



Department of Justice

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MORE THAN 130 ARRESTED IN INTERNATIONAL NARCOTICS AND MONEY LAUNDERING INVESTIGATION

WASHINGTON, D.C. Deputy Attorney General James Comey, DEA Administrator Karen P. Tandy, FBI Director Robert S. Mueller, and IRS Criminal Investigations Chief Nancy Jardini announced the arrests of more than 130 defendants across the United States as part of an investigation dubbed, "*Operation Candy Box*." Today's arrests mark the culmination of a two-year multi-jurisdictional and international Organized Crime Drug Enforcement Task Force case that was coordinated by the multi-agency Special Operations Division, targeting a significant MDMA (Ecstasy) and marijuana trafficking organization in both the United States and Canada.

The arrests today include alleged ringleaders Ze Wai Wong, a Chinese national, and Mai Phuong Le, a Vietnamese national. The indictments allege Wong was the leader of a drug distribution ring operating in 18 U.S. cities and Canada, while Le is accused of orchestrating the laundering of the drug proceeds of the drug ring. According to indictments unsealed today, the charges against the more than 130 defendants center around their alleged roles in the various drug distribution cells, as money launderers and couriers in both the United States and Canada.

"The importance of today's operation cannot be overstated," said Deputy Attorney General James Comey. "Through the work of many different agencies, we have achieved a top to bottom decimation of a dangerous drug organization and a complimentary attack on the fuel that drives the organization - their money."

Early this morning, authorities began arresting over 100 indicted defendants and executing approximately 35 search warrants in 16 U.S. cities, including Houston, TX; Los Angeles, CA; San Francisco, CA; Oakland, CA; San Jose, CA; Jacksonville, FL; New Orleans, LA; Baton Rouge, LA; Mobile, AL; New York, NY; Boston, MA; Atlanta, GA; Alexandria, VA; Des Moines, IA; Minneapolis, MN; and Salt Lake City, UT. Canadian authorities are expected to execute approximately 50 arrest warrants on subjects identified in related investigations in the Canadian cities of Ottawa, Toronto, and Montreal.

"Out of all the dangers of illegal drugs, ecstasy is of special concern because it is aimed at our teens and youth masquerading as colorful candy," said DEA Administrator Karen Tandy. "Today we have decimated a criminal organization that has poisoned our neighborhoods with up to a million Ecstasy tablets per month and sent as much as \$5 million in proceeds abroad per month over five years. But for the families and loved ones of those who would have taken these millions of dangerous pills in the future, the impact of this operation is enormous," she said.

This two-year investigation has already produced 38 arrests and the seizure of 400,000 MDMA tablets, 1,170 pounds of marijuana, 6.5 pounds of methamphetamine, 12 handguns, and \$5.9 million in U.S. currency. *Operation Candy Box* targeted an international organization involved in ecstasy and Canadian marijuana (locally referred to as "BC Bud") distribution to the United States through command and

control cells in Canada. According to the court documents, the organization allegedly utilized a sophisticated money laundering network of money remitters and travel agencies in both the U.S. and Canada to launder drug proceeds.

"Today's arrests deal a substantial blow to a criminal organization involved in illicit drug production, trafficking and money laundering," said FBI Director Robert S. Mueller III. "This victory is a direct result of enhanced collaboration with our municipal, state, federal and Canadian law enforcement partners, as well as our use of intelligence to systematically dismantle a complex, multi-jurisdictional criminal enterprise," he concluded.

According to the U.S. and Canadian court documents, Ze Wai Wong, 46, is alleged to be a major distributor of Ecstasy throughout the U.S. and Canada, while Mai Phuong Le, 38, is accused of directing the money laundering operation responsible for repatriating the drug proceeds of Wong's organization and of other traffickers. According to the court papers, U.S. money remitter firms, including U.S. Tours and Travel (California and Texas) and An Chau Services (Georgia) are alleged to have been used to launder the illicit proceeds. It is alleged that the defendants were able to make large cash deposits into the U.S. banking system while disguising the illegal source of much of the money. The proceeds were later transferred to various bank accounts world-wide, including in Vietnam, it is alleged. Information obtained during the investigation indicated that the network was capable of allegedly laundering as much as \$5,000,000 per month. Warrants are being served on financial institutions utilized by the network in an effort to seize funds as well as to obtain transaction records.

