf of the FARC (noted in the judicial document authorizing the searches) the Sinaloa cartel and other transnational criminal organizations, according to law enforcement investigations in El Salvador and the United States, and sources with direct knowledge of operations. While Alba Petróleos's loans to Bukele and other pieces of the opaque nature of the organization’s finances and suspected money laundering have been reported by independent media outlets in El Salvador, this report provides additional evidence and a broader context for understanding the ties of senior Bukele government officials to the Merino and Maduro-led Bolivarian Joint Criminal Enterprise (BJCE).⁴

These investigations make Bukele’s historic and ongoing relationship to Merino’s structure and current reliance on Merino loyalists in his inner circle troubling for several reasons. The influence wielded by those who benefited directly from Alba Petróleos's opaque financial activities, particularly given Merino’s documented ties to the FARC and the Maduro regime, poses a significant threat to El Salvador’s fragile democratic government and weakening ability to create a state under the rule of law. These relationships may be a reason for Bukele’s increasingly authoritarian behavior and lack of tolerance for any opposition or dissent. Bukele remains on good terms with the Trump administration and has faced little scrutiny over the ties of his cabinet ministers and advisers to Merino, yet these relationships potentially undermine broader U.S. efforts in the region to establish the rule of law, end corruption and bring an end to the Maduro regime in Venezuela.

This report is based on a review of internal audits of Alba Petróleos; a separate audit conducted by PDVSA when the Venezuelan patrons suspected massive theft of their money by Merino and his allies; another separate FMLN party audit, concluded in 2018 when the party investigated Merino and Alba Petróleos for massive fraud; and other corporate documents and FARC documents. It also is based on interviews with primary sources in El Salvador, Nicaragua, Colombia, Panama and the United States.

The origin of the billions of dollars that flowed through the Alba Petróleos structure from 2006-2019, made up of dozens of subsidiary companies that moved the money while performing few services and providing few goods, remains opaque. The company is currently under investigation in both El Salvador and the United States for money laundering for cocaine trafficking organizations including the FARC. Merino is now viewed as a traitor by most of the FMLN for siphoning off the Alba Petróleos funds, but remains a major power in the Bukele administration.

Because the operations of Alba Petróleos have been protected by the Salvadoran state, on paper the money simply vanished into a maze companies in Panama, the Caribbean and Europe with almost

no records available to make tracking possible. At the height of the money movements, Merino was serving as El Salvador's deputy foreign minister, a position he created for himself to gain formal diplomatic immunity and a diplomatic passport for travel.

It is notable that Bukele, on taking office, with great fanfare fired dozens of relatives of the former administration leaders who had been given plum government jobs. One of the few exceptions was Merino's daughter, Gloria Aimee Merino, who stayed on as Salvadoran consul in Milan, Italy.⁵ In July 2020 Bukele named Hugo Merino, reportedly Merino's nephew, as El Salvador's ambassador to Nicaragua.⁶ And Bukele named Arnoldo Bernal, the husband of his chief of staff Carolina Recinos, as El Salvador's ambassador to Moscow. Both Bernal and Recinos have deep ties to the leaders of the Alba Petróleos structure and have participated in business deals with the company and its subsidiaries, according to documents.

By the end of 2017 Alba Petróleos had amassed \$881,345,339.76 in unpaid debts, many times its reported income during that time, according to an internal audit. It is hard to imagine a scenario in which a company legitimately doing business could carry off such a financial miracle. The more likely explanation is one offered by multiple sources with direct knowledge of Alba Petróleos operations: its primary purpose, under Merino's direction, was to launder billions of dollars from the corruption, the sale of cocaine, kidnapping and extortion under the guise of oil-related businesses, with the support of the Chávez/Maduro regime in Venezuela and the FARC in Colombia.

JUSTIFICACION	
Al 31 de diciembre de 2017, existen saldos en las cuentas por cobrar clasificadas de la siguiente manera:	
• Cuenta Comercial	\$ 123,415,124.88
• Cuentas por Cobrar de Largo Plazo	\$ 513,516,252.25
• Cuentas por Cobrar APES. INC	\$ 183,464,733.82
• Fideicomiso ALBA	\$ 60,949,228.81
Total, de Cuentas por Cobrar	\$ 881,345,339.76

Figure 1: Summary of Alba Petróleos debts from a May 2018 audit, showing commercial debt, long-term debt, debt to its Panama-registered subsidiary APES, and debts to its own financial trust.

A later Salvadoran investigative report found the amount of Alba Petróleos's unpaid debt had grown to \$980,934,70 by the end of 2018.⁷ In the end, the little money that stayed in El Salvador benefitted a small group of Merino cronies, including several senior members of the current Bukele administration.

While hemorrhaging money on paper, documents show that Alba Petróleos had big plans to invest hundreds of millions of dollars in a joint PDVSA-Alba Petróleos-Gazprom Bank scheme with the Maduro regime and the Russian state oil giant through a Delaware-registered corporation operating in downtown Manhattan; use a non-functioning airline led by one of Bukele's closest friends and

advisers to swap hundreds of millions of non-existent assets for almost \$1 billion in Venezuelan debt through a company based in Fort Lauderdale, Florida and Aruban brokers; and spend tens of millions of dollars on shipping companies based in Panama and the Caribbean that have no record of shipping anything.

The direct influence of the Maduro regime in Alba Petróleos can be seen through the involvement of a mysterious Venezuelan operative identified as Carolina el Khouri, who is registered in El Salvador as owner of 100 percent of the shares of PDV Caribe SA (which in turn owns 60 percent of Alba Petróleos) since 2006 but has registered no economic activity and has paid no taxes.

Yet PDV Caribe owns two properties in western Sonsonate department (state) with a declared value of \$84.2 million, according to the FMLN audit. The properties are in El Khouri's name and her address is that of a well-known FMLN office used by Merino and the Communist Party.

PDV CARIBE, S.A. (SUCURSAL EL SALVADOR)

Según información registrada en el **Ministerio de Hacienda**, el socio principal y propietario del 100% de las acciones desde el año 2006, es la Señora **CAROLINA EL KHOURI**.

Al consultar las bases de datos de dicha institución, presenta sus ingresos mensuales a **CERO**, y se encuentra **OMISA** en su Declaración de Renta 2014, 2015 y 2016 además, otras rentas reportadas registran un valor de **CERO**, aun y cuando es sujeto obligado desde el año 2006 en Renta, Pago a cuenta e IVA.

Según el **CNR**, la empresa registra **DOS (2)** propiedades a su nombre ubicadas en el departamento de Sonsonate, el total de la inversión efectuada es de **US\$84,203,310.04**.

CAROLINA EL KHOURI		??
1.- Datos Generales		
DUI	:	-
NIT	:	9741-280769-101-0
Nacionalidad	:	Venezolana
Actividad Económica	:	Otros.
NCR	:	-
Importador	:	NO
Direcciones	:	Colonia Harrison, Pje. 2, No. 14, 49 Avenida Sur, San Salvador. Tel: -.
Lugar y Fecha de nacimiento:	:	28/07/1969
Conyugue	:	-
Padre	:	-
Madre	:	-
Ocupación	:	-
Originario	:	-
Representante de	:	-
Socio de	:	-
Observaciones	:	No registra Renta/No registra Retenciones/Según SERTRACEN, no registra vehículos a su nombre/ Según el CNR, no registra propiedades a su nombre.
NOTA: Esta persona no se le encuentra ningún registro y se cree que puede ser un prestanombre.		

Figure 2: The internal audit describing Carolina el Khouri, her \$84 million in properties, and inability to identify further. The address listed in Colonia Harrison is a Communist Party office used by Merino.

“Given that no trace can be found of this person and she does not register in any way it is believed she is just a front person,” the audit says. Our investigation found El Khouri is a lawyer who works for PDVSA and was head of the Health Directorate of the oil company in Venezuela as of 2017. She has multiple family members who hold government positions in the Maduro regime.

Merino and Alba Petróleos: The Beginning

Merino has a long history of criminal engagement. Under his nom de guerre *Ramiro*, Merino led a hemisphere-wide kidnapping ring in the 1990s, believing, as he said at the time, that the Marxist revolution had not been defeated in the Cold War, but had only entered an historic pause, and therefore must be financed. To this end, Merino traveled to Colombia in 1994 and spent several months with the FARC leadership, developing a mentoring, advisory and financial relationship that endures to this day, primarily with the current FARC dissident group under the leadership of indicted cocaine traffickers Iván Márquez and Jesús Santrich. The FARC is both a designated major cocaine trafficking organization and terrorist organization by the United States and European Union.

According to FARC documents analyzed by the author, from 1994 until at least 2008 Merino, known to the FARC as *Ramiro el Salvadoreño*, provided the FARC with tens of millions of dollars worth of weapons, uniforms, communications equipment and trainers from El Salvador and Nicaragua. Merino, FARC commanders and senior leaders of the Chávez/Maduro regime in Venezuela talked about using PDVSA and the oil business to move their money, a plan that came to fruition with the founding of Alba Petróleos.

Merino himself seemed surprised by the success of his enterprise, under the protection of the first FMLN government of Mauricio Funes (2009-2014) and its successor, the government of former FMLN senior commander Salvador Sánchez Cerén (2014-2019).



Figure 3: Merino (Comandante Ramiro Vásquez), far left, during El Salvador's civil war; Francisco Jovel (Comandante Roberto Roca), middle; and Communist Party leader Shafick Handal (far right). On the right, Merino in 2014 inaugurating an Alba Petróleos project.

