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Salesman Who Bought Gold in Jungle to Fight Laundering Case

by

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- U.S. says Granda part of multibillion-dollar smuggling ring

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- Granda surprised by arrest after NTR Metals fired him
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Juan Pablo Granda had a simple job -- go into South American jungles and buy gold for his employer, [NTR Metals](#), to smelt.

After U.S. investigators began examining whether NTR might have helped traffickers convert cocaine profits into cash, the company hired [Jones Day](#) to review its practices -- and Granda agreed to help the law firm, his lawyer said. So, when NTR told him to fly home last week for a meeting, nothing seemed amiss. But by the time that was over, he'd been fired.

Then his mother called from the home they shared in Miami.

"She said, 'Listen, I've got all these FBI agents here, they might want to arrest you,'" said Granda's attorney, Edward O'Donnell IV. "So he got in his car and went to his mom's house. He talked to the FBI agents, and they arrested him."

Granda, 35, was charged with conspiracy to commit money laundering for his role in a smuggling network in which NTR allegedly helped South American drug dealers reap billions of dollars in cash from gold mined illegally in the Amazon.

Jailed since his March 15 arrest, Granda was denied bail Monday in federal court in Miami after a prosecutor said he might flee. The judge said Granda can ask again for bail at an arraignment set for March 31. At the hearing, a prosecutor said Granda played a key role in a conspiracy that involved laundering more than \$1 billion in illicit gold sales.

"The scope of this is enormous, and right in the middle of it is Mr. Granda," Assistant U.S. Attorney Frank Maderal told the judge. He said the evidence is strong against Granda, who has an Ecuadorian passport and has traveled widely in South America.

One of Granda's alleged accomplices bought a plane ticket to Colombia at midnight and flew there at 3 a.m. on Monday, Maderal said.

Maderal said Granda physically handled more than \$200 million in gold and supplemented his salary with tens of thousands of dollars in kickbacks. Granda also told arresting agents that he never touched cocaine, but later told court officials that he has used the drug.

Drug-Linked Mines

Prosecutors outlined a conspiracy in which NTR employees bought Peruvian gold from illegal mines that support human trafficking, forced labor and environmental devastation. NTR's office in Miami then laundered billions of dollars for Peruvian narco-terrorists and

others who controlled those mines by purchasing their gold, according to the U.S. complaint filed in Miami.

“Gold smuggling goes hand-in-hand with narcotics trafficking,” Maderal said.

Dallas-based NTR Metals wasn't charged and prosecutors have declined to say whether the company is under investigation. NTR, also known as Elemetal Direct, is one of eight divisions of Dallas-based [Elemetal LLC](#). Trey Gum, general counsel for Elemetal, declined to comment.

U.S. customs records “strongly suggest” that NTR began buying illegally mined gold in Peru in 2012, according to the complaint filed by Homeland Security Investigations and the FBI. NTR then began “smuggling illegal gold through a shifting array of Latin American countries,” eventually importing \$3.6 billion worth from 2012 to 2015, according to the complaint.

Internal Investigation

O'Donnell said Jones Day, a prominent white-collar law firm, has spent several months investigating NTR's practices. In corporate scandals, companies often hire law firms to conduct internal investigations, push to fire culpable employees and suggest improvements to compliance programs. Prosecutors review such responses in deciding whether to charge a company.

At the bail hearing, O'Donnell said Granda had nothing to do with the crimes, and that NTR had hired a former federal agent to handle compliance with anti-money laundering laws.

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On March 9, the day before a judge ordered Granda's arrest, Bloomberg Businessweek detailed how smugglers, refiners and traders supply gold moving from illegal mines in Latin America, through Miami, and into the international market. The report focused on one Chilean smuggler who sold thousands of pounds of illegally mined or contraband gold, mainly to NTR's Miami office, before his arrest last year in Santiago.

[Businessweek: How to Become an International Gold Smuggler](#)

Granda, who joined NTR five years ago, held the title of operations manager but was actually a salesman in Peru and other South American countries, O'Donnell said.

“His company sent him in the middle of the jungle to buy gold,” the lawyer said. “He wasn't a logistics guy.”

“The compliance department created the paperwork to have the gold change hands,” O’Donnell said. “Juan, as an employee of that very large company, just assumed it was done correctly.”

Granda twice answered questioned from Jones Day lawyers, O’Donnell said.

“My client thought he was just helping the company,” said O’Donnell, who was hired after the arrest.

But the criminal complaint paints a different picture of Granda, a graduate of Florida State University.

The salesman, and colleagues identified as Salespersons 1 and 2, engaged in a “smiling and dialing” campaign to learn who had gold to sell, forming relationships and pitching NTR, authorities said. They invited customers to tour NTR facilities in the U.S., entertaining them and promising to pay for gold faster than other refineries.

Like Escobar

The complaint details some of the encrypted group chats Granda and the salespeople allegedly conducted on their mobile phones, including ones in which the operations manager and Salesperson 1 bragged about their gold “mules” and sent pictures of young men carrying backpacks.

In another, Granda referred to himself as a “modern-day Pablo Escobar” -- the Colombian drug boss killed in 1993. “I’m like Pablo coming to Ecuador to get the coke,” the complaint cited him as saying.

The case is U.S. v. Granda, 17-mj-02376, U.S. District Court, Southern District of Florida (Miami).