

DEA Administrator Anne Milgram  
Operation Fortune Runner  
Remarks as Delivered  
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Thank you. Thank you, United States Attorney Estrada. Good morning.

DEA's top operational priority is to defeat the cartels that are flooding the United States with deadly drugs like fentanyl and methamphetamine. The Sinaloa Cartel is a ruthless, violent, global criminal enterprise that is responsible for killing Americans and devastating communities from coast to coast. They do this for one reason, money. Drug trafficking generates billions of dollars for the Sinaloa Cartel each year. For the cartel leaders to spend it, the money has to be cleaned.

For years, the Sinaloa Cartel relied on smuggling truckloads of cash to Mexico or using middlemen to launder that money through banks and businesses. This investigation shows that the Sinaloa cartel has entered into a new criminal partnership with Chinese nationals living in the United States who launder money for the cartels.

Today's announcement centers on the indictment of 24 individuals who laundered drug money for the Sinaloa Cartel, the profits of their poison.

This indictment charges a vast network of the Sinaloa cartel's money launderers. The brokers in the United States who negotiated contracts with members of the Sinaloa cartel in Mexico. The drug traffickers who paid hundreds of thousands of dollars back to the cartel for methamphetamine and cocaine. The couriers who collected, counted and package the drug money and delivered it to the Chinese nationals who are laundering money in the United States. The money launderers in Los Angeles who laundered that money back to the cartels in a number of different ways - by selling those drug dollars to Chinese nationals here in the US, by purchasing gold and jewels here to sell at a profit in Mexico, and by buying cryptocurrency.

These Chinese criminal money laundering networks can move money faster, cheaper and at a fraction of what is usually charged. Chinese money laundering networks charge as little as one or 2% commission to launder drug money as compared to the five or 10% charged by traditional money launderers. These Chinese money laundering networks need cash in the United States because the network's wealthy Chinese customers in China are prohibited from transferring more than approximately \$50,000 out of China each year.

One of the defendants in this case, Edgar Martinez-Reyes managed a group of money launderers in the greater Los Angeles area, and partnered with Peiji Tong, a Chinese national, and leader of the criminal money laundering network. These two defendants traveled together to meet with Sinaloa cartel members in Mexico to negotiate contracts to launder drug money in the United States. Martinez-Reyes' couriers in Los Angeles picked up hundreds of 1000s of dollars at a time - 10s, 20s, 50s, and hundreds wrapped in rubber bands - from drug traffickers supplied by the Sinaloa Cartel. These couriers would take that

money, count it, package it and deposit it in bank accounts set up in their own names, and in others' names, depositing small amounts over and over again to avoid the banks reporting requirements. One of their couriers made twenty-four back-to-back deposits at a Citibank ATM totaling \$16,000. And another courier deposited another nearly \$20,000 in drug money in fifteen back-to-back deposits at another Citibank ATM a few days later.

Martinez-Reyes and his associates would also deliver the drug money to the Chinese criminal money laundering network run by another defendant, Sai Zhang, where he would resell those dollars to wealthy Chinese customers who would then buy vehicles, homes, and luxury goods in the United States.

Today's indictment strikes at the very heart of the Sinaloa Cartel. It's very purpose to make money off the death and destruction that they cause. And it shows how the cartel relies on a network of Chinese money launderers to profit from selling drugs across the United States.

I want to thank the People's Republic of China, which informed us that they detained one of the fugitives from this case in May. We have had multiple law enforcement engagements with the Ministry of Public Security in China since the Woodside Summit between President Biden and Xi last November.

I also would like to thank the government of Mexico, which has reported that it arrested one of the other fugitives last week.

I want to thank the men and women of DEA's Los Angeles Field Division and Task Force Officers from the Glendora, South Gate, Downey, El Monte and Fullerton Police Departments.

I'd also like to thank the Internal Revenue Service, and of course, the US Attorney's Office for the Central District of California, which is a tremendous partner in this work. All of these men and women worked tirelessly on this investigation.

Today's charges are yet another step in DEA efforts to target the cartels responsible for the deadliest drug threat that our country has ever faced. Our work is not done. There's more to come. Thank you.