“There are some who are afraid because Alba Petróleos was born six or seven years ago with \$1 million and it now has \$400 million. Let me correct myself, \$800 million, and we are trying to change the lives of Salvadorans,” Merino said in 2013, when the profile of Alba Petróleos and its investments were rising across the country.⁸

Alba Petróleos was not the only Central American structure sent up by PDVSA to help launder FARC money and other criminal proceeds, according to two sources with direct knowledge of events. In 2007 Daniel Ortega and the Sandinista National Liberation Front (FSLN) in Nicaragua unexpectedly won the elections, aligning the revolutionary old guard of the FMLN and FSLN, allied during the Cold War, for the first time in the post-conflict era. On taking power Ortega hosted a three-day meeting with Venezuela’s Hugo Chávez, Merino of the FMLN and his own senior money launderer Francisco “Chico” López (now designated by the U.S. Treasury Department), along with a handful of trusted operatives. The primary topic of conversation reportedly was how to set up state-run oil enterprises that could use the PDVSA oil structure to launder money for the FARC and other criminal groups.

PDVSA had already set up Petro Caribe in 2004 to give cheap Venezuelan oil to allies, and in many cases cheap oil was in fact delivered. But Ortega’s Albanisa and Merino’s Alba Petróleos were never designed primarily to deliver cheap oil. They were, according to the sources, designed to launder funds that Chávez was willing to entrust to his two closest revolutionary allies in the region, with the added benefit that both men had long-standing, trust-based relationships with senior FARC commanders and a long history in clandestine money movements.

Alba Petróleos and Albanisa: Twin Money Laundering Structures

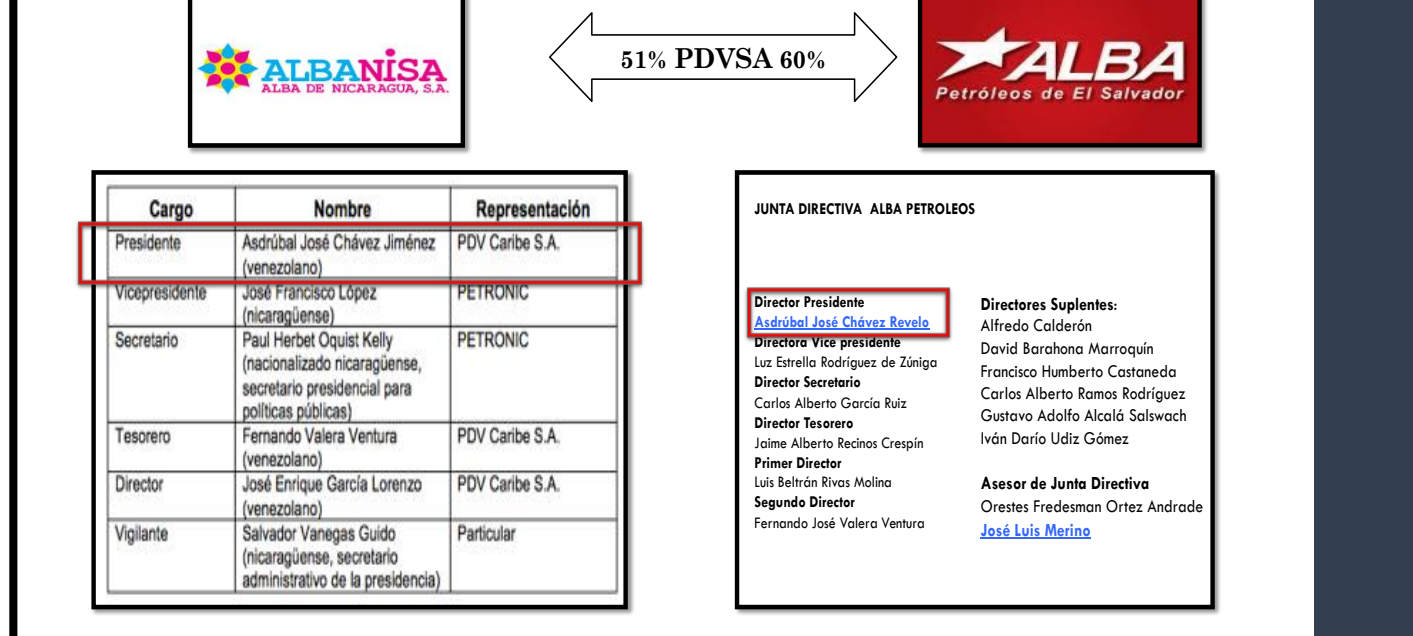


Figure 4: Original boards of Alba Petróleos (El Salvador) and Albanisa (Nicaragua), with Astrúbal Chávez as president of both PDVSA subsidiaries and showing Merino and Ortez as senior advisers.

While Alba Petróleos was designed to move \$200 million to \$300 million a year before the FMLN won the presidency in 2009, Albanisa in Nicaragua immediately began moving \$400 million to \$600 million a year, the sources said. PDVSA, Albanisa and Alba Petróleos were all formally sanctioned by the U.S. Treasury Department in 2019 for money laundering activities. Together an estimated \$7 billion to \$10 billion moved through the structures.

“What was remarkable was that Chávez did almost all the talking,” said the source in the 2007 meeting. “Ortega and his people would listen. But Merino took notes all day, asked questions and even tape recorded some of the conversations because he was committed to making this work. He didn’t want to forget anything. It was like Chávez with his apostles, and Merino was the most fervent of them all.” Merino continues his close personal relationships with leaders of the Maduro regime, including designated drug kingpins and sanctioned individuals such as Elías Jaua, former vice president and head of PDVSA.

Figure 5: Merino (middle,, as vice minister of foreign relations); Carlos Castaneda (left, El Salvador's then foreign minister); Elías Jaua, right, PDVSA leader, former Venezuelan vice president, sanctioned by U.S. Treasury)



The relationship of Merino to the FARC and its weapons flows became public following the March 1, 2008 Colombian military raid into Ecuador that killed FARC commander Raúl Reyes. In addition to killing Reyes, the Colombians recovered 600 gigabytes of internal FARC communications showing the General Secretariat's constant business and political dealings with Merino, who arranged everything from massive weapons shipments via Chávez in Venezuela to solidarity meetings in Europe to safe lodging in Latin America for FARC leaders.⁹

Much of the funds that flowed through Alba Petróleos under Merino's leadership, according to sources with direct knowledge of events in El Salvador, Colombia and Panama, was FARC cocaine and kidnapping profits moved out of the Colombian jungles during the group's peace talks with the Colombian government (2012-2016). Merino officially served as a FARC adviser during the talks and often spoke in the negotiation on behalf of the Colombian group.

Jose Luis Marino ("Ramiro") has served as a key node between FARC military commanders and foreign communist parties, referenced multiple times in official FARC communications

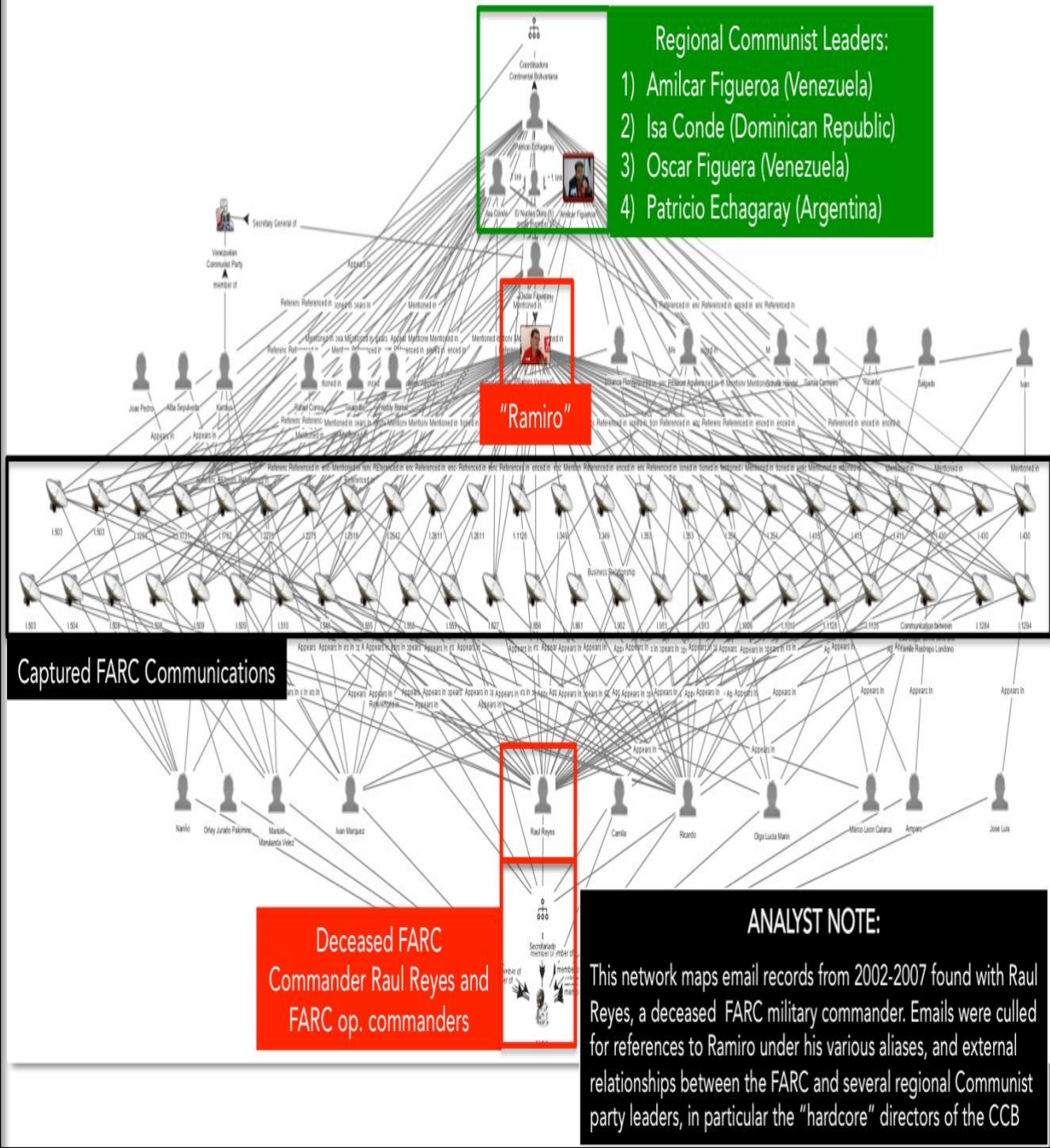


Figure 6: Link analysis of records recovered from the computers of FARC commander Raúl Reyes, showing communications of the FARC senior leadership with José Luis Merino (Comandante Ramiro).

