

In Tale of Millionaire Drug Suspect, Mexicans Judge Government Guilty

The Washington Post
July 29, 2007

MEXICO CITY, June 28 -- The newspapers fly off the stands at Juan Pérez's kiosk on bustling Avenida Juárez -- especially those splashed with headlines about the riches of [Zhenli Ye Gon](#), an importer accused of drug trafficking in a case Mexican and U.S. authorities have hailed as a blow to the methamphetamine trade.

But to Pérez, who has hawked news on this street for 60 years, the true defendant is the Mexican government.

"Tons! Tons of drugs passed through the ports. Who gave the permits?" asked Pérez, a spry 75, jabbing his finger into the warm midafternoon air as taxis whizzed by his stand. "In all this, the government is guilty."

Dubbed "El Chino" -- the Chinaman -- by Mexican media, the man whose arrest at a Wheaton, Md., restaurant last week thrust him into the center of the U.S. drug war has for months been the notorious protagonist of what analysts here call the country's biggest political scandal in recent years.

Questions are swirling about government complicity in Ye Gon's alleged trade, not to mention his recent claim that much of the \$205 million found in his [Mexico](#) City mansion was a "slush fund" he was forced to safeguard for [Mexico's](#) ruling National Action Party.

[President Felipe Calderón](#) has called Ye Gon's version of the story a "cuento Chino," a phrase that literally translates to "Chinese story" but means "tall tale." Many observers reject Ye Gon's explanation as absurd. But analysts say the obsession over the case reflects an entrenched national belief rooted in decades of corruption: If the government might be involved, it is.

"This is a wonderful story for our very highly emotional intelligence. And this is a very distrustful society," said Raymundo Riva Palacio, a political analyst and newspaper columnist. "Perception is reality in Mexico."

The Mexican press has dissected every hint of fraud. Television channels have replayed footage of then-President [Vicente Fox](#) handing a citizenship certificate to Ye Gon in a 2003 ceremony. After government officials said Ye Gon used fake permits to import huge shipments of chemicals that can be used to make the street drug methamphetamine, newspapers churned out articles about shifty customs agents. The questions have triggered probes by Mexico's Congress and the electoral watchdog agency.

Mexican authorities, meanwhile, steadily restate their case against Ye Gon, who is jailed on charges of violating U.S. drug laws; Mexico plans to ask for his extradition, which U.S. court sources say could take years.

Investigators are examining Ye Gon's links to drug cartels and possible collusion by government officials, who will face charges if implicated, a spokesman for the Mexican attorney general's office said. Ye Gon's U.S. lawyers say their client would not get a fair trial in Mexico; government officials accuse them of concocting a story.

"They take advantage of our political cannibalism, and they take advantage of the eternal distrust in our institutions, and those who represent them in a given moment, to generate this enormous smoke screen," José Luis Santiago de Vasconcelos, Mexico's deputy attorney general, said in a recent interview with [CNN](#).

If the Mexican public is skeptical, it is not without reason, political analysts said. Seven decades of one-party rule under the Institutional Revolutionary Party fostered an ethos of fraud and untouchability. When Fox's National Action Party ended the reign in 2000, he declared a battle against corruption. But accusations have continued -- Fox's wife, for instance, was accused of using her husband's power to secure major government contracts for her adult children from a previous marriage. When Calderón won the presidency last year by a razor-thin margin, millions of street demonstrators accused him of stealing the election.

According to recent surveys by Transparency International, a [Berlin](#) organization that monitors corruption, Mexicans gave their government a 4.4 on a corruption scale of 1 to 5, with 5 being most corrupt. A poll by the daily newspaper La Reforma found that most Mexicans either buy Ye Gon's story or believe neither side. Bumper stickers reading "I believe the Chinaman" are for sale.

Ye Gon, a native of [Shanghai](#), was a stranger to the Mexican public before March. He immigrated in 1990 and for a time imported Chinese trinkets, officials said. In 2000, he began importing Chinese pseudoephedrine, a cold medicine ingredient that can be used to make methamphetamine, ostensibly to sell it to drug manufacturers. The government says he lost his permit in 2005, when Mexico cracked down on a growing meth market.

But officials received an anonymous tip in early 2006 that Ye Gon was dealing pseudoephedrine to Mexico's drug underworld, and "Operation Dragon" was launched with the [U.S. Drug Enforcement Administration](#). On Dec. 5, a ship arrived for him in a southwest Mexican port carrying 19.7 tons of a substance listed on shipping manifests as a chemical that does not exist, Mexican and U.S. authorities say. Laboratory tests revealed it was a derivative of pseudoephedrine, authorities said.

That led to a March raid on Ye Gon's home, a colonnaded mansion with an indoor pool and a wine bar. Authorities found six [Mercedes-Benzes](#) and two other cars; a small collection of firearms that included an [AK-47 assault rifle](#); and duffel bags, wheeled suitcases and metal lockers bursting with \$205 million. A raid on Ye Gon's two Mexico City warehouses revealed boxes filled with purses and fake Christmas trees, and 12 bags containing pseudoephedrine, while a search of his factory outside the capital turned up traces of meth and pseudoephedrine, Mexican officials said.

Ye Gon, who had fled the country, was charged with drug trafficking, money laundering and weapons possession.

In an affidavit accompanying his petition for asylum, Ye Gon insists he lived a quiet life in Mexico, distinguished only by his transformation into an "ultra-successful business entrepreneur." He says \$150 million of the cash stash was escorted to his home by police and foisted on him by Labor Secretary Javier Lozano Alarcón, who threatened him with death.

His Washington-based attorney, Martin F. McMahon, said the rest was Ye Gon's hard-earned money, which he did not entrust to Mexican banks. McMahon said Mexican officials have destroyed the chemicals in question and laundered the seized cash.

In a statement, Alarcón called the allegations "false, absurd, implausible, deceitful and perverse."

Analysts say Calderón has a chance to capitalize on the case. If officials helped Ye Gon, they likely did so under Fox's administration. Busting them would make Calderón look like "a very righteous guy," Riva Palacio said.

In interviews, several Mexico City residents said they doubted that would happen.

"It's pure theater," said Delfino Luna Soriano, 37, an office worker. "Investigation, investigation. Then it is suddenly going to end."

The government has attempted to deflect some of the concerns. The \$205 million, officials announced at a news conference Thursday, was deemed abandoned after 90 days passed without a claim for it, so the government doled it out to the attorney general's office, the courts and the Health Ministry to combat drug addiction and fight crime.

"What we have here is a criminal case, not a political case," the attorney general's spokesman said on a recent morning in his office, where a framed poster of the stacks of Ye Gon's cash hangs on the wall. He spoke on condition of anonymity out of concern for his safety.

Try telling that to Cecilia Lopez, 38, a teacher who smoked a cigarette on a recent evening in a leafy downtown park. For all she knew, Ye Gon's duffel bags might have held drug money or campaign funds or both. The government and drug traffickers are part of "the same mafia," she said, shrugging.

Ye Gon, she predicted, would be extradited and found guilty, and nothing else would come of the case.

"It's like a soap opera," she said, exhaling. "But we know the end of the story."