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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2023 Grand Jury

UNITED STATES OF AMERICA,

No. 2:23-cr-524(A)-DMG

Plaintiff,

v.

F I R S T
S U P E R S E D I N G
I N D I C T M E N T

EDGAR JOEL MARTINEZ-REYES,
PEIJI TONG,
aka "PJ,"
aka "Dr. P,"
aka "Po,"
SAI ZHANG,
aka "Tommy,"
CHENGWU HE,
aka "Ocean,"
BERNARDO MAUBERIS,
PANYU ZHAO,
RAUL CONTRERAS,
aka "Batman,"
GUILLERMO ZAMBRANO,
LUIS BELANDRIA-CONTRERAS,
HANG SU,
JIAYONG YU,
aka "Haoran Feng,"
XIAOLEI YE,
XUANYI MU,
SHOU YANG,
aka "Chaoming Cheng,"
OSCAR EDUARDO MAYORGA,
DIEGO ACOSTA OVALLE,
VICTOR RODRIGUEZ-TRUJILLO,
JIAXUAN HE,
aka "Edward,"
VIDAL LICON-ROBLES,
LEOPOLDO BERNAL,

[21 U.S.C. § 846: Conspiracy to Aid and Abet the Distribution of Cocaine and Methamphetamine; 21 U.S.C. §§ 841(a)(1), (b)(1)(A): Possession with Intent to Distribute Cocaine and Methamphetamine; 18 U.S.C. § 1956(h): Conspiracy to Launder Monetary Instruments; 18 U.S.C. § 371: Conspiracy to Operate an Unlicensed Money Transmitting Business; 31 U.S.C. §§ 5313, 5324(a)(3), (d)(2): Structuring Transactions to Avoid a Reporting Requirement; 18 U.S.C. §§ 111(a)(1), (b): Assaulting a Federal Officer With a Deadly Weapon; 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(1), 21 U.S.C. § 853, 28 U.S.C. § 2461(c), and 31 U.S.C. § 5317: Criminal Forfeiture]

1 DANIEL GONZALEZ,
2 aka "Rafael Arocho,"
3 JULIO ALEXANDER CABRERA,
4 JOSE ANTONIO PARDO, and
5 JIANDE ZHOU,

6 Defendants.

7 The Grand Jury charges:

8 INTRODUCTORY ALLEGATIONS

9 At times relevant to this First Superseding Indictment:

10 A. MONEY LAUNDERING ORGANIZATIONS FUEL THE DRUG TRADE IN THE UNITED
11 STATES AND CONTRIBUTE TO THE EPIDEMIC OF ADDICTION BY PROVIDING
12 A VITAL SERVICE TO DRUG DISTRIBUTION ORGANIZATIONS

13 1. Drug Trafficking Organizations ("DTOs") distribute cocaine,
14 methamphetamine, heroin, and fentanyl (as pictured below) sourced
15 from manufacturers in Mexico and elsewhere throughout the United
16 States, fueling the epidemic of addiction and overdose deaths facing
17 the nation. For instance, fentanyl is the single deadliest drug
18 threat that the United States has ever encountered.





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8 2. Individuals purchasing drugs for personal use at the retail
9 level generally pay for these drugs using U.S. currency, thus
10 generating huge quantities of cash in cities across the country that
11 belongs to the DTOs, including the Sinaloa Cartel. The Sinaloa
12 Cartel, based in the Mexican state of Sinaloa, operates in countries
13 around the world and is one of the dominant drug trafficking
14 organizations in the Western Hemisphere. The Sinaloa Cartel is
15 largely responsible for the massive influx of fentanyl into the
16 United States over the past approximately eight years, and for the
17 accompanying violence and deaths that have afflicted communities on
18 both sides of the border.

19 3. The illegal drug trade generates illicit cash profits in
20 the United States that needs to be repatriated to the DTOs in Latin
21 America for the DTOs to continue operating profitably. However,
22 because the drug-related proceeds are the product of unlawful
23 activity, the repatriation must avoid law enforcement detection. As
24 a result, DTOs find it difficult to move drug-related cash using
25 traditional banking systems. To transfer this cash to Latin America,
26 DTOs employ money laundering organizations ("MLOs") to assist them in
27 transmitting the funds, concealing the source and true ownership of
28

1 the money, and enabling the DTOs to continue and expand their
2 operations.

3 4. DTOs have increasingly partnered with China-based MLOs to
4 take advantage of the large demand for U.S. dollars in China. The
5 Chinese MLOs use complex, sophisticated techniques to address DTOs'
6 need to collect and remit bulk cash from the sale of drugs in the
7 United States to the DTO leadership in Latin America.

8 5. To initiate the Chinese money laundering cycle, DTOs
9 contract with Chinese MLOs for the pick-up and remittance of cash
10 from the sale of narcotics such as fentanyl, methamphetamine, and
11 cocaine to U.S. consumers by local organized criminal enterprises.
12 Once the DTO and the MLO have confirmed that the drug-related cash
13 changed hands in the United States, the Chinese MLO releases
14 equivalent funds (minus a fee) to the DTO in a previously agreed
15 manner.

16 6. In recent years, there has been an explosion of illegal
17 money exchange businesses run primarily by Chinese nationals in the
18 United States, that are able to accept enormous amounts of United
19 States currency from their DTO customers and complete the money
20 laundering cycle for a small fee (0.5% to 2% of the amount being
21 transferred), in contrast to traditional money laundering methods for
22 which the MLOs typically charged much higher rates of 5% to 10% or
23 more.

24 B. TRADITIONAL TRADE-BASED MONEY LAUNDERING AND CHINESE UNDERGROUND
25 BANKING

26 7. Trade-Based Money Laundering

27 a. Trade-Based Money Laundering ("TBML") is a system of
28 informal value transfer that exploits legitimate businesses and trade

1 systems to launder the proceeds of illegal activity. TBML in the drug
2 trafficking context operates as follows:

3 b. Drug trafficking conducted within the United States
4 generates large quantities of U.S. currency ("drug trafficking
5 proceeds"), that must be transferred in some manner to the true
6 owners of that currency, that is, the individuals in other countries
7 who are the sources of the illegal drugs.

8 c. Drug traffickers and others who commit illegal acts in
9 the United States are aware that banks and other financial
10 institutions are required to file Currency Transaction Reports
11 ("CTRs") with the Financial Crimes Enforcement Network ("FinCEN") of
12 the United States Department of the Treasury that include the name
13 and identification of the beneficial owner or owners of those funds
14 for any transaction in U.S. currency in excess of \$10,000, and
15 frequently try to evade these reporting requirements.

16 d. In addition, drug traffickers are alert to the high
17 costs of using the conventional banking system, which could include
18 exchange fees when exchanging dollars for pesos and/or wire transfer
19 fees.

20 e. In order to evade the high costs of transfer and the
21 government reporting that accompanies the deposit of large amounts of
22 currency into the legitimate banking system, drug traffickers seek
23 other methods of integrating the drug trafficking proceeds they
24 accumulate in U.S. currency into the legitimate financial system so
25 that it can be transferred to the true owners without detection.