Merino was also known for his unyielding Marxist orthodoxy, even after the civil war ended and most of his comrades in arms had moved on, something Merino and his urban unit refused to do. Instead he kept his safe houses, weapons and communications and launched a kidnapping spree of wealthy Salvadorans to raise several million dollars. The existence of the kidnapping plans and FMLN hoarding of weapons after the peace process, including surface to air missiles, was laid bare in the 1993 *Buzón de Santa Rosa* case.¹⁰ (See box below)

The Buzón de Santa Rosa Case Study

One clear example of the persistence of armed groups in a post-war setting was the case of the Buzón de Santa Rosa in Managua, Nicaragua. This was an incident that laid bare the decision of key members of El Salvador's FMLN guerrillas, and their allies in the Sandinista Front (FSLN) in Nicaragua, to remain armed and continue to use clandestine networks after signing peace agreements and promising to disarm and demobilize.

On May 23, 1993 – a year after the Salvadoran peace process was signed – an auto repair shop exploded in the Santa Rosa neighborhood of Managua, Nicaragua. More than one dozen homes were destroyed, and three people killed. The explosion revealed that the auto repair shop doubled as a massive underground arsenal of sophisticated weapons – including 19 SA 7 surface-to-air missiles, hundreds of automatic weapons and millions of rounds of ammunition – along with a workshop to produce high-quality forged passports from multiple Latin American and European countries.

The bunker also contained a list of more than 500 Latin American companies and the personal details of hundreds of wealthy individuals targeted as potential kidnapping victims. Some of these kidnappings would later be carried out. Illustrating the international ties, the repair shop covering up the arsenal was owned by a fugitive of Spain's ETA separatist movement, and several known ETA members living in Nicaragua were also arrested in connection with the arsenal. More than anything, the Santa Rosa arsenal explosion demonstrated how likeminded groups interacted and the ways in which previously established networks could continue to operate underground.

In one of his few formal interviews with a local media outlet not controlled by the FMLN, Merino praised the Soviet Union in 2007 as one of the world's most equitable systems where “the needs of the people were most deeply met.” He said the FMLN did not want incremental change but a complete change to the socialist model and that the party should not tolerate pluralistic thought internally. He singled out several FMLN party leaders for not being orthodox enough in their Marxist thinking.¹¹

Merino's Inner Circle in the Bukele Administration

Alba Petróleos was the crowning achievement of Merino and his followers and both the individuals and the corporate structure continue to hold significant sway in the Bukele administration. Although the Communist Party faction of the FMLN controlled by Merino profited most, Merino appears to have dropped his Marxist orthodoxy in favor of sharing lucrative business opportunities with his former enemies on the right, creating a non-ideological structure for moving massive amounts of money.

His former right-wing allies include former ARENA president Antonio “Tony” Saca (now in prison for embezzling more than \$300 million during his 2004-2009 presidency who then founded GANA – the party that sponsored Bukele’s candidacy); Saca’s cousin, Herbert Saca, identified in numerous police investigations across a decade as a major money launderer and protector of drug trafficking structures and close friend of Bukele; Gustavo Villatoro, a close associate of Herbert Saca and head of customs during the Saca presidency when drug trafficking exploded in the country – a job he held in the Bukele administration until being named superintendent of banks in July 2020¹²; Enrique Rais, a fugitive from justice now residing in Switzerland, who used his private air fleet to curry favor with Merino, attorneys general in the region, former U.S. ambassadors, and presidents across Central America by flying them at little or no cost across the region to official and private engagements, often accompanied by prostitutes.

But the inner circle of the Alba Petróleos structure that continues to operate in the Bukele administration centers on a trust-based clique of Merino confidants tied together through a combination of shared combat during the civil war, family relationships, and decades-long friendship. This includes Erick Vega, now Bukele’s foreign investment adviser and formerly Merino’s private secretary, who has a close family ties to Bukele’s family; Merino’s half-brother Sigfredo or Fred Merino, and informal adviser and close friend of Erick Vega; Carolina Recinos, Bukele’s chief of staff, who worked in several Alba Petróleos companies and others in the cabinet, intelligence and National Police structures.

Merino’s half-brother, Sigfredo Israel Merino, AKA Fred Merino, a dual Salvador-U.S. citizen, plays a key role and spent the war years in the United States. He became the legal representative of Alba Petróleos in 2011, as well as sitting on the board of multiple other companies in the consortium that reaped hundreds of millions of dollars in Alba Petróleos inexplicable loans.

Fred is also under investigation in the United States and El Salvador for money laundering, does not hold an official government position but has traveled extensively to Venezuela, Panama and the United States with Vega on Alba Petróleos business. In addition to setting up and serving on the board to set up Alba Petróleos subsidiaries, he tried to negotiate deals for joint Gazprom-Alba Petróleos-PDVSA investments and represented his half-brother when it was deemed it was too dangerous for José Luis Merino to travel directly.

Two other Merino insiders played a significant role in building the maze of companies and the movement of Alba Petróleos funds and remain active. The first is Carlos Alberto García Ruiz, AKA *El Diablito Ruiz*, an old FMLN comrade-in-arms of Merino, currently a national deputy for the FMLN and founder of Alba Petróleos and related companies. The second is Mauricio Cortéz Avelar, the front man extraordinaire who set up dozens of companies for Alba Petróleos from Panama to Gibraltar to Nevada and Florida in the United States. Cortéz Avelar is reportedly a trusted childhood friend of Merino’s whose willingness to put his name on dozens of corporate registrations and related bank accounts across the world made him the face of Alba Petróleos internationally. A lawyer whose tax declarations show he claimed to never make more than \$16,000 a year he was key in making hundreds of millions of dollars disappear.

JOSE MAURICIO CORTEZ AVELAR



1.- Datos generales

Es Apoderado o Representante Legal de las siguientes empresas:

Nombre	Tipo	Fecha Inicio	Fecha Fin
ATLANTIC PACIFIC LOGISTIC, S.A.	Representante Legal	24/01/2017	
GUAZAPA, S.A.	Representante Legal	25/07/2016	
PROYECTOS DEL CREADOR, S.A. DE C.V.	Representante Legal	18/06/1999	04/04/2014
ROSA INES FLORES SANCHEZ	Apoderado	19/06/1999	
TELE 15, S.A. DE C.V.	Representante Legal	11/03/1996	
FUNDACION SALVADOREÑA DE APOYO INTEGRAL – FUSAI	Representante Legal	22/11/2006	26/05/2017
FUNDACION CANAL 25	Apoderado	21/04/2009	
VISION MUNDIAL EL SALVADOR	Representante Legal	09/02/2005	24/11/2008
IXTAC, S.A. DE C.V.	Representante Legal	22/02/2011	
SUBES EL SALVADOR, S.A. DE C.V.	Representante Legal	20/05/2011	23/05/2013
CONEMITE INTERNATIONAL CORP	Representante Legal	22/08/2014	
SODICO, S.A. DE C.V.	Apoderado	04/01/2012	17/10/2012
SIFROSAL, S.A. DE C.V.	Representante Legal	22/11/2011	03/12/2012
INVERSIONES PARA EL DESARROLLO INTERNACIONAL, S.A.	Representante Legal	13/01/2012	
INVERSIONES EL AGUILA DE EL SALVADOR, S.A. DE C.V.	Representante Legal	14/03/2012	
INVERSIONES VALIOSAS, S.A. DE C.V.	Representante Legal	03/03/2015	22/03/2017
SODICO, S.A. DE C.V.	Representante Legal	17/10/2012	
LA FONDA TECLÉÑA, S.A. DE C.V.	Representante Legal	17/10/2012	
ENERGIA ORGANICA, S.A. DE C.V.	Representante Legal	11/12/2013	08/05/2017
TERMOPUERTO LTDA DE C.V.	Representante Legal	03/02/2014	
SIFROSAL, S.A. DE C.V.	Representante Legal	03/04/2013	
STARLIGHT, S.A. DE C.V.	Representante Legal	15/03/2016	

Fuente: Base de Datos del Ministerio de Hacienda.

Figure 4: Audit page of companies that Cortéz Avelar represented. The highlighted ones are directly related to Alba Petróleos. Starlight, the last one is Bukele's company.

