

Arrests in Mexico threaten Calderón's ratings

Allegations about a Chinese-born Mexican businessman have sullied the approval ratings of President Felipe Calderón after a large drug bust.

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MEXICO CITY --

President Felipe Calderón's biggest bust in his biggest battle -- against drug traffickers who have taken over large swaths of territory as they move narcotics to the United States -- yielded no drugs and no cartel kingpins.

When federal police raided a house in an upscale Mexico City neighborhood, they found the largest stash of alleged drug money in the history of the fight, the government said. It came in at \$205 million. Guns and equipment to make amphetamine pills were also seized, authorities said. Seven people, most household employees, were arrested.

The huge cash reserve came from the illegal sale of a restricted cold medicine, pseudoephedrine, to narco labs that turn it into illegal methamphetamine, officials said.

Calderón's approval rating, boosted by the drug war in general, hit 65 percent.

But recent video images of the home's owner -- the Mexican-nationalized Chinese native Zhenli Ye Gon -- strolling New York streets and accusing the ruling party of using him to hoard its illegal money now threatens to taint the spectacular DEA-assisted seizure.

MULTIPLE CHARGES

Ye Gon, 44, is charged with participation in organized crime and eight other drug-related and weapons offenses. He has denied any participation in the illegal drug trade and said his pharmaceutical company is completely legitimate.

The official investigation against him and testimony from employees and relatives, including his jailed wife, suggest cozy ties between the Chinese businessman, politicians and even members of the military. Anti-drug police allegedly extorted bribes from him but also warned him to leave the country before the raid on his house.

Opposition parties have called for a congressional investigation into possible links between the ruling National Action Party, or PAN, and Ye Gon. On Wednesday, PAN legislators joined opposition members in calling for an investigation into the Ye Gon case.

As a result, the public no longer sees a \$205 million blow against the drug cartels but a cesspool of alleged collusion among drug operatives, politicians and government officials, analysts said.

"In Mexico, reality is irrelevant and perception is everything," said political commentator Raymundo Riva Palacio. "This is the ideal situation for the opposition to argue why Felipe Calderón should not be president for one more day. And it's the administration's worst moment so far because it's on the defensive."

A presidential spokesman, who was not authorized to speak for attribution, brushed off the allegations against the PAN and the Calderón administration. "This is really a nonissue," he said.

YE GON NOT DETAINED

Meanwhile, U.S. authorities have not detained Ye Gon, angering their Mexican counterparts, who insist U.S. authorities must act on the warrant issued by Interpol, the international police agency.

An official with the U.S. Drug Enforcement Administration in Washington said it has not received the proper paperwork yet.

"He is on U.S. soil, but we really don't know exactly where because we're not following him," said DEA spokesman Steven M. Robertson. "We don't have an extradition order for him and no arrest warrant outstanding. There's a procedure here. It works that simple."

Robertson declined to say whether Ye Gon might be a potential informant for the U.S. government. "Obviously, somebody who has been associated with the largest cash seizure in the history of the world would be of interest to us. But to the best of my knowledge, we're not talking to him," Robertson said.

From the mid-March money seizure until early July, Ye Gon had been mostly off the media map. But this month, The Associated Press published a videotaped interview with Ye Gon. In it, he accused the PAN of threatening to kill him if he didn't stash steady \$5 million increments of alleged illegal campaign money during last year's presidential election.

Since then, both sides have been firing away in the media.

The New York attorney for Ye Gon released a letter he wrote earlier this month to Calderón calling for the two sides to sit down and negotiate.

'HOT POTATO'

"Delicately handling this 'hot potato' is in the best interests of all parties," the letter by attorney Ning Ye said.

The attorney general's office, in a statement, called the proposed negotiation "a useless attempt at blackmail."

In a telephone interview this week, Ye said he believes he can legally prevent Ye Gon from being extradited to Mexico.

"He has a reasonable fear of persecution, which could include assassination, torture or other bad things," he said.