26 f. Criminal actors such as drug traffickers typically
27 employ brokers or "money consolidators" who each operate as an
28 informal bank where drug traffickers can place their accumulated drug

1 trafficking proceeds, typically at lower exchange rates and for
2 lesser fees than those at legitimate financial institutions.

3 g. Brokers and money consolidators seek out businesses
4 and individuals in other countries who purchase merchandise in the
5 United States and need U.S. dollars to pay for that merchandise.

6 h. The dollars are sold in the black market for pesos and
7 used to pay the open invoices of the businesses and individuals who
8 have purchased goods in the United States.

9 i. When the purchased goods are shipped to the country of
10 the purchaser and sold, the proceeds of those sales are then
11 relinquished to the owner of the drug trafficking proceeds in the
12 country where the drugs originated, that is, the drug trafficker
13 whose product generated the U.S. currency, thus enabling the drug
14 trafficker to avoid the physical transfer of currency across the
15 border and the accompanying risks of law enforcement seizure and
16 robbery.

17 8. Trade in Goods from China Used to Circumvent Restrictions
18 on Taking Funds Out of China

19 a. The People's Republic of China ("PRC") maintains its
20 economic strength in part by imposing a closed system of investment
21 on its citizens. That is, individuals who live, work, or invest in
22 the PRC are generally restricted from transferring more than the
23 equivalent of \$50,000 per year out of China. Consequently, many
24 individuals with holdings in China who wish to transfer assets
25 greater than \$50,000 in value to the United States seek alternative
26 methods outside the conventional banking system to move their funds.
27 These informal value transfer systems ("IVTS") require the
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1 participation of brokers who buy and sell U.S. dollars in the United
2 States.

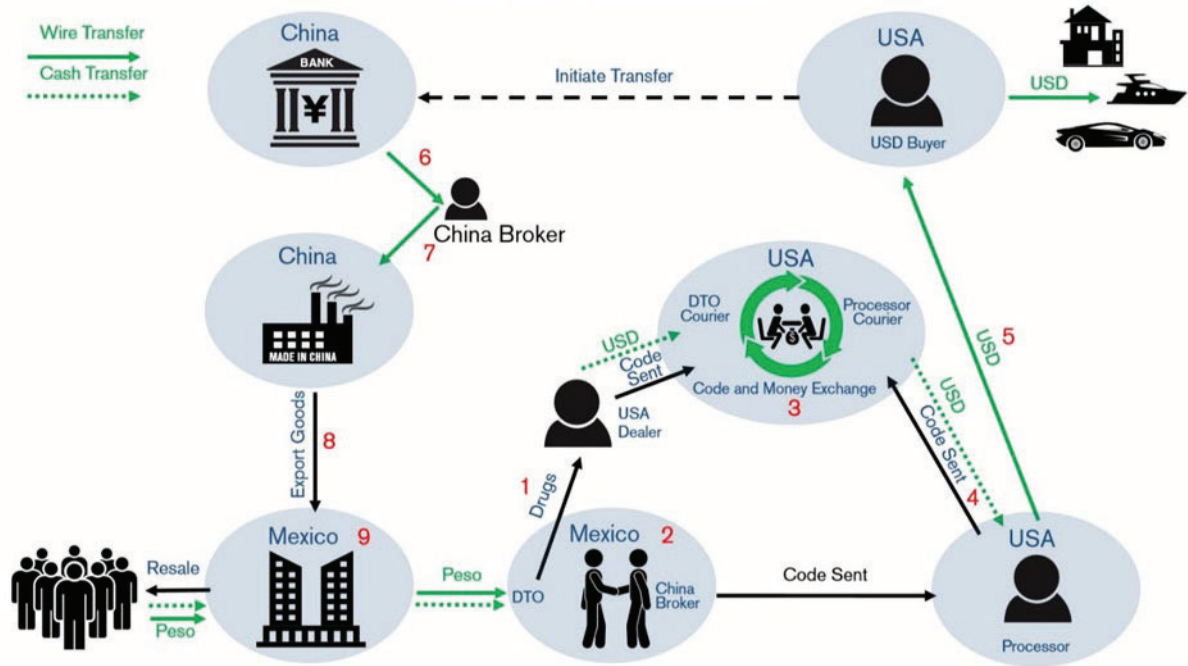
3 b. To transfer funds to the United States, an individual
4 in China contacts a broker with dollars to sell in the United States.
5 The individual in China then transfers the equivalent amount in
6 Chinese currency (renminbi) to an account in China specified by the
7 broker. Once the broker receives electronic confirmation that the
8 amount in question has been moved to the specified account, the
9 broker arranges for the dollars in the United States to be released
10 to the buyer or to a designated representative of the buyer.

11 c. The seller of U.S. currency in the United States
12 obtains dollars in a variety of ways, including by accepting cash
13 from individuals engaged in criminal activity that generates large
14 amounts of bulk currency, such as drug trafficking. The U.S. broker
15 charges a percentage commission as a fee to the owner of the criminal
16 proceeds to conceal the nature and source of the funds.

17 d. The funds that are transferred in China to the broker
18 are then used to pay for goods purchased by businesses and
19 organizations in Mexico, Colombia, or elsewhere such as consumer
20 goods or items needed to aid the drug trafficking organization to
21 manufacture illegal drugs, for example, precursor chemicals,
22 including fentanyl. Once the goods are sold, generating local
23 currency (for example, Mexican pesos), the proceeds are returned to
24 the drug trafficking organization that provided the dollars in the
25 United States. In this way, the funds from China facilitate the
26 laundering of drug trafficking proceeds from the United States to the
27 source country, while at the same time providing United States
28

1 dollars to the individual from China who initiated the transaction.
 2 This system is depicted in the below diagram.

3 Money Broker Network



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 17 e. Because of the many Chinese nationals living in the
 18 United States who use this method of transferring their funds from
 19 China to the United States, there is a very high demand for United
 20 States currency from the Chinese money exchange businesses described
 21 above; that demand can easily be met by the DTOs that have drug
 22 trafficking proceeds they wish to transform into usable funds
 23 available in the traditional banking system.

24 f. The Chinese money exchange businesses actively solicit
 25 and accept drug trafficking proceeds from the DTOs by charging a
 26 reduced rate for laundering those proceeds, thereby assisting the
 27 DTOs to repatriate their profits, and continue the business of
 28 supplying deadly drugs to the United States and other countries.

1 g. The Chinese money exchange businesses dispose of the
2 drug proceeds by either delivering United States currency directly to
3 their money exchange customers, purchasing real or personal property,
4 including luxury goods and cars to be shipped to China, or using a
5 variety of traditional methods to place the funds into the
6 traditional banking system such as purchasing cashier's checks, or
7 "structuring," that is, depositing small amounts at a time into bank
8 accounts opened for this purpose.

9 C. FEDERAL REPORTING REQUIREMENTS AND "STRUCTURING"

10 9. Under relevant federal law, a "financial institution," as
11 that term is defined in Title 31, United States Code,
12 Section 5312(a)(2)(R), includes a business operating as an informal
13 money transfer system to facilitate the transfer of money
14 domestically or internationally outside of the conventional financial
15 institutions system.