Among those who received millions of dollars in loans from Alba Petróleos subsidiaries is current President Bukele in 2013, when he was mayor of the town of Nuevo Cuscatlán. Bukele and companies controlled by Bukele and his family received almost \$3 million in multiple loans to publicity companies owned by Bukele, from the Alba Petróleos subsidiary Inverval. Bukele has publicly acknowledged he received \$1.9 million in loans from Inverval to buy shares in a company called Starlight, the owner of the Canal TVX TV station. In 2013 Jorge Miguel Kattan, Bukele's uncle, took over as director of the TV station, and in 2019 Bukele named him Minister of Commerce and Investment.¹³

NAYIB ARMANDO BUKELE ORTEZ, de treinta y un años de edad, estudiante, del domicilio de Nuevo Cuscatlán, departamento de La Libertad, **OTORGO:** Que declaro adeudar a la **Sociedad INVERSIONES VALIOSAS, SOCIEDAD ANÓNIMA DE CAPITAL VARIABLE**", que puede abreviarse **INVERVAL, S.A. DE C.V.**, Sociedad Anónima, del domicilio de San Salvador, con Número de Identificación Tributaria cero seis catorce-veintinueve cero ocho doce-ciento ocho-tres, la suma de **TRESCIENTOS VEINTE MIL DÓLARES DE LOS ESTADOS UNIDOS DE AMÉRICA**, al **SIETE POR CIENTO** de interés anual, para el plazo de **DOCE MESES**, de los cuales en este mismo acto recibo la suma de **CIENTO SETENTA MIL DÓLARES DE LOS ESTADOS UNIDOS DE AMÉRICA**, y el resto, o sea la suma de **CIENTO CINCUENTA MIL DÓLARES DE LOS ESTADOS UNIDOS DE AMÉRICA**, los recibiré posteriormente, y documentados por medio de pagarés. Los intereses los pagaré a mi acreedora por mensualidades **VENCIDAS y SUCESIVAS**, a partir de este día, y el capital al vencimiento del plazo, y todo pago lo haré por medio de depósitos en la cuenta corriente bancaria del Banco Promérica, S.A. número **UNO CERO CERO CERO CERO CERO-TREINTA Y CUATRO CERO CERO DOCE NOVENTA Y TRES**, perteneciente a la sociedad acreedora, los días **VEINTISIETE**, de cada uno de

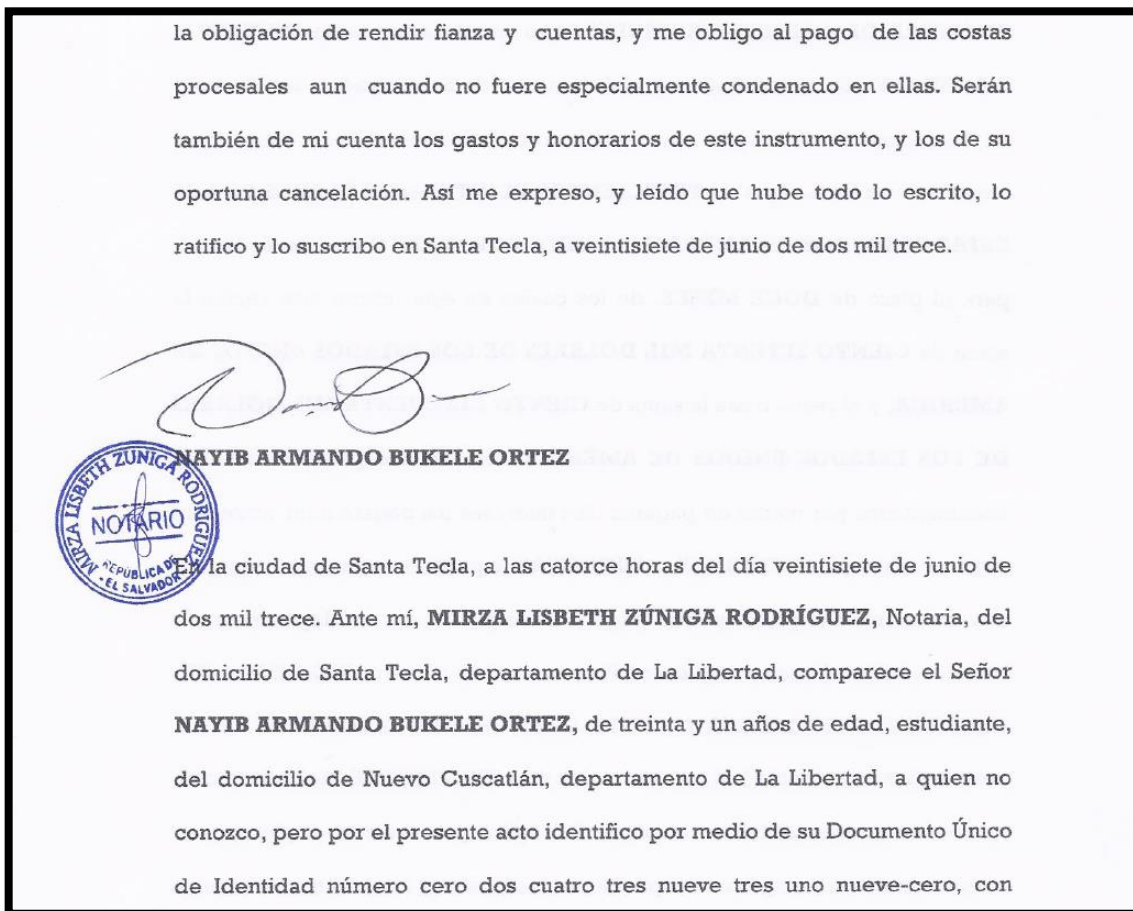


Figure 5: Loan agreement between Bukele, then mayor of Nuevo Cuscatlán, and Inerval, a subsidiary of Alba Petróleos, for disbursements (\$350,000 and \$170,000), part of the loans he and his companies received in 2013.

Carolina Recinos, who worked for Bukele in the mayor's office and is now his chief of staff in the presidency, as well as a member of the board of Bukele companies and long-time confidant, took out a \$70,000 loan at the same time. While not listed on her official government CV, Recinos also worked for Fred Merino and handled administrative tasks for several Alba Petróleos companies, according to sources with direct knowledge of her work.

While mayor of Nuevo Cuscatlán in 2013 Bukele also signed an agreement with Cortéz Avelar, representing Inerval, to receive payments and grant tax benefits totaling hundreds of thousands of dollars for the building of a housing complex, *Proyecto Habitacional Greenside*, showing at least a professional relationship with Alba Petróelos's main straw purchaser.

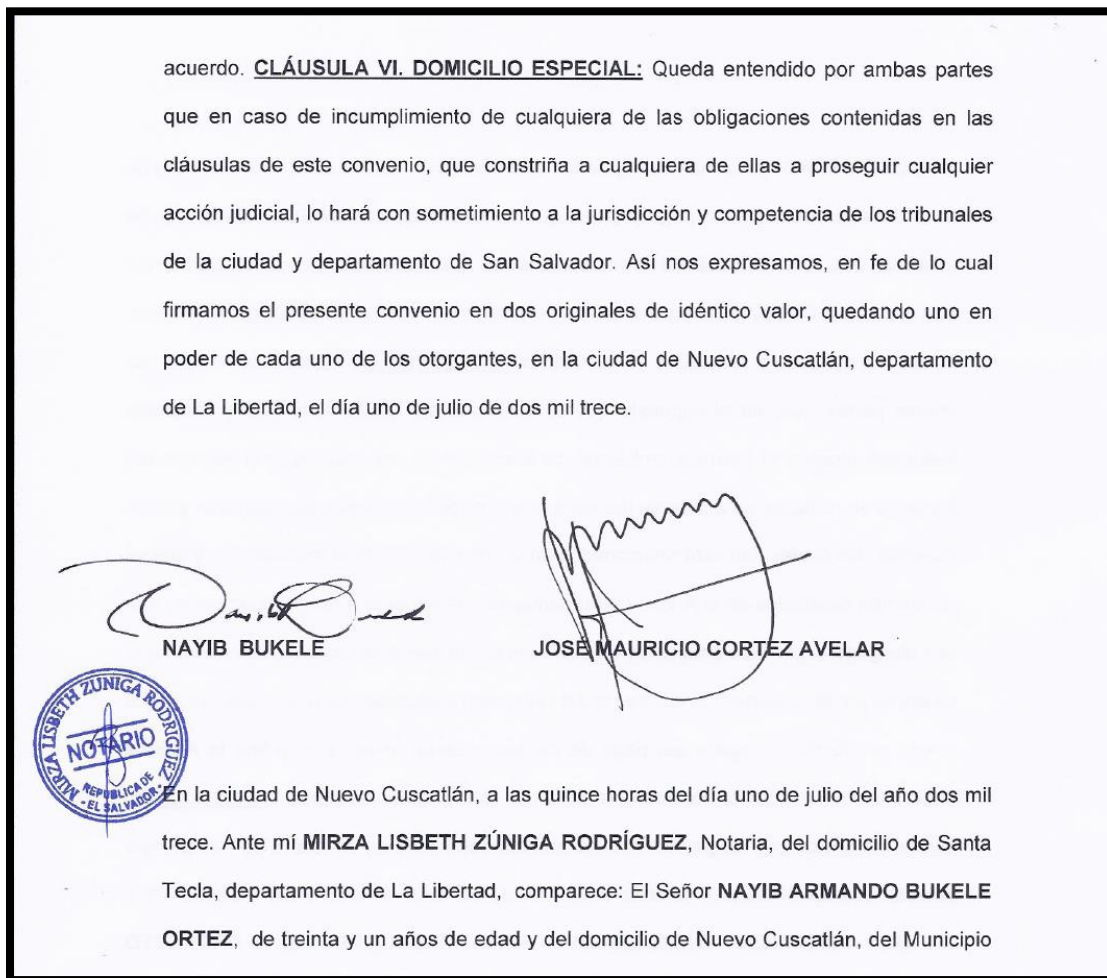


Figure 6: Bukele's and Cortéz Avelar's signed agreement for the Greenside housing project.

One company in particular shows the ties of Alba Petróleos to the Bukele administration: Precocidos de El Salvador, which took out loans from Alba Petróleos totaling \$13.5 million that were never repaid, according to a corporate audit. Those who served on the Precocidos board while it was receiving Alba Petróleos funds include Pablo Salvador Anliker, currently minister of agriculture, his cousin Federico Anliker, head of Port Authority, and Erick Vega, senior Bukele adviser for foreign investments.¹⁴

Erick Vega is of particular importance because of his deep ties to the Merino structure and his close personal friendship with Bukele (Bukele is the godfather of one of Vega's children) and members of Bukele's extended family. Vega is also married into the family of fugitive Enrique Rais and has access to Rais's extensive international network. Before becoming Bukele's investment adviser, Vega's job for the past decade was to serve as Merino's private secretary, bagman and Alba Petróleos. Vega and Fred Merino reportedly communicated by text and telephone hundreds of times a month, with Vega routinely addressing Fred Merino as *chero*, a Salvador term of friendly affection. When needing to reference José Luis Merino, they identify him as Ramiro or RV.

