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Covert "Libertarian" Donations: Milei's Campaign Financing Probed as Espert Is Formally Charged with Money Laundering

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"Libertarian" lawmaker José Luis Espert, who resigned his parliamentary bid in Buenos Aires Province, has been formally charged with money laundering after allegedly receiving $200,000 in drug proceeds. He is simultaneously linked to a probe into undeclared private flights and expenses that allegedly benefited Javier Milei's campaign.

Argentine lawmaker José Luis Espert, who until days ago was leading La Libertad Avanza (LLA) on the Buenos Aires Province ballot ahead of the parliamentary elections, has been formally charged with laundering proceeds from drug trafficking.

On one front, San Isidro prosecutor Fernando Domínguez accuses him of receiving $200,000 from Federico “Fred” Machado, a businessman who is a fugitive in the United States on drug trafficking, fraud, and money-laundering charges. In parallel, Espert is tied to a separate case led by Judge Marcelo Martínez de Giorgi and prosecutor Alejandra Mangano that is investigating a series of undeclared private flights and expenses that allegedly benefited Javier Milei’s campaign—an irregular financing web shaking the libertarian space.

The far-right congressman, who resigned his candidacy on Sunday—leaving an LLA vacancy in Argentina's largest and most hotly contested district—must now appoint legal counsel to mount his defense.

A sham contract and a suspicious transfer

The so-called "narco scandal" handled by prosecutor Domínguez—under seal—originated with a 2020 money transfer to Espert from Argentine businessman Federico "Fred" Machado, accused of exporting cocaine to the U.S. through the fraudulent purchase of aircraft.

The funds were purportedly paid for "economic consulting," but the contract has never been produced. Espert publicly acknowledged receiving the advance and keeping the money even though the work was never completed.

Investigators suspect the transaction was a front to launder drug money, using the economist as a conduit to inject illicit funds into Argentina's financial system.

According to evidence reported by outlets such as Página/12, the operation appears to have been executed through a shell company called Wright Brothers—ostensibly dedicated to aircraft purchases and leasing and owned by Machado—who was arrested in 2021 and is under house arrest in Río Negro Province, awaiting a final decision from U.S. courts on his extradition.

The transfer included a telling detail: the registration of the businessman's private jet, N28FM, linked to suspicious flights between Guatemala, Mexico, and Colombia.

Espert initially claimed the money came from a Guatemalan firm, Minas del Pueblo, allegedly the consulting client. Bank records, however, flatly contradicted that account, showing the funds originated from Bank of America accounts, moved through cryptocurrencies and intermediary banks (Citibank and Morgan Stanley), and were ultimately deposited into his Argentine account.

Argentine media cite judicial sources who say documents sent from Texas confirm the trail of those funds and their connection to an international money-laundering network tied to drug trafficking.

The theory of possible illicit enrichment by the “libertarian” deputy gained traction after his own spokesperson, Clara Montero Barré, admitted that “since he received money from Machado, Espert changed his standard of living.”

Financing from a drug trafficker, fraudster, and fugitive

The financial and logistical support for Espert allegedly dates back to the 2019 presidential race, in which he ran, and the 2021 legislative elections that brought him into the Chamber of Deputies.

Espert reportedly took more than 30 flights on aircraft tied to “Fred” Machado during the 2019 campaign.

In the United States, the businessman faces multiple cases for drug trafficking, fraud, and money laundering alongside his associate Debra Mercer-Erwin. According to the U.S. District Court for the Southern District of Florida, his corporate network used a clandestine airstrip in Guatemala to move cocaine and shell companies to obscure financial flows.

In one open case, Judge Beth Bloom of the Southern District of Florida ordered him to pay $179 million to 22 victims of a Ponzi-style aircraft scheme. Meanwhile, a Texas prosecutor is investigating “flights with transponders turned off,” allegedly used for narcotics operations.

“In that case and in the Texas one, Machado is a fugitive,” reported Página/12.

Funds for Milei’s campaign under investigation

The case overseen by Judge Marcelo Martínez de Giorgi and prosecutor Alejandra Mangano centers on 36 undeclared flights Espert allegedly took on Machado’s planes, valued at roughly $350,000. The file also points to covert contributions to Javier Milei's presidential campaign and the use of an armored Grand Cherokee provided by the businessman.

As reported by Página/12, "Fred" Machado "poured gasoline on the fire" of the libertarian financing scandal on Tuesday by revealing "that he also covered another $100,000 to $150,000 in other campaign expenses."

"Thus, the case in Comodoro Py focuses on the flights and the election spending—the alleged narco financing of the campaign," the outlet noted.

Since he withdrew his candidacy, Espert will lose parliamentary immunity in December. Once he is no longer a deputy, the cases against him are expected to advance more quickly, potentially paving the way for indictments on money laundering and aggravated concealment.

Fuente: El Ciudadano