16 10. Under federal law, whenever a financial institution,
17 including a bank, receives over \$10,000 in currency in one
18 transaction or two or more related transactions that occurred within
19 one year, the financial institution is required to file a CTR no
20 later than 15 days after the transaction exceeding \$10,000.

21 11. If the person who deposits or withdraws the currency does
22 not want a CTR to be filed, they might try to evade that filing by
23 either purchasing cashier's checks with the currency under the
24 mistaken belief that such purchases need not be reported, or
25 "structuring" their deposits by (a) making repeated deposits into one
26 account under the \$10,000 reporting threshold, or (b) making multiple
27 deposits, each below \$10,000 in value, at different times, at
28 different bank locations, or into different accounts.

1 D. LICENSING REQUIREMENTS FOR ANY PERSON WHO ENGAGES IN
2 TRANSMITTING FUNDS AS A BUSINESS BY ANY MEANS, INCLUDING BY
3 COURIER

4 12. Under federal law, Title 31, United States Code, Section
5 5330 requires the registration as a money transmitting business by
6 any person who engages as a business in an informal money transfer
7 system or any network of people who engages as a business in
8 facilitating the transfer of money domestically or internationally
9 outside of the conventional financial institutions system with
10 FinCEN.

11 13. Under federal law, Title 31, Code of Federal Regulations,
12 Section 1010.100(ff)(5)(i), a "money transmitter" is (1) a person who
13 provides money transmission services by accepting currency, funds, or
14 other items of value that substitute for currency from one person and
15 transmitting that currency, funds or other items of value that
16 substitute for currency to another location or person by any means,
17 including through a financial institution, an electronic funds
18 transfer network, or an informal value transfer system; or (2) any
19 other person engaged in the transfer of funds. A "money transmitter"
20 is required to be licensed by both federal and state law, and failure
21 to register under either federal or state law is a federal offense
22 under Title 18, United States Code, Section 1960.

23 14. Title 18, United States Code, Sections 1960(a) and (b)
24 prohibit the operation of an unlicensed money transmitting business.

25 15. Title 18, United States Code, Section 1960(b)(1)(C)
26 prohibits the transportation or transmission of funds that are known
27 to have been derived from a criminal offense or are intended to be
28 used to promote or support unlawful activity.

1 16. None of the defendants, EDGAR JOEL MARTINEZ-REYES, PEIJI
2 TONG, also known as ("aka") "PJ," aka "Dr. P," aka "Po," SAI ZHANG,
3 aka "Tommy," CHENGWU HE, aka "Ocean," BERNARDO MAUBERIS, PANYU ZHAO,
4 RAUL CONTRERAS, aka "Batman," GUILLERMO ZAMBRANO, LUIS BELANDRIA-
5 CONTRERAS, HANG SU, JIAYONG YU, aka "Haoran Feng," XIAOLEI YE, XUANYI
6 MU, SHOU YANG, aka "Chaoming Cheng," OSCAR EDUARDO MAYORGA, DIEGO
7 ACOSTA OVALLE, VICTOR RODRIGUEZ-TRUJILLO, JIAXUAN HE, aka "Edward,"
8 VIDAL LICON-ROBLES, LEOPOLDO BERNAL, DANIEL GONZALEZ, aka "Rafael
9 Arocho," JULIO ALEXANDER CABRERA, JOSE ANTONIO PARDO, and JIANDE
10 ZHOU, nor any business owned by them, is licensed under state or
11 federal law and regulations as a lawful money transmitter.

12 17. These Introductory Allegations are incorporated into each
13 count of this First Superseding Indictment.

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COUNT ONE

[21 U.S.C. § 846]

[ALL DEFENDANTS]

A. OBJECT OF THE CONSPIRACY

Beginning in or about October 2019, and continuing until on or about October 26, 2023, in Los Angeles, Ventura, and San Bernardino Counties, within the Central District of California, and elsewhere, defendants EDGAR JOEL MARTINEZ-REYES, PEIJI TONG, also known as ("aka") "PJ," aka "Dr. P," aka "Po," SAI ZHANG, aka "Tommy," CHENGWU HE, aka "Ocean," BERNARDO MAUBERIS, PANYU ZHAO, RAUL CONTRERAS, aka "Batman," GUILLERMO ZAMBRANO, LUIS BELANDRIA-CONTRERAS, HANG SU, JIAYONG YU, aka "Haoran Feng," XIAOLEI YE, XUANYI MU, SHOU YANG, aka "Chaoming Cheng," OSCAR EDUARDO MAYORGA, DIEGO ACOSTA OVALLE, VICTOR RODRIGUEZ-TRUJILLO, JIAXUAN HE, aka "Edward," VIDAL LICON-ROBLES, LEOPOLDO BERNAL, DANIEL GONZALEZ, aka "Rafael Arocho," JULIO ALEXANDER CABRERA, JOSE ANTONIO PARDO, and JIANDE ZHOU, and others known and unknown to the Grand Jury, conspired and agreed with each other to commit an offense against the United States, namely, to knowingly and intentionally aid and abet the distribution of controlled substances, in violation of Title 21, United States Code, Sections 846 and 841(a)(1), (b)(1)(A) and Title 18, United States Code, Section 2(a).

B. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE ACCOMPLISHED

1. Means By Which Defendants Assisted Sinaloa Cartel Drug Traffickers to Conceal Their Drug Proceeds

a. Members and operatives of the Sinaloa Cartel, a drug trafficking organization based in Mexico, would import large

1 quantities of cocaine, methamphetamine, heroin, fentanyl, and
2 marijuana into the United States and distribute those controlled
3 substances through co-conspirators to cities across the country where
4 they would be sold in large and small quantities. The sales of these
5 controlled substances would yield huge sums of drug trafficking
6 proceeds in U.S. currency. Concealment of the drug trafficking
7 proceeds from scrutiny by government or banking authorities was
8 crucial to the drug traffickers' ability to profit from their drug
9 importation and distribution scheme and maintain the viability of the
10 scheme itself.

11 b. Defendants MARTINEZ-REYES, TONG, SAI ZHANG, CHENGWU
12 HE, MAUBERIS, ZHAO, CONTRERAS, ZAMBRANO, BELANDRIA-CONTRERAS, SU, YU,
13 YE, MU, YANG, MAYORGA, OVALLE, RODRIGUEZ-TRUJILLO, JIAXUAN HE, LICON-
14 ROBLES, BERNAL, GONZALEZ, CABRERA, PARDO, and ZHOU, and co-
15 conspirators, would serve Sinaloa Cartel associates by assisting them
16 in concealing their drug trafficking proceeds and making the proceeds
17 generated in the United States accessible to the Sinaloa Cartel
18 owners in Mexico, Colombia, and elsewhere.

19 c. Defendants MARTINEZ-REYES and TONG would travel to
20 Mexico to meet with members of the Sinaloa Cartel in order to obtain
21 contracts to launder drug trafficking proceeds in the United States
22 in exchange for a commission fee that was a percentage of the amount
23 laundered. A photograph of MARTINEZ-REYES and TONG entering the
24 United States together from Mexico on January 10, 2021 is below.

