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**21 DEFENDANTS CHARGED BY U.S. IN ALLEGED INTERNATIONAL
“ECSTASY” AND MARIJUANA TRAFFICKING CONSPIRACY**

*Defendants include four in Canada charged with supplying two
Chicago distribution groups through Chinatown connection*

CHICAGO – At a Korean restaurant near the corner of Lincoln and Bryn Mawr avenues in Chicago on June 28, 2004, two alleged suppliers from Canada met with at least five Chicago area men to discuss the continued trafficking of large quantities of marijuana and a controlled substance commonly known as “Ecstasy” or “MDMA.” Their alleged drug distribution network was established in November 2003 when their first shipment of MDMA pills and hydroponic marijuana arrived here from Canada, and they were planning future shipments for distribution by two separate crews in Chicago with connections to Chinatown and the Latin Kings street gang. A couple of months before their meeting, however, U.S. Immigration and Customs Enforcement (ICE) agents and the DuPage County Sheriff’s Office, aided by cooperating individuals and other local, state and federal law enforcement agencies, formed a joint investigation into the international drug smuggling operation that ultimately would dismantle the alleged multi-million-dollar conspiracy.

The four-year investigation, which originated with the DuPage County Sheriff's Office in November 2003, ended today when law enforcement agencies began arresting up to 13 defendants believed to be in the Chicago area who are among 21 total charged in a federal complaint in Chicago with participating in a narcotics distribution conspiracy. Among the other eight defendants, arrest warrants were issued for four who are in Canada, including one in Canadian custody; two are in custody in DuPage County, one is free on bond and one is a fugitive believed to have fled to the Philippines. Another man who allegedly led one of the Chicago distribution crews is in federal custody in Chicago, facing charges in a separate but related drug case after having fled to Mexico and being returned to the United States.

During the joint investigation, more than 180,000 pills containing 3,4-methylenedioxymethamphetamine, commonly known as "Ecstasy" or "MDMA," several thousand hydroponic marijuana plants and more than \$500,000 in drug proceeds were seized by law enforcement agencies. The investigating agencies believe that the Canadian drug suppliers actually distributed several times that number of MDMA pills with a retail value well into the millions of dollars, according to a 148-page ICE affidavit supporting the complaint, which was filed yesterday and unsealed today.

At least 10 defendants arrested today in the Chicago area are scheduled to begin appearing at 3:15 p.m. today before U.S. Magistrate Judge Nan Nolan in U.S. District Court.

"The charges allege that Canadian drug suppliers in Toronto distributed large amounts of MDMA and marijuana to two drug-trafficking crews in Chicago, with individuals from Chicago's Chinatown neighborhood facilitating the supply chain to the two crews," said Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois. "This case demonstrates that law

enforcement agencies – whether they are undercover officers working in DuPage County or represent Homeland Security or the Royal Canadian Mounted Police – won’t just stop at county or international borders in their pursuit of international drug-trafficking organizations that invade our communities.”

Mr. Fitzgerald announced the charges together with Gary Hartwig, Deputy Special Agent-in-Charge of the ICE Office of Investigations in Chicago; DuPage County Sheriff John E. Zaruba; DuPage County State’s Attorney Joseph E. Birkett; Illinois State Police Director Larry G. Trent; and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation. Also assisting in the investigation were the United States Secret Service, the Cook County Sheriff’s Office, the Drug Enforcement Administration, the U.S. Marshals Service, the Addison and Skokie police departments, and the Royal Canadian Mounted Police, Integrated Proceeds of Crime, London-Ontario Section. The investigation was conducted through the Organized Crime Drug Enforcement Task Force (OCDETF).

“This case is an excellent example of how teamwork among federal, local and international agencies can disrupt the flow of illegal drugs across U.S. borders and into our communities,” Mr. Hartwig said. “By pooling our information and resources, ICE and its law enforcement partners work aggressively to keep drugs off our streets and to dismantle the criminal networks that profit from narcotics trafficking.”

