THE UNITED STATES DEPARTMENT of JUSTICE

United States Attorney's Office
District of Oregon

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Mexican National Unlawfully Residing in the United States Charged with Laundering Drug Proceeds and Unlawfully Possessing a Firearm

EUGENE, Ore.— A Mexican national unlawfully residing in the United States has been charged with laundering purported drug proceeds and being an alien in possession of a firearm, U.S. Attorney Scott E. Bradford announced today.

According to court documents, **Esteban Peralta Fragozo**, 50, of Springfield, Oregon, owned and operated El Kaiman Western Wear, a Springfield business that sold clothing and provided international money transfer services. Investigators with Internal Revenue Service Criminal Investigation (IRS-CI), the Drug Enforcement Administration (DEA), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) allege that Fragozo used the business to launder drug trafficking proceeds through wire transfers sent to Mexico and Honduras.

Court documents allege that between January 2018 and July 2026, El Kaiman processed approximately **179,874 wire transfers totaling more than $93 million**. Investigators further allege that more than **$34 million in suspected drug proceeds** were transmitted from Springfield to drug-trafficking corridors in Mexico and Honduras during that period.

As part of the investigation, law enforcement conducted a series of undercover operations using a confidential informant. According to the complaint, Fragozo processed multiple wire transfers after being told the funds were derived from drug trafficking and used false sender information and identification documents to complete the transactions.

The complaint further alleges that drug traffickers used El Kaiman to transmit proceeds derived from narcotics trafficking. In one instance detailed in court records, investigators recovered wire transfer receipts from El Kaiman during a traffic stop that resulted in the seizure of approximately **72 pounds of methamphetamine**.

On Nov. 4, 2026, federal agents executed search warrants at Fragozo's residence, business, vehicle, and on his person. During a search of the business, agents recovered a Ruger 9mm pistol, ammunition, and bulk currency. According to court documents, Fragozo admitted possessing the firearm and acknowledged that he did not have lawful immigration status in the United States.

"As alleged, the defendant was illegally present in the United States while using his business to launder millions of dollars in drug trafficking proceeds and unlawfully possessing a firearm," said **Scott E. Bradford, U.S. Attorney for the District of Oregon**. "Drug trafficking organizations depend on financial facilitators to move and hide their criminal profits. We will continue working with our law enforcement partners to identify, dismantle, and prosecute the financial infrastructure

that supports transnational drug trafficking organizations and fuels the flow of fentanyl and other dangerous drugs into our communities."

According to the complaint, investigators have observed a dramatic increase in drug trafficking activity involving Honduran nationals in Oregon. Court documents allege that Mexican drug trafficking organizations increasingly use Honduran nationals to distribute fentanyl and other dangerous narcotics in major metropolitan areas, including the Portland metropolitan area.

Fragozo made his initial appearance in federal court on Nov. 4, 2026, before a U.S. magistrate judge and was ordered detained pending further proceedings.

A criminal complaint is only an accusation of a crime, and a defendant is presumed innocent unless and until proven guilty.

The case is being investigated by IRS Criminal Investigation, the Drug Enforcement Administration, and the Bureau of Alcohol, Tobacco, Firearms and Explosives.

Assistant U.S. Attorneys Julia Jarrett and Christopher Cardani are prosecuting the case.

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