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12 d. Defendants LICON-ROBLES, BERNAL, GONZALEZ, and ZHOU
13 would distribute illegal drugs including cocaine and methamphetamine,
14 obtained from associates of the Sinaloa Cartel and collect the
15 proceeds from those transactions in order to pay back their
16 suppliers.

17 e. Defendants MARTINEZ-REYES, CONTRERAS, ZAMBRANO,
18 BELANDRIA-CONTRERAS, MAYORGA, OVALLE, RODRIGUEZ-TRUJILLO, GONZALEZ,
19 CABRERA, and PARDO, and co-conspirators, would receive the drug
20 trafficking proceeds belonging to the Sinaloa Cartel in the United
21 States in the form of U.S. currency, count and package them, and
22 deliver the U.S. currency to members of illegal money exchange and
23 remitting organizations including defendants TONG, SAI ZHANG, CHENGWU
24 HE, PANYU ZHAO, SU, YU, YE, MU, YANG, and JIAXUAN HE, and others
25 known and unknown to the Grand Jury to be laundered for a fee.

26 f. Sinaloa Cartel operatives would notify MARTINEZ-REYES,
27 TONG, SAI ZHANG, CHENGWU HE, MAUBERIS, ZHAO, CONTRERAS, ZAMBRANO,
28 MAYORGA, OVALLE, RODRIGUEZ-TRUJILLO, LICON-ROBLES, BERNAL, GONZALEZ,

1 or CABRERA of the approximate amount of drug trafficking proceeds to
2 be picked up and the location where the proceeds were to be picked up
3 and supply a telephone number and/or a code to be used to identify
4 the couriers to one another.

5 g. Defendants MARTINEZ-REYES, CONTRERAS, ZAMBRANO,
6 BELANDRIA-CONTRERAS, MAYORGA, OVALLE, RODRIGUEZ-TRUJILLO, CABRERA,
7 and PARDO, and co-conspirators, would either deliver the U.S.
8 currency to locations or individuals specified by members of the
9 Sinaloa Cartel, or make other arrangements to launder the drug
10 trafficking proceeds by a variety of methods described herein.

11 h. Defendants CONTRERAS, ZAMBRANO, BELANDRIA-CONTRERAS,
12 SU, YU, YE, MU, YANG, and JIAXUAN HE, and co-conspirators, would
13 establish and maintain bank accounts in their own names, including
14 aliases, and the names of businesses or other individuals in the
15 United States for the purpose of integrating the drug trafficking
16 proceeds into the legitimate banking system in the United States.

17 i. Defendants TONG, SAI ZHANG, CHENGWU HE, ZHAO,
18 CONTRERAS, ZAMBRANO, BELANDRIA-CONTRERAS, SU, YU, YE, MU, YANG,
19 MAYORGA, OVALLE, JIAXUAN HE, and ZHOU and co-conspirators would
20 either deliver the drug trafficking proceeds in cash to individuals
21 who, needing U.S. currency, purchased those proceeds in exchange for
22 deposits into bank accounts designated by the Sinaloa Cartel members
23 who were the owners of the drug trafficking proceeds, purchase
24 cryptocurrency, or arrange for the proceeds to be deposited into bank
25 accounts established for that purpose.

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1 2. Means By Which Defendants Assisted Sinaloa Cartel Members
2 to Integrate the Drug Proceeds into the Legitimate Banking
3 System

3 a. In order to conceal the nature, source, location, and
4 ownership of the drug trafficking proceeds generated in the United
5 States, as well as to conceal the illegal drug trafficking scheme
6 itself, and to move the drug proceeds beyond the reach of law
7 enforcement, defendants MARTINEZ-REYES, TONG, SAI ZHANG, and ZHAO,
8 and co-conspirators, would arrange to purchase cryptocurrency that
9 could easily and rapidly be transferred to accounts held by the
10 Sinaloa Cartel.

11 b. Defendants MARTINEZ-REYES, CONTRERAS, ZAMBRANO,
12 BELANDRIA-CONTRERAS, and MAYORGA, and co-conspirators, would deliver
13 the drug trafficking proceeds to operators of an underground banking
14 system including defendants TONG, SAI ZHANG, ZHAO, and CHENGWU HE,
15 and co-conspirators for the purpose of supplying U.S. currency to
16 Chinese underground banking customers in the United States.

17 c. Defendants ZAMBRANO and BELANDRIA-CONTRERAS, and co-
18 conspirators, would structure deposits of U.S. currency that
19 represented drug trafficking proceeds into bank accounts to avoid the
20 federal reporting requirement.

21 d. Defendant MAUBERIS would collect drug trafficking
22 proceeds from Sinaloa Cartel operatives in the United States, use
23 them to purchase precious metals and gems on the black market in the
24 United States, take those items to Mexico, and sell those items to
25 legitimate businesses in Mexico for a profit that he would use to
26 reimburse the true owners of the drug trafficking proceeds, that is,
27 the Sinaloa Cartel members, for the drug trafficking proceeds, in
28 U.S. currency he had been given to purchase material in the United

1 States, less a commission of .5 percent to 1.5 percent of the amount
2 he had received.

3 C. OVERT ACTS

4 On or about the following dates, in furtherance of the
5 conspiracy and to accomplish its object, defendants MARTINEZ-REYES,
6 TONG, SAI ZHANG, CHENGWU HE, MAUBERIS, ZHAO, CONTRERAS, ZAMBRANO,
7 BELANDRIA-CONTRERAS, SU, YU, YE, MU, YANG, MAYORGA, OVALLE,
8 RODRIGUEZ-TRUJILLO, JIAXUAN HE, LICON-ROBLES, BERNAL, GONZALEZ,
9 CABRERA, PARDO, and ZHOU, and co-conspirators, committed the
10 following overt acts, among others, within the Central District of
11 California, and elsewhere, including but not limited to, the
12 following:

13 1. On January 16, 2020, in Bell Gardens, California, defendant
14 CHENGWU HE delivered an unknown sum of drug trafficking proceeds in
15 U.S. currency to an unknown male, who was a money exchange customer,
16 at the Bicycle Casino.

17 2. On January 16, 2020, in Monterey Park, California,
18 defendant CHENGWU HE possessed approximately \$55,286 of drug
19 trafficking proceeds in United States currency.

20 3. On September 4, 2020, in Arcadia, California, defendants MU
21 and SU, at the direction of defendant SAI ZHANG, accepted delivery of
22 \$34,000 of drug trafficking proceeds, wrapped in aluminum foil inside
23 an orange bag, from a female drug proceeds courier known to the Grand
24 Jury.

25 4. On January 26, 2021, at a parking lot of an office complex
26 located at 8060 Florence Avenue, Downey, California ("the office
27 complex"), defendant ZAMBRANO changed the front and back license
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1 plates on his black 2014 Mercedes Benz to license plates that were
2 not assigned to that car.