DuPage Sheriff Zaruba said: “This investigation started with street level narcotics enforcement in DuPage County and grew into a major investigation that shut down an international source of Ecstasy and marijuana supplying DuPage County and the entire Chicago area. The charges in this case demonstrate the effectiveness of all the agencies involved working together.”

Mr. Birkett said: “From country farms to cityhigh rises, no community is immune from illegal drugs and the dangers they bring. Illegal drugs, and those who peddle them, do not recognize international, state, county or municipal boundaries. I would like to thank all of the agencies involved in this investigation for their cooperative efforts in shutting down this international drug ring.”

All 21 defendants were charged with conspiracy to possess and distribute more than 100 kilograms of marijuana and more than 500 grams of mixtures containing methamphetamine and quantities of Ecstasy or MDMA. The affidavit states that MDMA is a synthetic drug that is manufactured and distributed in the form of tablets or pills. MDMA pills are most often around 250 mg in size, although some pills, known as “double stack pills,” may be up to approximately 500 mg in size. MDMA is often manufactured with, and contains detectable amounts of, amphetamine and methamphetamine. In order to identify their product, manufacturers of MDMA pills often give their pills a distinct color and a “logo” or “stamp.” MDMA is often distributed at night clubs, parties, concerts or other social events. The over-consumption of MDMA can lead to an overdose resulting in various forms of injury, including the loss of consciousness, seizure, stroke, brain damage or death, and the risk of overdose increases when MDMA is used with other drugs.

According to the complaint affidavit, the Canadian drug suppliers, **Ju Wen Zhou**, 33, of Scarborough, Ontario, a Toronto suburb, and **Kenneth Luong**, 31, also of Scarborough, negotiated and concluded drug transactions with the two Chicago distribution crews. The transactions were brokered and facilitated by individuals with connections to Chicago’s Chinatown neighborhood, including **Thomas Man Lung Lo**, 29, **Yong Ouyang**, 32, and **Li Xien Wu**, 32, all of Chicago. One of the Chicago distribution crews was led by **Sejin Oh**, 37, of Arlington Heights, while the other was

led by Ivan Myint, 38, formerly of Gurnee, who was charged separately in a pending federal case. Myint is described as a member of a Filipino-based faction of the Latin Kings street gang in Chicago, known as the “Flip City Kings,” and his crew included several other members of the Latin Kings street gang, including **Michael Cruz**, 40, and **Roberto Valdez**, 31, both of Chicago.

At the time the alleged conspiracy began in November 2003, Lo was operating a brothel in Chinatown, according to the complaint, and both Ouyang and Oh were customers of Lo’s brothel. Ouyang was associated with Zhou and was aware that Zhou and his associates in Canada had large amounts of MDMA and marijuana for sale. Ouyang made that fact known to Lo, who was aware that Oh was a drug dealer and Lo informed Oh that he could help arrange for Oh to purchase MDMA and marijuana from Canada. Oh agreed to meet with the Canadian drug suppliers, the complaint states.

In November 2003, Zhou allegedly arranged for the delivery of approximately 10,000 MDMA pills and 20 to 30 pounds of marijuana to Oh. Most of those drugs allegedly were distributed by Oh to **Jorge Huerta**, 27, of Chicago, although some of the drugs were also provided to Lo and Ouyang. Between December 2003 and February 2004, Oh and members of his distribution crew arranged to sell 10,000 MDMA pills containing methamphetamine to two undercover DuPage County Sheriff’s officers who were investigating Oh’s crew, the affidavit alleges, but that deal was never concluded.

In March 2004, Oh and his crew allegedly received and distributed another load of MDMA from a source identified as “Individual B.” Some of that MDMA was delivered to an individual who has since become a confidential source, identified as “CS2,” who was arrested with the MDMA received from Oh. It was after CS2 was arrested that ICE and DuPage Sheriff’s Office launched their joint investigation.

