

## Alleged Drug Trafficker Jailed in U.S.

2007-07-29 20:46:40 by Southern

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This March 16, 2007 file photo provided by Mexico's Attorney General's office shows the largest seizure of cash in the history of drug enforcement, around US\$ 207 million seized at Zhenli Ye Gon's home, a Chinese-Mexican businessman in Mexico City. Mexican federal officials said on Monday, July 23, 2007, that alleged drug trafficker Zhenli Ye Gon, who is tied to the largest seizure of drug cash in world history, has been arrested in Rockville, Maryland. He is wanted in Mexico on organized crime, drug trafficking and weapons charges and Mexican officials have requested his arrest for extradition. (AP Photo/PGR) NO ARCHIVE

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Zhenli Ye Gon's lawyers said he has nothing to do with illegal drugs and is merely a victim of political corruption in Mexico.

Ye Gon conspired to smuggle drugs into the United States and laundered millions of dollars from illegal drug sales at Las Vegas casinos and elsewhere, the U.S. government said in a criminal complaint that was made public Tuesday.

He has lost more than \$125 million gambling in Las Vegas since 2004, the government said.

Ye Gon was arrested Monday night in suburban Washington as he ate dinner at an Asian restaurant. Dressed in an open-necked checked shirt and tan pants, he appeared Tuesday in U.S. District Court in Washington, where he was ordered held without bond for at least the next 10 days. His next hearing is scheduled for Aug. 3.

Ye Gon, also known as Charley Ye, said little during the brief court hearing.

Martin McMahon, a Washington-based lawyer who represents Ye Gon, said outside the courtroom: "This is complete nonsense. He has never had drugs and he didn't have any drugs on him when he was arrested last night."

The attorney said he would fight efforts to hand Ye Gon over to Mexico, where he said his client would not receive a fair trial. "President (Felipe) Calderon has already said he is going to jail," McMahon said.

Ye Gon has been in the United States since March, McMahon said, around the same time police discovered \$207 million at his Mexico City mansion.

He says \$150 million of the money belonged to Mexico's ruling party, and that he was forced to store it for party officials in his mansion under threat of death during the 2006 presidential race, which Calderon narrowly won.

Calderon has called the accusations "pure fiction."

U.S. and Mexican authorities say Ye Gon used his pharmaceutical wholesaling business to provide large quantities of key ingredients to makers of methamphetamines.

He also is wanted in Mexico on organized crime, drug trafficking and weapons charges.

Calderon praised Ye Gon's arrest. "We have made important seizures of drugs and money, among them, the biggest seizure of dirty money in the history of humanity of \$205 million, and now, yesterday exactly, at the request of my government, one of the principal people responsible for the introduction and distribution of methamphetamines in our country has been detained," Calderon said during a visit to Sinaloa, a Mexican state that has been plagued by drug violence.

Mexican Attorney General Medina Mora said officials there had 60 days to file their legal arguments for Ye Gon's extradition, although it was unclear Tuesday whether the United States would agree to a quick extradition or first try Ye Gon in this country. Medina Mora met Tuesday morning with Drug Enforcement Administration officials in Washington.

Authorities traced Ye Gon to an address in Wheaton, Md., north of Washington, using cellular tracking tools, and spent the past two weeks trying to locate him, according to a police report on the arrest.

Medina Mora said the cash seized at Ye Gon's home was connected to one of the hemisphere's largest networks for trafficking pseudoephedrine, the main ingredient in methamphetamines. He said the ring had been operating since 2004, illegally importing the substance and selling it to a drug cartel that mixed it into the crystal form and exported to the United States.

Ye Gon has said the chemicals imported by his company, Unimed Pharm Chem de Mexico SA, were legitimate and intended for use in prescription drugs to be made at a factory he was building in Toluca, just west of the Mexican capital.

Michelle Wong, described by the U.S. as Ye Gon's co-conspirator, was arrested Monday in Las Vegas on federal charges. At a hearing Tuesday in U.S. District Court in Las Vegas, Wong said she couldn't afford an attorney. Prosecutor Kimberly Frayn disagreed, saying Wong had received at least \$1.5 million from Ye Gon, which she used to buy jewelry, two Mercedes-Benz cars and a \$1.1 million home, which she paid for with cash.

After money was seized in Ye Gon's Mexico mansion in March, Wong put the home she bought into a trust in her son's name with her mother as the trustee to prevent its seizure, Frayn said. Prosecutors say Ye Gon is the father of the 17-month-old boy.

Bail was denied by U.S. Magistrate Judge Lawrence Leavitt, who ordered Wong to appear in a Washington federal court where felony charges of money laundering and conspiracy to commit money laundering were filed.

In a recent interview with The Associated Press, Ye Gon said he made frequent trips to Las Vegas, where he bet \$150,000 a hand in baccarat and was such a treasured customer that the Venetian Resort Hotel Casino gave him a Rolls-Royce.

Ron Reese, a spokesman for Las Vegas Sands Corp., which owns the Venetian, would not comment specifically on Ye Gon, but said valuable gifts and even reducing the amount high rollers owed casinos after big losses, a practice called "discounting," was "standard operating procedure" at many Las Vegas resorts. A gift of a car, he added, was not out of the question for a top customer.

"Certainly it's happened," Reese said. "It's within the bounds of what you could do for somebody."

Rogelio de la Garza, Ye Gon's lawyer in Mexico, said he feared that U.S. authorities may simply deport him to avoid a drawn-out battle in a U.S. court.

De la Garza said he will fight for Ye Gon's immediate freedom if he arrives in Mexico, arguing the money was earned legally and that Ye Gon was not found with any narcotics.

U.S. anti-drug officials have praised Calderon's crackdown on Mexican traffickers since taking office. DEA chief Karen Tandy also applauded Mexican agents following the March money seizure.

"This is like law enforcement hitting the ultimate jackpot. But luck had nothing to do with this windfall," Tandy said, calling it "the largest single drug-cash seizure the world has ever seen."

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