3 5. On January 26, 2021, in Downey, California, after meeting
4 with defendants MARTINEZ-REYES and BELANDRIA-CONTRERAS, defendant
5 ZAMBRANO got into a 2010 silver Infiniti registered to defendant
6 MARTINEZ-REYES ("the silver Infiniti") and drove to 7914 Florence
7 Avenue, Downey, California, where defendant ZAMBRANO picked up a
8 weighted white bag containing an unknown quantity of drug trafficking
9 proceeds in U.S. currency from a co-conspirator and then drove back
10 to the office complex where he delivered the white bag to defendant
11 MARTINEZ-REYES.

12 6. On January 26, 2021, in Downey, California, defendant
13 BELANDRIA-CONTRERAS delivered a large leather backpack containing an
14 unknown quantity of drug trafficking proceeds in U.S. currency to
15 defendant MARTINEZ-REYES at the office complex.

16 7. On January 26, 2021, at 7920 Florence Avenue, Downey,
17 California, defendant ZAMBRANO, again driving the silver Infiniti,
18 picked up a second white bag containing an unknown quantity of drug
19 trafficking proceeds in U.S. currency from a co-conspirator, and
20 delivered the white bag to defendant MARTINEZ-REYES at the office
21 complex.

22 8. On January 26, 2021, in Downey, California, in an
23 electronic communication using coded language, defendant TONG
24 instructed defendant JIAXUAN HE to pick up approximately \$226,600 of
25 drug trafficking proceeds in U.S. currency at the office complex.

26 9. On January 26, 2021, at the office complex, defendant
27 MARTINEZ-REYES gave a large white bag with the words "Happy Birthday"
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1 on the side containing \$226,600 of drug trafficking proceeds in U.S.
2 currency to defendant JIAXUAN HE.

3 10. On January 26, 2021, in Downey, California, defendant
4 JIAXUAN HE possessed approximately \$226,600 of drug trafficking
5 proceeds in U.S. currency concealed inside a white paper bag,
6 pictured below.



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27 11. On January 27, 2021, at Citibank ATMs in Downey and Long
28 Beach, California, defendant BELANDRIA-CONTRERAS structured cash

1 deposits into his bank accounts to avoid a reporting requirement by
2 conducting 24 separate transactions to deposit a total of \$15,960 of
3 drug trafficking proceeds in U.S. currency.

4 12. On January 29, 2021, at a Citibank ATM in Long Beach,
5 California, defendant ZAMBRANO structured cash deposits into his bank
6 account to avoid a reporting requirement by conducting 15 separate
7 transactions to deposit a total of \$19,900 of drug trafficking
8 proceeds in U.S. currency.

9 13. On March 23, 2021, in Fontana, California, defendant
10 CONTRERAS picked up a yellow plastic bag containing an unknown
11 quantity of drug trafficking proceeds in U.S. currency from defendant
12 BERNAL.

13 14. On April 12, 2021, in Los Angeles, California, defendant
14 OVALLE delivered an unknown quantity of drug trafficking proceeds in
15 U.S. currency to defendant CONTRERAS.

16 15. On April 21, 2021, defendants MARTINEZ-REYES and CONTRERAS
17 delivered a Fruity Pebbles cereal box containing an unknown quantity
18 of drug trafficking proceeds that later proved to be approximately
19 \$59,980 in U.S. currency to a residence used as a collection point
20 and count house to further drug money laundering activity located at
21 11108 Freer Street, Temple City, California.

22 16. On May 19, 2021, in South Gate, California, defendant
23 OVALLE picked up approximately \$183,030 of drug trafficking proceeds
24 in U.S. currency from an unidentified co-conspirator.

25 17. On May 27, 2021, in Pasadena, California, defendant
26 GONZALEZ intentionally smashed his car into the official government
27 vehicle driven by United States Drug Enforcement Administration Task
28 Force Officer S.G., who was then trying to detain defendant GONZALEZ

1 as part of a drug trafficking investigation, in an attempt to
2 obstruct the investigation and injure that task force officer.

3 18. On May 27, 2021, in Pasadena, California, defendant
4 GONZALEZ possessed 46 individually-wrapped packages of drug
5 trafficking proceeds totaling approximately \$598,110 in U.S.
6 currency, pictured below.



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22 19. On July 12, 2021, in Anaheim, California, defendant
23 CONTRERAS picked up an unknown quantity of drug trafficking proceeds
24 in U.S. currency in a large black duffel bag from a co-conspirator.

25 20. On July 12, 2021, in Temple City, California, defendant
26 CONTRERAS delivered an unknown quantity of drug trafficking proceeds
27 in U.S. currency to a money stash house operated by an unlicensed
28 money exchange business located at 11108 Freer Street.

1 21. On July 21, 2021, in El Monte, California, defendant
2 MAYORGA delivered an unknown quantity of drug trafficking proceeds in
3 U.S. currency to defendant CONTRERAS.

4 22. On July 29, 2021, in Los Angeles, California, defendant
5 LICON-ROBLES delivered an unknown amount of drug trafficking proceeds
6 in U.S. currency to defendant CONTRERAS.

7 23. On August 5, 2021, in Temple City, California, defendant
8 CONTRERAS delivered an unknown amount of drug trafficking proceeds in
9 U.S. currency to 11108 Freer Street.

10 24. On August 18, 2021, in Temple City, California, defendant
11 CONTRERAS delivered an unknown amount of drug trafficking proceeds in
12 U.S. currency to 11108 Freer Street.

13 25. On August 24, 2021, in Baldwin Park, California, defendant
14 MAYORGA delivered approximately \$249,500 of drug trafficking proceeds
15 in U.S. currency to defendant MAUBERIS.

16 26. On September 14, 2021, in Colton, California, defendant
17 MAYORGA delivered approximately \$99,350 of drug trafficking proceeds
18 in U.S. currency to a co-conspirator who was to deliver the funds to
19 Mexico.

20 27. On December 3, 2021, in Los Angeles, California, defendant
21 RODRIGUEZ-TRUJILLO picked up an unknown quantity of drug trafficking
22 proceeds in U.S. currency from a co-conspirator.

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24 28. On December 16, 2021, in Lynwood, California, defendant
25 RODRIGUEZ-TRUJILLO possessed approximately \$379,660 of drug
26 trafficking proceeds in U.S. currency, pictured below.

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17 29. On January 5, 2022, in Pomona, California, defendant
18 MAYORGA possessed approximately \$205,330 of drug trafficking proceeds
19 in U.S. currency.

20 30. On February 17, 2022, in Commerce, California, defendant
21 MARTINEZ-REYES delivered approximately \$124,800 of drug trafficking
22 proceeds in U.S. currency to a co-conspirator known to the Grand Jury
23 for the purpose of purchasing cryptocurrency on behalf of the drug
24 trafficking organization that owned the proceeds.

25 31. On May 11, 2022, in Arcadia, California, defendant
26 MARTINEZ-REYES delivered an unknown amount of drug trafficking
27 proceeds in U.S. currency to a co-conspirator known to the Grand Jury
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1 for the purpose of purchasing cryptocurrency on behalf of the drug
2 trafficking organization that owned the proceeds.

3 32. On October 18, 2022, in San Gabriel, California, defendant
4 CABRERA delivered an unknown quantity of drug trafficking proceeds in
5 U.S. currency to a co-conspirator.