The investigation revealed that Oh failed to properly repay the Canadian suppliers for the drugs he had received in December 2003. About six months later, in late June 2004, in order to obtain more drugs from Canada, Oh enlisted Myint's help. This relationship resulted in the June 28, 2004, restaurant meeting on the city's north side at which Zhou, Luong, Oh, Myint, Lo, Wu and others, including a confidential source identified as "CS1," allegedly discussed and agreed to continue the trafficking of MDMA and marijuana from Canada to the United States. Oh and Lo were to remain the primary buyers of the drugs, while Myint was to serve primarily as a surety for Oh, meaning that Myint would be a substantial purchaser of MDMA who would serve as a reliable source of repayment for the drugs, according to the affidavit. In exchange, Myint obtained access to a cheap supply of MDMA and marijuana from the Canadian suppliers, it adds.

In July 2004, the Canadian suppliers allegedly distributed additional loads of MDMA and marijuana to Oh and Lo. During July and August 2004, law enforcement successfully concluded multiple controlled buys of MDMA from Huerta, Oh, **Andrew So**, 39, of Morton Grove, and **Jung Bae**, 39, of Niles, the complaint alleges.

Later in 2004, after Oh again failed to make proper payment for the MDMA provided by Zhou, the affidavit states that Myint began to purchase MDMA and marijuana directly from Luong, who had assumed Zhou's position of negotiating the supply of drugs to various customers. In November and December 2004, Luong allegedly delivered to Myint two loads of 30,000 MDMA pills and approximately 100 pounds of marijuana. Huerta allegedly was the primary purchaser of those pills. In November 2004 and January 2005, CS1 conducted the controlled purchase of approximately 2,000 MDMA pills from Myint and Valdez.

In early 2005, Myint was arrested and charged with a federal narcotics offense. Myint subsequently fled to Mexico, where he allegedly attempted to continue his drug trafficking operation in both the United States and in Mexico. He eventually returned to the United States this past summer and remains in federal custody while the companion drug case is pending. He has entered a plea of not guilty in that case.

After Myint fled, law enforcement officers obtained the cooperation of two members of his crew. One of them was able to eventually introduce an undercover DuPage Sheriff's officer posing as a large scale drug dealer to Luong. Following a series of undercover calls and meetings, and in cooperation with the RCMP, an RCMP undercover officer posing as an associate of the DuPage undercover officer, allegedly made a controlled purchase of approximately 30,000 MDMA pills from Luong in March 2006. In addition, RCMP was able to conduct a court-authorized wiretap interception of telephones used by Luong based upon information generated during this investigation.

In June 2006, Luong and six other individuals were arrested and charged in Canada with various drug trafficking offenses. During the execution of search warrants in Canada, the RCMP seized approximately 150,000 MDMA pills, a hydroponic marijuana growing operation involving approximately 3,000 marijuana plants, approximately 100 pounds of processed and packaged marijuana, approximately two kilograms of cocaine, approximately 200 grams of heroin, approximately \$100,000 in United States currency and approximately \$200,000 in Canadian currency, according to the complaint affidavit.

In January 2007, Oh and four other alleged members of his crew were charged with state drug-trafficking offenses by the DuPage County State's Attorney's Office. In addition to Oh, other alleged members of his crew not previously mentioned who were charged in the federal case are: **Jong Kyun Chae**, 39, of Skokie; **Carlo Panadero**, 36, formerly of Des Plaines and who is a fugitive

believed to be in the Phillipines; his brother, **Carlos Panadero, Jr.**, 27, formerly of Berwyn; **Melvin Dumanlang**, 25, of Chicago; and **Henry Chun**, 36, of Morton Grove.

Also charged in the federal complaint is another alleged member of Myint's crew, his brother, **Michael Myint**, 33, of Chicago; another alleged drug dealer, **Joahan Trujillo**, 25, of Chicago; and three additional alleged members of the Canadian supply crew: **Yvonne Law**, 28, of Windsor, Ontario, who allegedly transported cash and drugs across the border; and sisters **Su Jung Chen**, 49, of Scarborough, Ontario; and **Susan Chen**, 62, of Skokie, both of whom allegedly smuggled cash proceeds back to Canada.

The government is being represented by Assistant U.S. Attorneys Timothy J. Chapman and Steven J. Dollear.

If convicted, each defendant faces a mandatory minimum of 10 years in prison and a maximum of life imprisonment without parole and a maximum fine of \$4 million. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that a complaint contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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