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Former PDI Chief Héctor Espinosa Found Guilty of Embezzlement, Forgery, and Money Laundering; His Wife Charged with Complicit Money Laundering

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Héctor Espinosa was found guilty of misappropriating at least 146 million pesos in reserved funds and conducting concealment maneuvers alongside his wife, María Magdalena Neira. The sentencing hearing, where the prosecution seeks 20 years, is set for December 1.

Original article: Cae el exjefe de la PDI: Héctor Espinosa culpable por malversación, falsificación y lavado; su esposa, por lavado culposo

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Former PDI Chief Héctor Espinosa Found Guilty of Embezzlement, Forgery, and Money Laundering; His Wife Charged with Complicit Money Laundering

This Wednesday, the Fourth Oral Criminal Court in Santiago convicted former director general of the Police Investigations (PDI), Héctor Espinosa, and his wife, María Magdalena Neira, for various corruption offenses involving the misappropriation of at least 146 million pesos from the police department's secret funds.

The court fully validated the charges brought forth by the Public Prosecutor's Office against the former police chief and his spouse. Espinosa was found guilty of embezzlement of public funds, forgery and malicious use of false public documents, and money laundering. Neira, meanwhile, was convicted of negligent money laundering.

In his justification, Judge Cristián Soto stated, «It has been concluded that Espinosa misappropriated part of these funds for himself, committing the crime of embezzlement; the sworn declaration claiming the full use of funds for the purposes of the PDI is false.»

The judge added that «the fact that the expenditure report (to the Contraloría) was secret and generic by law does not exempt him from the obligation to tell the truth.»

Regarding the diverted amount, he indicated that in «his act,» the former PDI director «sought to conceal the misappropriation of at least 146 million pesos from the funds.»

«Consequently, the crime of forgery and malicious use of false public instrument has been proven repeatedly by Héctor Ángel Espinosa Valenzuela as the perpetrator,» the judge affirmed in the verdict, as reported by La Tercera.

🚨 NOW: Former PDI General Director, Héctor Espinosa, is convicted of embezzlement, forgery, malicious use of public instrument, and money laundering.
María Magdalena Neira was convicted of negligent money laundering. pic.twitter.com/LkLhoPtOun

— Fiscalia Oriente (@fiscaliaoriente) November 12, 2025

Requested Sentences and Upcoming Sentencing

The prosecution has requested a 20-year prison sentence for Héctor Espinosa, broken down into 10 years for embezzlement, five for forgery, and another five for money laundering, in addition to a fine of 200 UTM. For María Magdalena Neira, the Public Prosecutor's Office sought a sentence of 541 days in prison (approximately 1.5 years) and a fine of 200 UTM (equivalent to $13,900,000).

The court accepted the civil lawsuit filed by the Chilean Treasury for the total amount demanded, including interest and costs that will be indicated in the sentencing. The hearing to announce the final sentence is scheduled for December 1 at 11:00 AM.

Justification for the Conviction of María Magdalena Neira

In justifying Neira's conviction, the court highlighted that María Magdalena Neira «was aware of how those flows of money appeared in her bank account, month after month, throughout the alleged period.»

Judge Cristián Soto referred to her professional background as an aggravating factor. «She is a professional with a long career in the Internal Revenue Service, with similar income to her husband, whom she's been married to for more than 20 years. Her education and cultural level provide her with sufficient conditions to suspect the illicit origin of the substantial and constant sums of money her husband deposited in cash into her checking account, which reveals her inexcusable negligence,» he stated.

This is not the first penalty Neira has received. In May 2024, the Internal Revenue Service (SII), where she works, fined her an amount equivalent to 20% of her salary for failing to correctly declare the value of an apartment purchased in Las Condes, omitting the actual value of the property in her sworn declaration and instead reporting the fiscal appraisal, which was 54% lower.

Origin of the Investigation Against Héctor Espinosa and His Wife

During the trial, the prosecution detailed the modus operandi used by Héctor Espinosa to divert public funds. The former police officer utilized the deceased sub-inspector of the PDI, Eduardo Villablanca Inostroza, who collected the money for the police department's secret expenditures and subsequently deposited sums into the couple's personal accounts.

Prosecutor Miguel Ángel Orellana explained during the closing arguments that «once Villablanca handed the money to the accused Espinosa, he appropriated part of these secret expenses, (…) substantial amounts that he ordered his aide, Villablanca, to deposit into his personal bank accounts.» This mechanism was repeated approximately 18 times between 2015 and 2017.

The investigation originated from a complaint filed by the Council for the Defense of the State (CDE) in August 2021, which sought to determine the responsibilities for «the misappropriation of the reserved funds managed by the former director, as well as the documented forgeries verified when accounting for them.»

The evidence presented during the process revealed that the diverted funds were laundered through deposits in personal bank accounts and real estate transactions in the name of Espinosa and his spouse.

According to CIPER, among the properties under investigation was an apartment in Las Condes purchased by Espinosa's wife in 2018 for 398 million pesos, with payment including 254 million pesos made via bank drafts, a transaction that generated a Suspicious Transaction Report (STR) from the Financial Analysis Unit (UAF).

In his defense, Espinosa justified the million-dollar deposits in his accounts as income from «extra work» and his role as a counselor for the Carabineros Mutual Fund (Mutucar), arguments that the court dismissed.

'Partner' of Hermosilla

As reported by El Ciudadano, an examination of the mobile phone of lawyer Luis Hermosilla in the context of the Audio Case revealed several messages from then-PDI director Sergio Muñoz—who succeeded Héctor Espinosa in his role—where he sent confidential information regarding some cases, including the one against Espinosa.

Previously, in November 2019, Espinosa defended Andrés Chadwick during the social unrest before a Chamber committee analyzing the constitutional accusation filed against the Minister of the Interior during President Sebastián Piñera's administration.

Fuente: El Ciudadano