6 33. On March 23, 2023, in San Gabriel, California, defendant
7 ZHAO possessed approximately \$111,430 of drug trafficking proceeds in
8 U.S. currency concealed inside a white plastic bag.

9 34. On April 10, 2023, in Arcadia, California, defendant YE
10 picked up an unknown quantity of drug trafficking proceeds in U.S.
11 currency concealed inside a white plastic bag.

12 35. On April 10, 2023, in Arcadia, California, defendant YE
13 picked up an unknown quantity of drug trafficking proceeds in U.S.
14 currency concealed inside a yellow plastic bag.

15 36. On April 10, 2023, in North Hills, California, defendant YE
16 delivered approximately \$60,000 of drug trafficking proceeds in U.S.
17 currency contained in white and yellow plastic bags to a U.S.
18 currency customer.

19 37. On April 27, 2023, in Artesia, California, defendant YU
20 deposited a cashier's check representing an unknown amount of United
21 States currency at a Chase Bank ATM.

22 38. On April 27, 2023, in Artesia, California, defendant YU
23 deposited approximately \$100,000 of United States currency at a Chase
24 Bank teller window.

25 39. On May 4, 2023, in La Verne, California, defendant YU
26 possessed approximately \$100,000 of drug trafficking proceeds in U.S.
27 currency concealed inside a grey backpack.

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1 40. On May 4, 2023, in La Verne, California, defendant YANG
2 possessed approximately \$100,000 of drug trafficking proceeds in U.S.
3 currency concealed inside a black plastic bag.

4 41. On May 11, 2023, in Artesia, California, defendants SU and
5 YU possessed approximately \$50,000 of drug trafficking proceeds in
6 U.S. currency concealed inside a brown satchel.

7 42. On May 12, 2023, in San Gabriel, California, defendant
8 ZHANG possessed approximately \$150,000 of drug trafficking proceeds
9 in U.S. currency, concealed inside a white plastic bag.

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COUNT TWO

[18 U.S.C. § 1956(h)]

[ALL DEFENDANTS]

A. OBJECTS OF THE CONSPIRACY

Beginning in or about October 2019, and continuing until on or about October 26, 2023, in Los Angeles, Ventura, and San Bernardino Counties, within the Central District of California, and elsewhere, defendants EDGAR JOEL MARTINEZ-REYES, PEIJI TONG, aka "PJ," aka "Dr. P," aka "Po," SAI ZHANG, aka "Tommy," CHENGWU HE, aka "Ocean," BERNARDO MAUBERIS, PANYU ZHAO, RAUL CONTRERAS, aka "Batman," GUILLERMO ZAMBRANO, LUIS BELANDRIA-CONTRERAS, XUANYI MU, JIAYONG YU, aka "Haoran Feng," XIAOLEI YE, SHOU YANG, aka "Chaoming Cheng," HANG SU, OSCAR EDUARDO MAYORGA, DIEGO ACOSTA OVALLE, VICTOR RODRIGUEZ-TRUJILLO, JIAXUAN HE, aka "Edward," VIDAL LICON-ROBLES, LEOPOLDO BERNAL, DANIEL GONZALEZ, aka "Rafael Arocho," JULIO ALEXANDER CABRERA, JOSE ANTONIO PARDO, and JIANDE ZHOU, and others known and unknown to the Grand Jury, knowingly conspired and agreed with each other to commit offenses against the United States, namely:

1. To knowingly and intentionally conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and which property was, in fact, the proceeds of a specified unlawful activity, that is, the unlawful distribution of controlled substances, in violation of Title 21, United States Code, Section 841(a)(1), with the intent to promote the carrying on of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i); and

1 2. To knowingly and intentionally conduct and attempt to
2 conduct financial transactions affecting interstate and foreign
3 commerce, knowing that the property involved in the financial
4 transactions represented the proceeds of some form of unlawful
5 activity, and which property was, in fact, the proceeds of a
6 specified unlawful activity, that is, the unlawful distribution of
7 controlled substances, in violation of Title 21, United States Code,
8 Section 841(a)(1), and knowing that the transaction was designed in
9 whole or in part to conceal and disguise the nature, location,
10 source, ownership, and control of the proceeds of said specified
11 unlawful activity, in violation of Title 18, United States Code,
12 Section 1956(a)(1)(B)(i).

13 B. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE
14 ACCOMPLISHED

15 The objects of the conspiracy were to be accomplished, in
16 substance, by the Means alleged in Count One, Section B of this First
17 Superseding Indictment, which are re-alleged and incorporated by
18 reference herein.

19 C. OVERT ACTS

20 On or about the following dates, in furtherance of the
21 conspiracy and to accomplish its objects, defendants MARTINEZ-REYES,
22 TONG, SAI ZHANG, CHENGWU HE, MAUBERIS, ZHAO, CONTRERAS, ZAMBRANO,
23 BELANDRIA-CONTRERAS, MU, YU, YE, YANG, SU, MAYORGA, OVALLE,
24 RODRIGUEZ-TRUJILLO, JIAXUAN HE, LICON-ROBLES, BERNAL, GONZALEZ,
25 CABRERA, PARDO, and ZHOU committed the following overt acts, among
26 others, within the Central District of California, and elsewhere:
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1 The Overt Acts 1 through 42 alleged in Count One, Section C of
2 this First Superseding Indictment are re-alleged and incorporated by
3 reference herein.

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COUNT THREE

[21 U.S.C. §§ 841(a)(1), (b)(1)(B)(ii)(II)]

[DEFENDANT BERNAL]

On or about March 25, 2021, in San Bernardino County, within the Central District of California, defendant LEOPOLDO BERNAL knowingly and intentionally possessed with intent to distribute at least 500 grams, that is, approximately 4,000 grams, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance, pictured below.



COUNT FOUR

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(ii)(II)]

[DEFENDANT LICON-ROBLES]

On or about July 9, 2022, in Los Angeles County, within the Central District of California, defendant VIDAL EMILIO LICON-ROBLES knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 30.1 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance, pictured below.



COUNT FIVE

[21 U.S.C. §§ 841(a)(1), (b)(1)(A)(viii)]

[DEFENDANT ZHOU]

On or about July 26, 2022, in Los Angeles County, within the Central District of California, defendant JIANDE ZHOU knowingly and intentionally possessed with intent to distribute at least 50 grams, that is, approximately 7.189 kilograms, of methamphetamine, a Schedule II controlled substance, pictured below.



COUNT SIX

[21 U.S.C. §§ 841(a) (1), (b) (1) (A) (ii) (II); 18 U.S.C. § 2(a)]

[DEFENDANTS CABRERA and PARDO]

On or about October 18, 2022, in Los Angeles County, within the Central District of California, defendants JULIO ALEXANDER CABRERA and JOSE ANTONIO PARDO, each aiding and abetting the other, knowingly and intentionally possessed with intent to distribute at least five kilograms, that is, approximately 50.6 kilograms, of a mixture and substance containing a detectable amount of cocaine, a Schedule II narcotic drug controlled substance, pictured below.



