

Section XII: Expanded Evidence Detail – National Security Breach

Overview of Allegation

ECI Development and its affiliates are alleged to have used Trust structures to bypass Nicaraguan national security laws that restrict foreign ownership of coastal and border land. This breach may have directly influenced the government's decision to seize all property within 15 km of the coast and borders, a move designed to reclaim strategic land from covert foreign control.

Key Evidence

1. Original Coastal Land Law

- Nicaraguan law previously restricted ownership within 5 km of the coast for national security reasons.
- Land in this zone could only be held under 99-year leases, not private ownership.

2. Trust-Based Bypass

- ECI Development allegedly placed homes, lots, and infrastructure into a private Trust.
- Trustees: Mike Cobb and Joel Nagel; Beneficiary: Valeria Espinoza (later removed).
- Once the Nicaraguan beneficiary was removed, the Trust became fully foreign-controlled, violating the spirit of the law.

3. Government Response

- Nicaragua passed a new law to seize all property within 15 km of the coast and borders.
- This law was likely a direct response to the discovery of Trust-based ownership schemes.
- The goal: prevent foreign entities from controlling strategic land through legal loopholes.

4. Loss of Sovereignty

- The Trust structure allowed U.S. citizens to own and operate land outside Nicaraguan jurisdiction.
- HOA/HPR funds and property assets were allegedly not reported to the Nicaraguan government.
- This undermines national sovereignty and evades tax obligations.

Legal Implications

- Violation of National Security Law: Foreign control of strategic land through concealed ownership.

- Fraudulent Conveyance: Misrepresentation of ownership status.
- Tax Evasion: Failure to report property and income to Nicaraguan authorities.
- International Law Breach: Potential violation of bilateral agreements and sovereignty protections.

Strategic Impact

This breach is not just a legal issue—it's a geopolitical flashpoint:

- It exposes how legal structures can be weaponized to undermine national control.
- It reveals the fragility of sovereignty when foreign entities operate through opaque mechanisms.
- It may trigger international scrutiny, especially if similar models are used in other nations.

Framing—that this is a global pattern replicated in Panama, Honduras, Costa Rica, Canada, other ECI Development communities, as well as elsewhere where Trusts can be implemented—adds weight to the argument that this is not an isolated incident, but a systemic threat to national integrity.

Recommended Actions

- Nicaraguan Authorities: Continue investigation into Trust-based land control and enforce seizure laws.
- International Regulators: Review cross-border property schemes for sovereignty violations.
- Homeowners: Demand full disclosure of ownership status and legal standing.
- Media & Advocates: Highlight the geopolitical implications of concealed foreign ownership.