Vega, often with Fred Merino, visited Caracas to meet with leaders of the Maduro regime and the leadership of several Russian banks operating there, according to documents in possession of the author. Although he had no official government position, Vega traveled with Salvadoran diplomatic passport D007371. In addition to appearing on the board of Precocidos, he was on the board of almost every major Alba Petróleos-related company that moved hundreds of millions of dollars through the structure. As Bukele's chief adviser for foreign investment, he now holds a formal government position and has a great deal of power in deciding which investments are approved and under what terms.

Although José Luis Merino was careful not to appear on corporate documents, one exception was in January 2012 with Alba Alimentos, a part of the Alba Petróleos conglomerate, with Merino named president and Erick Vega named an alternate director; the notary public who wrote the document and signed it was Mauricio Cortéz Avelar.





PAPEL PARA PROTOCOLO	
	
	
M. DE H.	
Nº 12771273	
DOS COLONES	
1	de accionistas acuerda adoptar como régimen de administración la JUNTA DIRECTIVA,
2	la cual se elige en este acto, y fungirá por un período de SIETE AÑOS, contado a partir
3	de la inscripción de la presente escritura en el Registro de Comercio, de la siguiente
4	manera: PRESIDENTE: JOSÉ LUIS MERINO , de cincuenta y ocho años de edad,
5	empleado, del domicilio de Santa Tecla, Departamento de La Libertad, de nacionalidad
6	Salvadoreña, con Número de Identificación Tributaria cero cinco once-veintinueve cero
7	cuatro cincuenta y tres-cero cero uno-cero; VICEPRESIDENTA: LUZ ESTRELLA
8	RODRÍGUEZ DE ZÚNIGA , de cuarenta y tres años de edad, doctora en medicina, del
9	domicilio de Apopa, Departamento de San Salvador, de nacionalidad Salvadoreña; con
10	Número de Identificación Tributaria cero seis catorce-once cero ocho sesenta y ocho-
11	ciento diez-seis; SECRETARIO: RAMÓN ARÍSTIDES VALENCIA ARANA , de cuarenta
12	y nueve años de edad, licenciado en Economía, del domicilio de Mejicanos,
13	Departamento de San Salvador, de nacionalidad Salvadoreña; con Número de
14	Identificación Tributaria cero seis catorce-veinticuatro cero ocho sesenta y dos-cero cero
15	nueve-dos; DIRECTORES SUPLENTE: ERICK GEOVANNI VEGA , de treinta y un
16	años de edad, doctor en medicina, del domicilio de Atiquizaya, Departamento de
17	Ahuachapán, de nacionalidad Salvadoreña, con Número de Identificación Tributaria cero
18	uno cero tres-cero tres cero siete ochenta-ciento dos-siete; OSCAR ORLANDO SORTO
19	GONZÁLEZ , de cincuenta y dos años de edad, comerciante, del domicilio de Cuyullitán,
20	Departamento de La Paz, de nacionalidad Salvadoreña, con Número de Identificación
21	Tributaria cero nueve cero seis-cero seis cero siete cincuenta y nueve-cero cero uno-
22	cero; y EVELYN JEANNETTE HERNÁNDEZ RODRÍGUEZ , de treinta y ocho años de
23	edad, estudiante, del domicilio de Santa Tecla, Departamento de La Libertad, de

Figure 7: Registry of Alba Alimentos showing Merino as president and Vega as alternate director

The 2018 internal Alba Petróleos audit showed that Alba Alimentos had taken out unrecoverable “loans” from the mother company totaling more than \$49 million with no collateral, no repayments made and no response to numerous requests by auditors to set up a repayment schedule.

NOMBRE DEL CLIENTE:	ALBA ALIMENTOS
MONTO OTORGADO:	\$16000,000.00
PLAZO:	25 AÑOS
TASA DE INTERES:	1%
SALDOS EN MORA AL 31 DE DICIEMBRE DE 2017	\$16,638,822.53
CUOTAS EN MORA	
DESCRIPCIÓN DE LA GARANTÍA	NO POSEE
MONTO DE LA GARANTÍA	\$0.00
VALÚO ACTUAL	NO POSEE
DETERIORO APLICADO AL 31 DE DICIEMBRE DE 2017	\$16,638,822.53
DETALLE DE LAS GESTIONES DE COBRO:	COBROS ADMINISTRATIVOS MENSUALES REUNIONES CON EL CLIENTE NOTIFICACIONES DE AVISOS DE COBROS
BREVE DESCRIPCIÓN DE LA SITUACIÓN ACTUAL DEL CRÉDITO:	SE ENTREGÓ A LA UNIDAD DE COBRO JUDICIAL PARA INICIAR EL PROCESO DE LA DEMANDA EN FECHA 23/03/2018

NOMBRE DEL CLIENTE:	ALBA ALIMENTOS
MONTO OTORGADO:	\$35000,000.00
PLAZO:	25 AÑOS
TASA DE INTERES:	1%
SALDOS EN MORA AL 31 DE DICIEMBRE DE 2017	\$32,413,782.90
CUOTAS EN MORA	12
DESCRIPCIÓN DE LA GARANTÍA	NO POSEE
MONTO DE LA GARANTÍA	\$0.00
VALÚO ACTUAL	NO POSEE
DETERIORO APLICADO AL 31 DE DICIEMBRE DE 2017	\$32,413,782.90
DETALLE DE LAS GESTIONES DE COBRO:	COBROS ADMINISTRATIVOS MENSUALES REUNIONES CON EL CLIENTE NOTIFICACIONES DE AVISOS DE COBROS
BREVE DESCRIPCIÓN DE LA SITUACIÓN ACTUAL DEL CRÉDITO:	SE ENTREGÓ A LA UNIDAD DE COBRO JUDICIAL PARA INICIAR EL PROCESO DE LA DEMANDA EN FECHA 23/03/2018

Figure 8: Audit showing Alba Alimentos had \$49, 052,605.40 in outstanding and unrecoverable debts to Alba Petróleos.

In addition to the \$49 million in unrecoverable loans given to Alba Alimentos, the company surfaced in a separate criminal investigation. According to a sentencing memorandum by Judge Godofredo Miranda in February 2020, Merino offered to have Alba Alimentos hire MS 13 prisoners to prepare the food inside the prisons the gang controls in order to create jobs. An additional program offered would give MS 13 members credit (almost always a euphemism for cash payments) in exchange for MS 13 votes in the 2014 presidential election and beyond.¹⁵ The Miranda ruling included a plea for a full, separate investigation into

The participation of the directorate of the FMLN, such as José Luis Merino ... and a review of the ties that existed between that party and gang members in the context of the elections.

According to findings discussed in this ruling, this timeframe was included in the ‘negotiations’ and we can infer they particularly impacted the election for the mayor of San Salvador at the time¹⁶ (which were won by Bukele). This makes it obligatory to investigate whether approaches were made between the MS 13 and the current government’s cabinet officials” (of the Bukele administration).¹⁷

The close family ties and trust among the Bukele-Vega-Rais families is important in understanding how the Merino structure continues to wield power in the current administration. Vega’s wife, Diana Echeverría Rais, is the niece of Enrique Rais, a fugitive now living in Switzerland under investigation for money laundering and corruption in both the United States and El Salvador.



Figure 9: President Bukele (center), First Lady Gabriel Rodríguez Bukele (to Bukele's left); Salvador Gómez, director of Proesa (next to the first lady); Erick Vega (tall, to the right of Gómez); and Enrique Rais' sister (far left)

In another action that demonstrated the strength of the Bukele-Vega tie was Bukele's first trip as president-elect in April 2019. Bukele visited the Dominican Republic and was received by then president Danilo Medina. He took both Erick Vega and Vega’s wife as part of his entourage, despite the fact that neither held an official position in the government.



Figure 10: Erick Vega and his wife Diana (far left), with president elect Bukele (center left) standing next to Dominican president Danilo Medina (center right)

A Billion Dollars in Unsecured and Unrepaid Loans

The audits show that dozens of individuals and companies fed freely at the Alba Petróleos trough over the years, mostly receiving funds with no collateral and repaying virtually nothing of the original loans. Highlighted below are some of the biggest unpaid debts accrued to Alba Petróleos under the direction of the Merino structure, as well as some of the least explicable of the investments or attempted investments:

APES Inc: By far the largest of the “loans” made by Alba Petróleos was to this Panama subsidiary, Alba Petróleos El Salvador (APES). The loans were made over a period of several years totaling at least \$183.5 million with no collateral provided for the loans, and no repayments ever made. The directorships changed over time with one constant – Merino’s inner circle, from his half-brother Fred to Erick Vega to other members of his inner circle controlled the company throughout and have always refused to answer any questions of where the money went. Vega acted as president, authorized agent, director and other directorship posts from 2008-2017, according to corporate registration documents. Sigfredo Merino served on the board using his Salvadoran passport as identification, while opening other related companies in Panama using his U.S. passport with the name he legally changed to in the United States, Fred Merino.

DETERIORO DE CARTERA APES: \$179,495,733.54	
NOMBRE DEL CLIENTE:	APES IN
MONTO OTORGADO:	\$183464,733.82
PLAZO:	CREDITO
TASA DE INTERES:	1% A 7%
SALDOS EN MORA AL 31 DE DICIEMBRE DE 2017	\$183,495,733.54
CUOTAS EN MORA	
DESCRIPCION DE LA GARANTIA	SIN GARANTIA REAL
MONTO DE LA GARANTIA	-
VALUO ACTUAL	-
DETERIORO APLICADO AL 31 DE DICIEMBRE DE 2017	\$179,495,733.54
DETALLE DE LAS GESTIONES DE COBRO:	CONCILIACION DE SALDOS EN PANAMA CITATORIOS A CLIENTES APES REUNIONES
BREVE DESCRIPCION DE LA SITUACION ACTUAL DEL CREDITO:	LOS MUTUOS OTORGADOS EN LA CARTERA APES NO GARANTIZA EL PAGO DE LA DEUDA ACTUAL. LOS MUTUOS NO POSEEN GARANTIAS REALES, SE CONSIDERA EL 100% DE LA DEUDA COMO DETERIORO.