COUNT SEVEN

[18 U.S.C. §§ 371, 1960]

[ALL DEFENDANTS]

A. OBJECT OF THE CONSPIRACY

Beginning on a date unknown, but no later than January 2021, and continuing to in or about October 2023, in Los Angeles, Ventura, and San Bernardino Counties, within the Central District of California, and elsewhere, defendants EDGAR JOEL MARTINEZ-REYES, PEIJI TONG, aka "PJ," aka "Dr. P," aka "Po," SAI ZHANG, aka "Tommy," CHENGWU HE, aka "Ocean," BERNARDO MAUBERIS, PANYU ZHAO, RAUL CONTRERAS, aka "Batman," GUILLERMO ZAMBRANO, LUIS BELANDRIA-CONTRERAS, XUANYI MU, JIAYONG YU, aka "Haoran Feng," XIAOLEI YE, SHOU YANG, aka "Chaoming Cheng," HANG SU, OSCAR EDUARDO MAYORGA, DIEGO ACOSTA OVALLE, VICTOR RODRIGUEZ-TRUJILLO, JIAXUAN HE, aka "Edward," VIDAL LICON-ROBLES, LEOPOLDO BERNAL, DANIEL GONZALEZ, aka "Rafael Arocho," JULIO ALEXANDER CABRERA, JOSE ANTONIO PARDO, and JIANDE ZHOU, and others known and unknown to the Grand Jury, conspired and agreed with each other to knowingly and intentionally conduct, control, manage, supervise, direct, and own an unlicensed money transmitting business affecting interstate and foreign commerce, which failed to comply with the money transmitting business registration requirements under Section 5330 of Title 31, United States Code, and the regulations thereunder, all in violation of Title 18, United States Code, Sections 1960(a) and 1960(b)(1)(B) and (C).

B. MEANS BY WHICH THE OBJECT OF THE CONSPIRACY WAS TO BE ACCOMPLISHED

The object of the conspiracy was to be accomplished, in substance, as follows:

1 The object of the conspiracy was to be accomplished, in
2 substance, by the Means alleged in Count One, Section B of this First
3 Superseding Indictment which are re-alleged and incorporated by
4 reference herein.

5 C. OVERT ACTS

6 On or about the following dates, in furtherance of the
7 conspiracy and to accomplish its object, defendants MARTINEZ-REYES,
8 TONG, SAI ZHANG, CHENGWU HE, MAUBERIS, ZHAO, CONTRERAS, ZAMBRANO,
9 BELANDRIA-CONTRERAS, MU, YU, YE, SU, YANG, MAYORGA, OVALLE,
10 RODRIGUEZ-TRUJILLO, JIAXUAN HE, LICON-ROBLES, BERNAL, GONZALEZ,
11 CABRERA, PARDO, and ZHOU, and others known to the Grand Jury
12 committed the following overt acts, among others, within the Central
13 District of California, and elsewhere:

14 The Overt Acts 1 through 42 alleged in Count One, Section C of
15 this First Superseding Indictment are re-alleged and incorporated by
16 reference herein.

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COUNT EIGHT

[31 U.S.C. §§ 5324(a) (3), (d) (2); 18 U.S.C. § 2(b)]

[DEFENDANT BELANDRIA-CONTRERAS]

On or about January 27, 2021, in Los Angeles County, within the Central District of California, and elsewhere, defendant LUIS BELANDRIA-CONTRERAS knowingly and for the purpose of evading the reporting requirements of Section 5313(a) of Title 31, United States Code, and the regulations promulgated thereunder, structured, assisted in structuring, and willfully caused to be structured, the following ATM deposits to a Citibank account ending in -1658 (the "Citibank account") with a domestic financial institution, namely, Citibank, and did so while violating another law of the United States, namely, Title 18, United States Code, Section 1956, and as part of a pattern of illegal activity involving more than \$100,000 in a 12-month period:

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Location of Citibank ATM	Time	Amount of Cash Deposited
Downey, CA	3:47 p.m.	\$880
Downey, CA	3:48 p.m.	\$680
Downey, CA	3:49 p.m.	\$420
Downey, CA	3:50 p.m.	\$820
Downey, CA	3:51 p.m.	\$520
Downey, CA	3:51 p.m.	\$640
Downey, CA	3:52 p.m.	\$740
Downey, CA	3:53 p.m.	\$400
Downey, CA	3:53 p.m.	\$860
Downey, CA	3:54 p.m.	\$840
Downey, CA	3:55 p.m.	\$840
Downey, CA	3:56 p.m.	\$320
Long Beach, CA	4:59 p.m.	\$280
Long Beach, CA	4:59 p.m.	\$780
Long Beach, CA	5:00 p.m.	\$940
Long Beach, CA	5:01 p.m.	\$900
Long Beach, CA	5:02 p.m.	\$520
Long Beach, CA	5:02 p.m.	\$580
Long Beach, CA	5:03 p.m.	\$720
Long Beach, CA	5:04 p.m.	\$520
Long Beach, CA	5:04 p.m.	\$760
Long Beach, CA	5:05 p.m.	\$820
Long Beach, CA	5:06 p.m.	\$580
Long Beach, CA	5:06 p.m.	\$600

Total transactions: 24
Total amount deposited: \$15,960

A photograph of defendant BELANDRIA-CONTRERAS structuring into the Citibank account on January 27, 2021 is below.

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COUNT NINE

[31 U.S.C. §§ 5324(a) (3), (d) (2); 18 U.S.C. § 2(b)]

[DEFENDANT ZAMBRANO]

On or about January 29, 2021, in Los Angeles County, within the Central District of California, and elsewhere, defendant GUILLERMO ZAMBRANO knowingly and for the purpose of evading the reporting requirements of Section 5313(a) of Title 31, United States Code, and the regulations promulgated thereunder, structured, assisted in structuring, and willfully caused to be structured, the following ATM deposits to a Citibank account ending in -0057 with a domestic financial institution, namely, Citibank, and did so while violating another law of the United States, namely, Title 18, United States Code, Section 1956, and as part of a pattern of illegal activity involving more than \$100,000 in a 12-month period:

Location of Citibank ATM	Time	Amount of Cash Deposited
Long Beach, CA	11:39 a.m.	\$3,500
Long Beach, CA	11:40 a.m.	\$2,300
Long Beach, CA	11:41 a.m.	\$4,100
Long Beach, CA	11:42 a.m.	\$780
Long Beach, CA	11:42 a.m.	\$820
Long Beach, CA	11:43 a.m.	\$860
Long Beach, CA	11:44 a.m.	\$820
Long Beach, CA	11:45 a.m.	\$880
Long Beach, CA	11:46 a.m.	\$940
Long Beach, CA	11:47 a.m.	\$880
Long Beach, CA	11:48 a.m.	\$940
Long Beach, CA	11:50 a.m.	\$800
Long Beach, CA	11:51 a.m.	\$700
Long Beach, CA	11:51 a.m.	\$720
Long Beach, CA	11:52 a.m.	\$860

Total transactions: 15
Total amount deposited: \$19,900

COUNT TEN

[18 U.S.C. § 111(a)(1), (b)]

[DEFENDANT GONZALEZ]

On or about May 27, 2021, in Los Angeles County, within the Central District of California, defendant DANIEL GONZALEZ, also known as "Rafael Arocho," intentionally and forcibly assaulted, resisted, opposed, impeded, intimidated, and interfered with United States Drug Enforcement Administration Task Force Officer S.G., while S.G. was engaged in, and on the account of, the performance of his official federal duties, and in so doing, used a deadly and dangerous weapon, namely, a 2013 Lexus ES350 car, pictured below.