"The major goal in a financial investigation is to identify and document the movement of money during the course of a crime and the efforts employed to hide and conceal the profits," said Nancy Jardini, Chief, IRS Criminal Investigation. "The link between where the money comes from, who gets it, when it is received, and where it is stored or deposited, can provide proof of criminal activity. Finding and connecting those links is what IRS brings to this cooperative effort today. However, the combined efforts of law enforcement agencies in an investigation of this magnitude produce a formidable force against narcotics trafficking and money laundering."

Wong and Le are accused of directing the operations from Canada, and both were arrested in Canada this morning. However, U.S. indictments have also been returned against both Wong and Le. An indictment unsealed today in the Central District of California charges that Wong and Le operated a Continuing Criminal Enterprise (CCE). An indictment in the Southern District of New York names both Wong and Le in drug trafficking and conspiracy charges, and the District of Massachusetts has indicted Le for similar offenses.

Operation Candy Box revealed allegations that bulk quantities of MDMA tablets were being made in clandestine labs in Canada. In August 2003, three fully operational tableting laboratories were discovered and dismantled by Canadian officials.

Authorities also identified a large network of couriers who allegedly utilized vehicles with sophisticated "traps" to transport currency and Ecstasy. In one incident, a vehicle bound for Canada via the border city of Burlington, Vermont was searched and \$750,000 in U.S. currency was discovered concealed in the fuel tank. Information developed during the investigation suggested that the organization was capable of distributing up to 1,000,000 Ecstasy tablets per month in the U.S. and Canada.

Operation Candy Box is a joint investigation involving the DEA, FBI, the U.S. Immigration and Customs Enforcement (ICE), the Internal Revenue Service (IRS), the Department of Justice Criminal Division, various state and local agencies, and in conjunction with the Royal Canadian Mounted Police (RCMP), Toronto Police Department, Ontario Provincial Police, and Ottawa Police Department.

The charges contained in the indictment are just allegations. The defendants are presumed innocent until

and unless proved guilty in a court of law.

The following federal, state, and local agencies participated in *Operation Candy Box*:

Federal Agency Participation:

Drug Enforcement Administration
 Federal Bureau of Investigation
 Department of Justice, Criminal Division, Narcotics and Dangerous Drugs Section
 Department of Justice, Criminal Division, Asset Forfeiture and Money Laundering Section
 U.S. Immigration and Customs Enforcement
 Internal Revenue Service
 State Department, Bureau of Diplomatic Security

United States Attorneys' Offices:

Houston, TX - SDTX
 Alexandria, VA - EDVA
 Los Angeles, CA - CDCA
 Jacksonville, FL - MDFL
 New Orleans, LA - EDLA
 Baton Rouge, LA - MDLA
 Mobile, AL - SDAL
 New York, NY - SDNY
 Boston, MA - DMass
 Atlanta, GA - NDGA
 Des Moines, IA - SDIA
 Minneapolis, MN - DMinn
 Salt Lake City, UT - DUT
 San Francisco, CA - NDCA

Canadian Agency Participation:

Royal Canadian Mounted Police
 CFSEU (Greater Toronto Area)
 Ontario Provincial Police
 Ottawa Police Service
 Canada Border Services Agency

State and Local Law Enforcement Participation:

Massachusetts:
 Massachusetts State Police
 Boston Police Department
 Boston Housing Police
 Milton Police Department
 Middlesex County District Attorney's Office

Vermont:
 Vermont State Police

New York:
 New York City Police Department

California:

Oakland Police Department
South Alameda County Narcotics Task Force
Union City Police Department
Los Angeles County Sheriff's Department
California Department of Justice, Bureau of Narcotics Enforcement
Tustin Police Department
Newport Beach Police Department
Huntington Beach Police Department
Garden Grove Police Department
Westminster Police Department

Florida:
Jacksonville Sheriff's Office

North Carolina:
Charlotte-Mecklenburg Police Department
Rock Hill Narcotics Task Force
Cabarrus County Sheriff's Office

Louisiana:
Kenner Police Department
Jefferson Parish Sheriff's Office
Louisiana State Police

Alabama:
Mobile Police Department
Bayou La Batre Police Department
Baldwin County Sheriff's Office

Minnesota:
Minnesota Gang Strike Force
Anoka-Hennepin Task Force
Minnesota State Gaming Commission
Minnesota State Patrol

Texas:
Houston Police Department
Texas State Attorney's Investigators Office
Texas Department of Public Safety

Washington:
Bellevue Police Department

Maryland:
Prince George's County Police Department
Montgomery County Police Department
Calvert County Sheriff's Office

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