Figure 11: Audit entry on APES, noting that no collateral was given for the debt and noting that 100 percent of the debt was unrecoverable.

According to an investigation by the Panamanian Financial Intelligence Unit, hundreds of millions of dollars from Alba Petróleos flowed into accounts in Panama controlled by APES, and from there to seven other subsidiaries of Alba Petróleos before the funds were transferred offshore to BVI, Gibraltar, Luxemburg, Switzerland and Russian banks. According to an auditor's explanation of the APES debt, APES received the money from Alba Petróleos, then proceeded to send much of it out again as loans to some of the same Alba Petróleos companies registered in Panama accruing large debts on their own with Alba Petróleos. Several of the larger recipients of loans were Miami-based corporations.

VECA: Touted as a regional budget airline created by Alba Petróleos, *Vuelos Económicos Centroamericanos* (VECA) flew only a handful of flights during its tortured history before ceasing operations in 2017. Vega, the Merino brothers and most of the Alba Petróleos leadership rotated on the board of the non-functioning company for three years while taking out \$18.72 million in unrepaid loans. VECA then transferred its shares to the El Día Corporation in Aruba, a Dutch Caribbean fiscal paradise, which was supposed to then return the money to VECA as operating costs. However by the end of 2017, VECA owed almost \$19 million to Alba Petróleos and El Día Corporation owed almost \$45 million. Erick Vega was on the board of VECA until February 2017, shortly before it declared bankruptcy and fired dozens of employees without the legally-mandated severance packages.



NOMBRE DEL CLIENTE:	EL DÍA CORPORATION
MONTO OTORGADO:	\$39,520,822.00
PLAZO:	20 AÑOS
TASA DE INTERES:	4%
SALDOS EN MORA AL 31 DE DICIEMBRE DE 2017	\$44,794,201.86
CUOTAS EN MORA	25
DESCRIPCIÓN DE LA GARANTÍA	NO POSEE
MONTO DE LA GARANTÍA	\$0.00
VALÚO ACTUAL	NO POSEE
DETERIORO APLICADO AL 31 DE DICIEMBRE DE 2017	\$44,794,201.86
DETALLE DE LAS GESTIONES DE COBRO:	COBROS ADMINISTRATIVOS MENSUALES REUNIONES CON EL CLIENTE NOTIFICACIONES DE AVISOS DE COBROS
BREVE DESCRIPCIÓN DE LA SITUACIÓN ACTUAL DEL CRÉDITO:	SE ENTREGARÁ A UNIDAD COBRO JUDICIAL EN EL MES DE MAYO 2018.

NOMBRE DEL CLIENTE:	VECA, S. A. DE C.V.
MONTO OTORGADO:	\$17877,238.71
PLAZO:	20 AÑOS
TASA DE INTERES:	4%
SALDOS EN MORA AL 31 DE DICIEMBRE DE 2017	\$18717,168.05
CUOTAS EN MORA	PERIODO DE GRACIA
DESCRIPCIÓN DE LA GARANTÍA	NO POSEE
MONTO DE LA GARANTÍA	-
VALÚO ACTUAL	-
DETERIORO APLICADO AL 31 DE DICIEMBRE DE 2017	\$18717,168.05
DETALLE DE LAS GESTIONES DE COBRO:	COBROS ADMINISTRATIVOS MENSUALES REUNIONES CON EL CLIENTE NOTIFICACIONES DE AVISOS DE COBROS
BREVE DESCRIPCIÓN DE LA SITUACIÓN ACTUAL DEL CRÉDITO:	SE ENTREGARÁ A LA UNIDAD DE COBRO JUDICIAL

One of the more unusual offers of deals with VECA came in April 2017 from Matrix Aviation of Ft. Lauderdale, Florida, offering to acquire the airline's \$40 million debt to Alba Petróleos, in addition to a tens of millions in other Alba Petróleos debt, in order to exchange that debt for \$311 million that the Maduro regime owed Aruba Airlines.

Manuel Duran, a confidant of both the Merino brothers and former combatant under Merino, was the titular head of VECA at the time and, under the direction of Fred Merino, responded positively to the offer. However, it is unclear if the debt swap was ever carried out.

Matrix Aviation offered other similar debt swap schemes with other entities in the Alba Petróleos universe, at least one substantially larger than the offer to VECA. In each case it remained unclear why a small U.S. aviation company was involved in attempts to swap or purchase hundreds of millions of dollars in Venezuelan oil debt. One example is the offer to carry out an arrangement with Energía Orgánica (ENERGOR) to swap \$487 million in debt for \$171 million (35 percent of the value) in cash.



Fort Lauderdale, abril 24, 2017

Manuel de Jesús Duran
Administrador y Representante Legal
Vuelos Económicos Centroamericanos (VECA)

C.C.: Ramon Paris - **ALBA PETRÓLEOS**
Rogelio Peña - **HELICA**

Tengo el agrado de dirigirme a usted, en la oportunidad de manifestarle el interés que tiene mi representada **MATRIX AVIATION INC.**, de adquirir la totalidad de las acciones de la empresa aérea **VUELOS ECONÓMICOS CENTROAMERICANOS (VECA)**, por el equivalente a la cantidad de **CUARENTA MILLONES DE DOLARES DE LOS ESTADOS UNIDOS DE AMERICA (USD 40.000.000,00)**, que corresponda de la deuda que actualmente tiene su representada con **ALBA PETROLEOS**.

Para su información, mi representada está ofreciendo a **ALBA PETROLEOS** CANJEAR la deuda que mantienen con ella varias empresas en El Salvador entre las que se destacan **VECA, TERMO PUERTOS, ARROCERA, PLANTA GASOL, TUSOLIDARIA**, entre otras de menor porte, contra la deuda total que tiene el **GOBIERNO DE LA REPÚBLICA BOLIVARIANA DE VENEZUELA** con la aerolínea **ARUBA AIRLINES** (deuda que ya fue adquirida por mi representada **MATRIX AVIATION INC.**), que asciende a la cantidad de **TRESCIENTOS ONCE MILLONES SETECIENTOS VEINTISEIS MIL TRESCIENTOS CUARENTA DOLARES AMERICANOS CON NOVENTA Y DOS CENTAVOS (USD 311,726,340.92)**.

Agradeciendo su atención a la presente y esperando pronta respuesta, me despido de usted.

Atentamente,

A handwritten signature in blue ink, appearing to read "Guillermo Carabajal".

Guillermo Carabajal
PRESIDENTE

WWW.GOMATRIXAV.COM

5360 NW 20 TERRACE HANGAR SUITES 207A
FORT LAUDERDALE EXECUTIVE AIRPORT
FORT LAUDERDALE FL 33309



Fort Lauderdale, Octubre 03, 2017

Sres. Directiva
ENERGIA ORGANICA S.A. DE C.V. (ENERGOR)
Presente.

Tengo el agrado de dirigirme a Usted, en la oportunidad de saludarlo e informarle que mi representada **MATRIX AVIATION INC.**, ha sido autorizada para efectuar negociaciones por dos empresas cuyos nombres se reservan por razones de confidencialidad sobre una deuda que mantiene el **GOBIERNO DE LA REPÚBLICA BOLIVARIANA DE VENEZUELA** con estas, y en este sentido, quiere hacerle llegar la propuesta de CANJE de estas deudas cuyo monto total que asciende a la cantidad de **CUATROCIENTOS OCHENTA Y SIETE MILLONES SETECIENTOS VEINTISEIS MIL TRESCIENTOS CUARENTA DOLARES AMERICANOS CON NOVENTA Y DOS CENTAVOS (USD 487,726,340.92)**, contra el pago en efectivo del **TREINTA Y CINCO POR CIENTO (35%)**, del monto anteriormente señalado, el cual equivale a la cantidad de **CIENTO SETENTA MILLONES SETECIENTOS CUATRO MIL DOSCIENTOS DIECINUEVE DOLARES AMERICANOS CON TREINTA Y DOS CENTAVOS (USD 170,704,219.32)**.

Este ofrecimiento obedece a que las empresas anteriormente señaladas requieren obtener liquides financiera con prontitud para efectuar algunas inversiones y cubrir gastos de operación.

Agradeciendo su atención a la presente y esperando pronta respuesta, me despido de usted.

Atentamente,

A handwritten signature in blue ink, appearing to read "Guillermo Carabajal", written over a horizontal line.

Guillermo Carabajal
PRESIDENTE

WWW.GOMATRIXAV.COM

5360 NW 20 TERRACE HANGAR SUITES 207A
FORT LAUDERDALE EXECUTIVE AIRPORT
FORT LAUDERDALE FL 33309



Atlantic Pacific Logistic (APALSA): Next to APES, this company took the most money from Alba Petróleos, amassing \$143 million in debts by the end of 2017, with only an IOU from the company serving as collateral. Atlantic Pacific Logistic, with Cortéz Avelar as president and director,

describes itself as a privately owned international trading company with activities including shipping and oil blending, storage, and sales to customers worldwide. The company is registered in Panama and claims to maintain its own fleet of vessels, but Equasis, the shipping registry company, does not list any vessels as affiliated with the company and the company itself does not seem to have an IMO number registered to them (they are unique to the company). There also appear to be no company records on Panjiva, the consignment data company.