1 FORFEITURE ALLEGATION ONE

2 [21 U.S.C. § 853]

3 1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal
4 Procedure, notice is hereby given that the United States of America
5 will seek forfeiture as part of any sentence, pursuant to Title 21,
6 United States Code, Section 853, in the event of any defendant's
7 conviction of the offenses set forth in any of Counts One and Three
8 through Six of this First Superseding Indictment.

9 2. Any defendant so convicted, shall forfeit to the United
10 States of America the following:

11 (a) All right, title and interest in any and all property,
12 real or personal, constituting or derived from, any proceeds which
13 said defendant obtained, directly or indirectly, from any such
14 offense;

15 (b) All right, title and interest in any and all property,
16 real or personal, used, or intended to be used, in any manner or
17 part, to commit, or to facilitate the commission of any such offense;
18 and

19 (c) To the extent such property is not available for
20 forfeiture, a sum of money equal to the total value of the property
21 described in subparagraphs (a) and (b).

22 3. Pursuant to Title 21, United States Code, Section 853(p),
23 any defendant so convicted shall forfeit substitute property if, by
24 any act or omission of said defendant, the property described in the
25 preceding paragraph, or any portion thereof: (a) cannot be located
26 upon the exercise of due diligence; (b) has been transferred, sold
27 to, or deposited with a third party; (c) has been placed beyond the
28 jurisdiction of the court; (d) has been substantially diminished in

1 value; or (e) has been commingled with other property that cannot be
2 divided without difficulty.

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1 FORFEITURE ALLEGATION TWO

2 [18 U.S.C. § 982]

3 1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal
4 Procedure, notice is hereby given that the United States will seek
5 forfeiture as part of any sentence, pursuant to Title 18, United
6 States Code, Section 982(a)(1), in the event of any defendant's
7 conviction of the offense set forth in Count Two of this First
8 Superseding Indictment.

9 2. Any defendant so convicted shall forfeit to the United
10 States of America the following:

11 (a) Any property, real or personal, involved in such
12 offense, and any property traceable to such property; and

13 (b) To the extent such property is not available for
14 forfeiture, a sum of money equal to the total value of the property
15 described in subparagraph (a).

16 3. Pursuant to Title 21, United States Code, Section 853(p), as
17 incorporated by Title 18, United States Code, Section 982(b)(1), and
18 Title 18, United States Code, Section 982(b)(2), any defendant so
19 convicted shall forfeit substitute property, if, by any act or
20 omission of said defendant, the property described in the preceding
21 paragraph, or any portion thereof: (a) cannot be located upon the
22 exercise of due diligence; (b) has been transferred, sold to, or
23 deposited with a third party; (c) has been placed beyond the
24 jurisdiction of the court; (d) has been substantially diminished in
25 value; or (e) has been commingled with other property that cannot be
26 divided without difficulty. Substitution of assets shall not be
27 ordered, however, where the convicted defendant acted merely as an
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1 intermediary who handled but did not retain the property in the
2 course of the money laundering offense unless the defendant, in
3 committing the offense or offenses giving rise to the forfeiture,
4 conducted three or more separate transactions involving a total of
5 \$100,000.00 or more in any twelve-month period.

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1 FORFEITURE ALLEGATION THREE

2 [18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

3 1. Pursuant to Rule 32.2 of the Federal Rules of Criminal
4 Procedure, notice is hereby given that the United States of America
5 will seek forfeiture as part of any sentence, pursuant to Title 18,
6 United States Code, Section 981(a)(1)(C) and Title 28, United States
7 Code, Section 2461(c), in the event of any defendant's conviction of
8 the offenses set forth in Count Seven of this Indictment.

9 2. Any defendant so convicted shall forfeit to the United
10 States of America the following:

11 (a) all right, title, and interest in any and all
12 property, real or personal, constituting, or derived from, any
13 proceeds traceable to the offenses; and

14 (b) To the extent such property is not available for
15 forfeiture, a sum of money equal to the total value of the property
16 described in subparagraph (a).

17 3. Pursuant to Title 21, United States Code, Section 853(p),
18 as incorporated by Title 28, United States Code, Section 2461(c), any
19 defendant so convicted shall forfeit substitute property, up to the
20 value of the property described in the preceding paragraph if, as the
21 result of any act or omission of said defendant, the property
22 described in the preceding paragraph or any portion thereof (a)
23 cannot be located upon the exercise of due diligence; (b) has been
24 transferred, sold to, or deposited with a third party; (c) has been
25 placed beyond the jurisdiction of the court; (d) has been
26 substantially diminished in value; or (e) has been commingled with
27 other property that cannot be divided without difficulty.

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1 FORFEITURE ALLEGATION FOUR

2 [31 U.S.C. § 5317]

3 1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal
4 Procedure, notice is hereby given that the United States of America
5 will seek forfeiture as part of any sentence, pursuant to Title 31,
6 United States Code, Section 5317, in the event of any defendant's
7 conviction of the offenses set forth in either of Counts Eight or
8 Nine of this First Superseding Indictment.

9 2. Any defendant so convicted shall forfeit to the United
10 States of America the following:

11 (a) All property, real or personal, involved in the
12 offense and any property traceable thereto; and

13 (b) To the extent that such property is not available for
14 forfeiture, a sum of money equal to the total value of the property
15 described in subparagraph (a).

16 3. Pursuant to Title 21, United States Code, Section 853(p), as
17 incorporated by Title 31, United States Code, Section 5317(c)(1)(B),
18 any defendant so convicted shall forfeit substitute property, if, by
19 any act or omission of said defendant, the property described in the
20 preceding, or any portion thereof; (a) cannot be located upon the
21 exercise of due diligence; (b) has been transferred, sold to, or
22 deposited with a third party; (c) has been placed beyond the
23 jurisdiction of the court; (d) has been substantially diminished in

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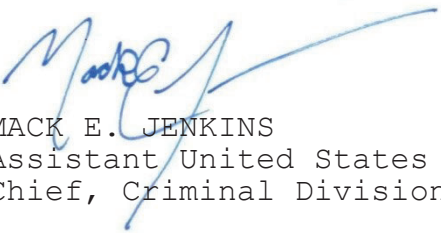
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1 value; or (e) has been commingled with other property that cannot be
2 divided without difficulty.

3
4 A TRUE BILL

5
6 /s/
7 _____
8 Foreperson

8 E. MARTIN ESTRADA
9 United States Attorney

10 
11 MACK E. JENKINS
12 Assistant United States Attorney
13 Chief, Criminal Division

14 J. MARK CHILDS
15 Assistant United States Attorney
16 Chief, International Narcotics,
17 Money Laundering, and
18 Racketeering Section

19 JULIE J. SHEMITZ
20 Assistant United States Attorney
21 International Narcotics, Money
22 Laundering, and Racketeering
23 Section
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