U.S. Prepared to Extradite Pharmaceutical Entrepreneur to Mexico to Face Drug Charges

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A prominent Chinese-Mexican pharmaceutical entrepreneur who fled to the US nine years ago to avoid facing charges of drug trafficking in Mexico will apparently be extradited back to his adopted country soon. Zhenli Ye Gon—who immigrated to Mexico from China in 1990 and became a naturalized Mexican citizen in 1993—is said to have developed close links to the synthetic-drug trafficking operations of the notorious Sinaloa cartel led by Joaquín “El Chapo” Guzmán.

Ye Gon was accused both in the US and Mexico of using his Mexican pharmaceutical company Unimed Pharm Chem as a front to import massive quantities of chemicals to produce pseudoephedrine, an active ingredient in methamphetamines (SourceMex, July 25, 2007). The drugs were manufactured by the Sinaloa cartel for sale in the US market (SourceMex, July 17, 2013).

In 2007, an investigation of Ye Gon’s activities led authorities to the entrepreneur’s luxury mansion in Mexico City, where authorities found an assortment of weapons and US$207 million in US currency. The funds consisted mostly of US$100 bills, and when stacked together took up the space of a king-sized bed, according to media reports. At the time of the raid, Ye Gon was already under arrest in the US.

In comments to reporters, Ye Gon claimed that some of the cash found in his home was part of an illegal fund to support the presidential campaign of the center-right Partido Acción Nacional (PAN), which President Felipe Calderón had won by a very narrow margin in 2006 (SourceMex, July 12, 2006, and Aug. 9, 2006). According to Ye Gon, Calderón aide Javier Lozano blackmailed him into raising illicit funds for the campaign. The PAN denied Ye Gon’s allegations.

Ye Gon was taken into custody by US authorities shortly after his arrival in the Washington, DC, area. The US charged Ye Gon with drug trafficking and money laundering, with the case connected to subsequent US investigations into the British banking giant HSBC (SourceMex, July 25, 2012) and the Las Vegas Sands Corp. casino company. According to court papers, Ye Gon was a high-stakes baccarat player at the Sands. The Las Vegas casino, which acknowledged to US authorities that it failed to recognize Ye Gon’s suspicious transactions, paid US$47 million to the government as part of a 2013 settlement with the US Department of Justice (DOJ).

The US arrest prompted a tug-of-war between the US and Mexico over which government should have custody of Ye Gon. However, US prosecutors were unable to make drug trafficking charges stick, and the DOJ gave up its case against Ye Gon for lack of evidence after one of its witnesses recanted and another refused to testify (SourceMex, July 1, 2009). Authorities were preparing to extradite Ye Gon back to Mexico in 2009, but Ye Gon’s attorneys filed a series of appeals that kept the entrepreneur in a prison in Virginia.

Ye Gon exhausts legal options
In fighting the extradition requests, Ye Gon’s legal team has argued that the Chinese-Mexican businessman would likely be tortured or killed if he returns to Mexico. During a court hearing
before a US District Court in Roanoke, Virginia, in October 2015, attorney Gregory Smith cited US documents detailing several cases where prisoners in Mexico were tortured while in custody. He also produced sworn statements from two of Ye Gon’s co-defendants who said they were beaten, placed handcuffed in dark cells, and forced to kneel on broken glass.

“There is a very serious risk he will be tortured or killed in prison, to the point where I’m losing sleep over it,” Smith said.

After the district court denied Ye Gon’s petition to throw out the extradition request, Smith brought the case to a federal appeals court in Richmond, Virginia. The outcome was not any better for Ye Gon, as the presiding judge ruled in August that he could not require that the extradition be reconsidered. In his decision, the judge said the US State Department, which gave final approval to Mexico’s extradition request in 2015, had full jurisdiction over the matter.

A State Department spokesperson declined direct comment on the Ye Gon case, but noted that the US government must be satisfied that any individual who is extradited will not be tortured and will also receive a fair trial. Mexico’s foreign ministry (Secretaría de Relaciones Exteriores, SRE) also declined comment on the pending extradition.

The extradition could face another slight delay. Smith said he planned to ask the US Supreme Court for an emergency stay. Unless the US high court agrees to the request, Ye Gon could be on his way to Mexico soon, Smith said.

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