NOMBRE DEL CLIENTE:	ATLANTIC PACIFIC LOGISTIC
MONTO OTORGADO:	\$127,609,610.98
PLAZO:	20 AÑOS
TASA DE INTERES:	4%
SALDOS EN MORA AL 31 DE DICIEMBRE DE 2017	\$143,172,828.90
CUOTAS EN MORA	11
DESCRIPCIÓN DE LA GARANTÍA	PAGARE
MONTO DE LA GARANTÍA	-
VALUO ACTUAL	-
DETERIORO APLICADO AL 31 DE DICIEMBRE DE 2017	\$143,172,828.90
DETALLE DE LAS GESTIONES DE COBRO:	COBROS ADMINISTRATIVOS MENSUALES REUNIONES CON EL CLIENTE NOTIFICACIONES DE AVISOS DE COBROS
BREVE DESCRIPCIÓN DE LA SITUACIÓN ACTUAL DEL CRÉDITO:	SE ENTREGÓ A LA UNIDAD DE COBRO JUDICIAL PARA INICIAR PROCESO EN FECHA DE ENTREGA: 12/04/2018

Fideicomiso: This is a trust held by Alba Petróleos at G&T Bank, to which the company lent \$60.9 million with no collateral and no terms of repayment. The purpose of the trust has not been publicly disclosed.

NOMBRE DEL CLIENTE:	FIDEICOMISO
MONTO OTORGADO:	\$60949,228.81
PLAZO:	-
TASA DE INTERES:	0%
SALDOS EN MORA AL 31 DE DICIEMBRE DE 2017	\$60949,228.81
CUOTAS EN MORA	-
DESCRIPCIÓN DE LA GARANTÍA	NO POSEE
MONTO DE LA GARANTÍA	-
VALUO ACTUAL	-
DETERIORO APLICADO AL 31 DE DICIEMBRE DE 2017	\$38016,835.41
DETALLE DE LAS GESTIONES DE COBRO:	CONCILIACION DE SALDOS EN BANCO G&T REUNIONES CON TERMOPUERTO
BREVE DESCRIPCIÓN DE LA SITUACIÓN ACTUAL DEL CRÉDITO:	SIN MOVIMIENTO EN LA CUENTA, SE CONSIDERA EL 62% DE LA DEUDA COMO DETERIORO.

BlackSpark Capital: While there is no record in the audits of funds actually going to BlackSpark Capital, there is clear evidence that Alba Petróleos, through Fred Merino, was trying to triangulate a large investment with PDVSA and the Russian state's Gazprom Bank, working through a U.S.-based company, Blackspark Capital LLC operating New York City, registered in Delaware. BlackSpark put together a presentation for a joint project that would move millions of dollars to an unspecified

offshore trust after carrying out a maze of transactions among the different participating groups. According to documents, Jose Luis Merino (Ramiro) met directly with Blackspark director José María Barrionuevo in Venezuela at least once to discuss this, and also with Gazprom Bank representatives. The communications between BlackSpark and Alba Petróleos are addressed to Sigfredo Merino.

Another Blackspark executive, David Perez Espinosa was active in setting up meetings for Fred Merino, Erick Vega and others with Russians officials in Venezuela, traveling to Venezuela with the Alba Petróleos leadership and generally acting as a fixer for the project.

The Russians who participated in meetings related to this enterprise are identified in documents as Georgy Vasilenkov and Igor Gitman. Vasilenkov as the head of the Ecuador office of Inter RAO, a Russian energy company “controlled by the Russian government via the state nuclear power corporation ROSATOM and Vnesheconombank.” Vasilenkov, a former senior intelligence officer in the Soviet Union, has traveled to Nicaragua, Guatemala and El Salvador as part of a Russian consortium of business enterprises recruiting executives to visit Russia. Vnesheconombank, which has offices in Caracas, Venezuela, is a bank sanctioned by both the U.S. government and the European Union for money laundering and supporting the Maduro regime. There is an explicit request in one document that the Vega/Merino meetings with the Russians “not be known to anyone in El Salvador.”

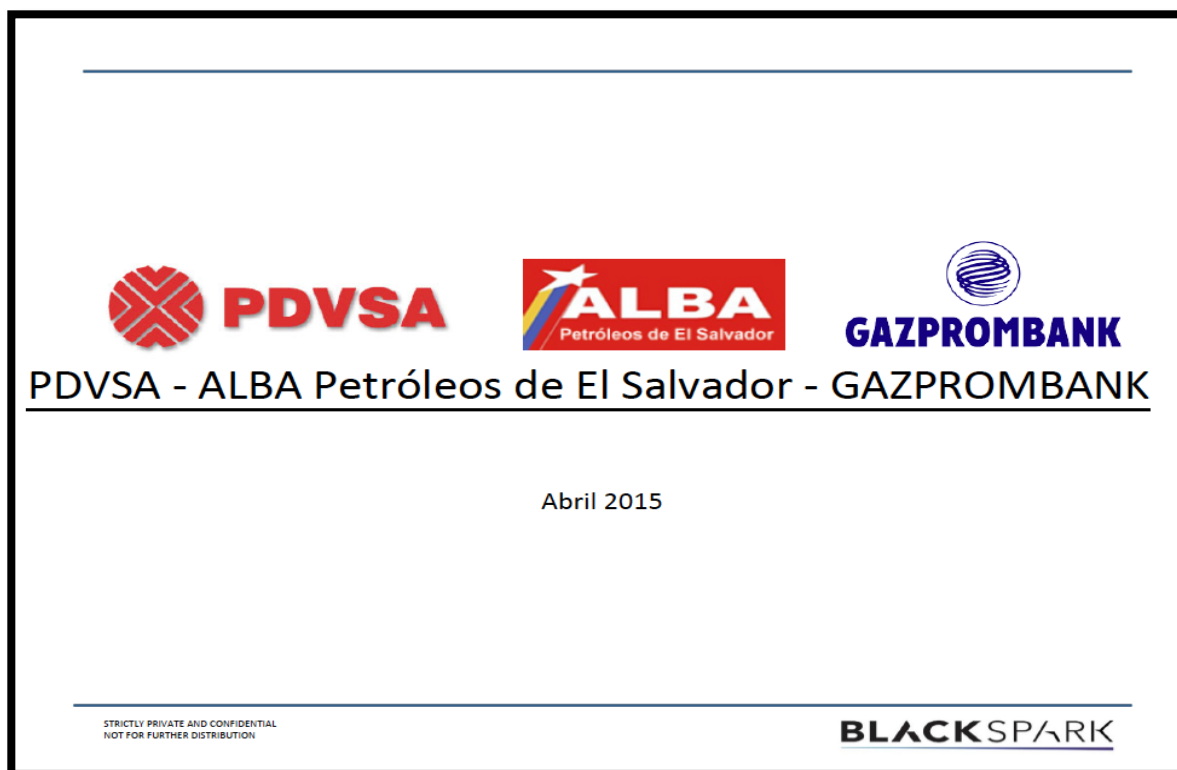
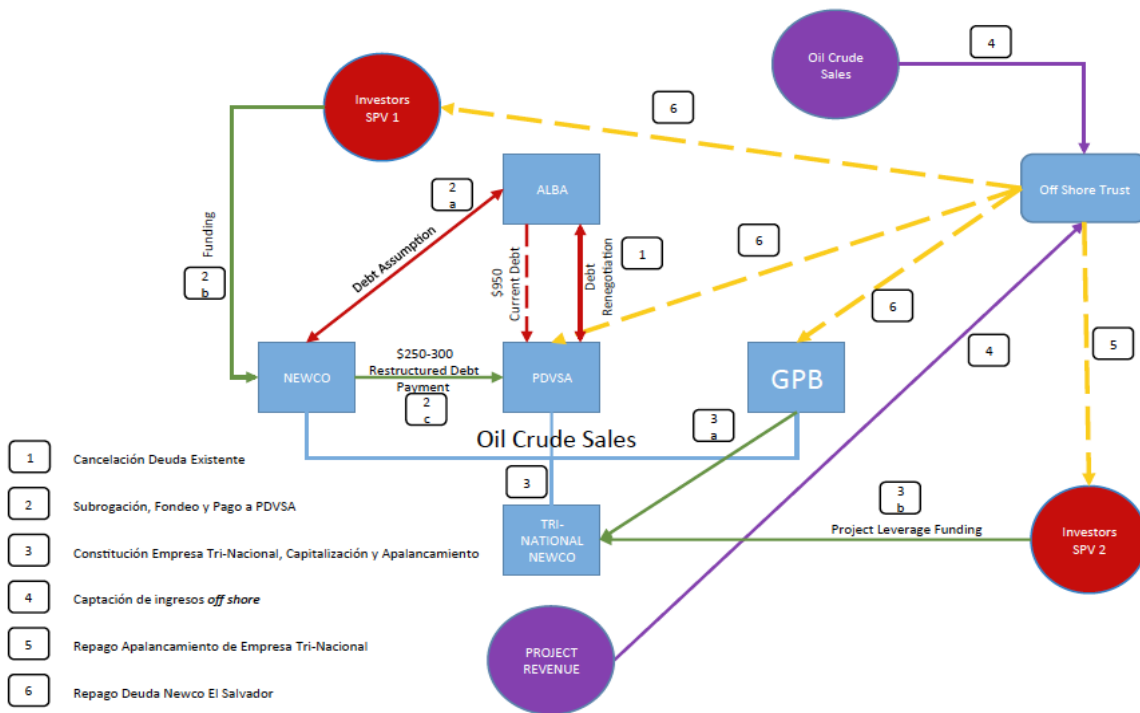


Diagrama de la Propuesta



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BLACKSPARK CAPITAL

Madrid, a 10 de Septiembre de 2014

Don Sigfredo Merino
ALBA PETRÓLEOS DE SALVADOR S.A. DE CV
Bulevar Orden de Malta Sur, A-1
Santa Elena
República del Salvador.
Presente

Ref.: Descripción de las líneas básicas de la propuesta de financiación por y asociación con Gazprom y Financiación del Proyecto

Estimado Sr. Merino,

Desde BlackSpark Capital LLC (colectivamente con sus filiales, "BlackSpark Capital") deseamos agradecerle a la oportunidad de poder estructurarle una operación de financiación de su proyecto de extracción en Venezuela, en cual pasamos a describirle en líneas generales.

Continuando con las conversaciones habidas hasta la fecha partimos del supuesto de que al ALBA PETRÓLEOS DE SALVADOR S.A. DE CV (en adelante ALBA) tiene la posibilidad de obtener los derechos de explotación de algunos campos marginales de primer nivel por parte de PETROLEOS DE VENEZUELA S.A. (PDVSA). Dicha explotación es posible dentro de un cambio de modelo de financiación del proyecto ALBA que pasaría del sistema actual de venta financiada de crudo a uno de explotación directa de campos marginales por parte de ALBA.

Dentro de las condiciones tentativas que PDVSA sugiere a ALBA para poder llegar a poner en marcha este proyecto de extracción directa por parte de ALBA, están:

- Acreditar que mediante un contrato de extracción, acuerdo de asociación o sociedad conjunta ALBA cuenta con un operación de extracción petrolífero de prime nivel que garantice y financie el proyecto de extracción.
- Que se busque una solución para liquidar el saldo pendiente de pago resultante de las compras de crudo en el pasado, por el viejo sistema, y que constituyen un préstamo a 25 años a un interés preferencial.

Plan Tripartita de Inversion Petrolera: El Salvador, Venezuela y Rusia

DEUDA DE ALBA PETROLEOS - 2015		
	%	Monto \$MM
Deuda total de ALBA PETROLEOS	100%	\$950
PDV Caribe S.A.	60%	\$570
ENEPASA	40%	\$380
El Salvador (40%) Estructura Financiera		
Deuda de ENEPASA a PDVSA		\$380
Condonación de la deuda		-\$130
Deuda de ENEPASA después de la condonación		\$250
Fuente		
Pago con Bonos a PDVSA (PDVSA 5 1/4 04/17)		-\$100
Pago en efectivo a PDVSA (GazpromBank Credit)		-\$150
Total de la deuda de ENEPASA		\$0.00

Inversión en Campos marginales (Tía Juana)		
	%	Monto \$MM
Fuente		
PDVSA Venta Anticipda	60%	\$600
El Salvador Gov. NewCo Venta Anticipda	25%	\$250
GazpromBank GazpromBank	15%	\$150
Total Inicial Investment		\$1,000
Fuente		
El Salvador Gov. NewCo Pago con los dividendos en 10 años.	62.5%	\$62.5
GazpromBank Pago con los dividendos en 10 años.	37.5%	\$37.5
Bono de Reserva		\$100
Total de inversión inicial y Bono de Reserva		\$1,100

Venta Anticipda de Petroleo - PDVSA 1 Millardo - 5 Años		
	%	Monto \$MM
Flujo en efectivo a PDVSA	15%	\$150
Participación de PDVSA en LA FAJA	60%	\$600
El Salvador Gov. NewCo	25%	\$250
Total		\$1,000

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11

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Figure 7: Cover sheet of presentation, explanation of investment scheme, financing sources and a letter to Fred Merino outlining the plan for \$1 billion PDVSA-Alba Petróleos-Gazprom joint venture

Conclusions

While Nayib Bukele promised a new governing paradigm breaking with both the traditional right and traditional left, his government remains deeply penetrated by criminalized elements of both groups. These elements are united through the Alba Petr6leos structure and under the direction of Jos6 Luis Merino. Merino, who has engaged in kidnapping, weapons trafficking with designated terrorist organizations, and money laundering — while working assiduously to support the Maduro regime through Alba Petr6leos and its opaque structures — does not fit the model of the clean government Bukele claims to be building nor of the allies the United States should be seeking in the hemisphere.

The fact that Bukele and his family companies took some \$2 million from Alba Petr6leos when it was showing distorted and irrational economic returns calls into question the president's willingness to engage in even minimal "know your customer" due diligence. That one of his closest friends and senior economic advisers not only sat on the boards of multiple Alba Petr6leos subsidiaries but also served as Merino's chief assistant for a decade raises further questions. Given that at least two other cabinet ministers, his chief of staff and other senior officials have had financial dealings with the Alba Petr6leos enterprise, it is legitimate to question what influence Merino and other have in the current administration.

Alba Petr6leos from its inception was a majority owned subsidiary of Venezuela's PDVSA and integral part of the money laundering structures of the BJCE that embrace transnational organized crime as an instrument of state power.¹⁸ This has significant policy implications for the United States, which so far has maintained exceptionally close ties to Bukele despite the president's authoritarian actions, credible charges of negotiating with the MS 13 gang and constant attacks on the independent media. Merino's ties to the Maduro regime, the FARC and anti-U.S. actors across the region raise troubling questions of his consequences of his influence with the Bukele administration.

One of the key steps in establishing relations with El Salvador on a more solid footing is for the U.S. to recognize the danger and depth of Bukele's ties to the Merino political/economic structure and Alba Petr6leos. These ties undermine both the rule of law in El Salvador and broader policy objectives in Venezuela, Nicaragua and elsewhere by supporting Maduro, Ortega, the FARC, Russian endeavors and other actors the U.S. has repeatedly called malevolent actors in the hemisphere. U.S. policy should make cutting ties to the Alba Petr6leos criminal structure and leadership a priority in continuing the privileged relationship Bukele currently enjoys.

Notes

¹ Ricardo Flores, “Fiscalía rastrea cuentas de Alba Petróleos por \$3,242 millones,” La Prensa Gráfica, June 14, 2019, accessed at: <https://www.laprensagrafica.com/elsalvador/Fiscalia-rastrea-cuentas-de-ALBA-Petroleos-por-3242-millones-20190614-0012.html>

² Document authorizing the search of Alba Petróleos and related companies, given by Judge Nelly Edith Pozas Henriquez of the Fourth Lower Court of San Salvador, May 31, 2019, in possession of the author.

³ Ibid.

⁴ For a closer look at the BJCE and its components see: Douglas Farah and Caitlyn Yates, “Maduro’s Last Stand: Venezuela’s Survival Through the Bolivarian Joint Criminal Enterprise,” IBI Consultants, May 2019, accessed at: https://www.ibiconsultants.net/_pdf/maduros-last-stand-final-publication-version.pdf

⁵ Julia Gavarrete, “Bukele mantiene a hija de José Luis Merino en consulado de Milán,” Gato Encerrado, November 5, 2019, accessed at: <https://gatoencerrado.news/2019/11/05/bukele-mantiene-a-hija-de-jose-luis-merino-en-consulado-de-milan/>

⁶ “Hugo Merino: Nuevo embajador de El Salvador en Nicaragua,” Radio Corporación, June 16, 2020, accessed at: <https://radio-corporacion.com/blog/archivos/58774/embajador-de-el-salvador/>

⁷ Yolanda Magaña, “Deudores de Alba Petróleos suman \$980.9 millones,” El Mundo, September 17, 2019, accessed at: <https://diario.elmundo.sv/deudores-de-alba-petroleos-suman-980-9-millones/>

⁸ “José Luis Merino defiende a Alba Petróleos por ataques de ANEP,” Verdad Digital (El Salvador) October 31, 2013.

⁹ A British foundation, International Institute of Strategic Studies, was hired by the Colombian government to compile and analyze the captured FARC documents, many which were then made public. See: James Lockhart Smith and Nigel Inkster. “The FARC Files: Venezuela, Ecuador and the Secret Archives of ‘Raúl Reyes,’” An IISS Strategic Dossier, *International Institute for Strategic Studies*, May 2011. Print.

¹⁰ Douglas Farah, “Managua Blast Lifts Lid off Secrets,” The Washington Post, July 14, 1993, accessed at: <https://www.washingtonpost.com/archive/politics/1993/07/14/managua-blasts-rip-lid-off-secrets/d9f7a845-98da-4c86-8f62-143557c4e664/>

¹¹ Carlos Martínez and Sergio Arauz, “El FMLN no es plural y no debe serlo,” El Faro, July 10, 2007.

¹² Jessica Guzmán, “Gobierno juramenta a Gustavo Villatoro como superintendente de bancos,” Diario de Hoy, July 28, 2020, accessed at: <https://www.elsalvador.com/noticias/negocios/gustavo-villatoro-nombrado-superintendente-sistema-financiero/737188/2020/>

¹³ Gabriel Labrador, “Bukele afirma que recibió dinero de Alba por la venta de TVX,” Revista Factum, September 13, 2019, accessed at: https://elfaro.net/es/201909/el_salvador/23647/Bukele-afirma-que-recibi%C3%B3-dinero-de-Alba-por-la-venta-de-TVX.htm

¹⁴ For details of how the loans were allocated see: Jimmy Alvarado, “Alba Petróleos dio préstamos a dos ministros de Gobierno de Bukele,” El Faro, September 9, 2019, accessed at: https://elfaro.net/es/201909/el_salvador/23634/Alba-Petr%C3%B3leos-dio-pr%C3%A9stamos-a-dos-ministros-del-Gobierno-Bukele.htm?st-full_text=all&tpl=11

¹⁵ In addition to the Miranda report, Salvadoran media also reported on the deal. See: Francisco Hernández, “FMLN negoció con pandillas fondos de alba alimentos por votos,” La Prensa Gráfica, February 7, 2020, accessed at: <https://www.laprensagrafica.com/elsalvador/FMLN-negocio-con-p>

¹⁶ The document is not public but, because of its immense value in understanding the current gang structure based on primary source material, as given to the author. See: *Sentencia Definitiva*, Causa Penal 54/63-A-2019, Juzgado Especializado de Sentencia A, February 6, 2020, in possession of the author.

¹⁷ Sentencia, op. cit., p. 937.

¹⁸ For a closer look at the BJCE and its components see: Douglas Farah and Caitlyn Yates, “Maduro’s Last Stand: Venezuela’s Survival Through the Bolivarian Joint Criminal Enterprise,” IBI Consultants, May 2019, accessed at: https://www.ibiconsultants.net/_pdf/maduros-last-stand-final-publication-version.pdf