# 24 Charged in $50 Million Money Laundering Scheme Involving Sinaloa Cartel and Chinese Networks



Federal prosecutors have charged 24 individuals with participating in a significant money laundering scheme involving Mexico's Sinaloa cartel and Chinese underground banking groups in the U.S. The investigation, ongoing for five years, revealed that the cartel collaborated with Chinese nationals to launder over $50 million from the sale of drugs such as fentanyl and cocaine, predominantly in the Los Angeles area.

Leading the scheme was Edgar Joel Martinez-Reyes of East Los Angeles, who managed couriers transporting drug money with the help of Peiji Tong, a Chinese money broker. They negotiated with cartel members in Mexico and utilized methods like cryptocurrency transactions to move funds. Wealthy Chinese nationals, restricted by their government's capital flight regulations, utilized this laundering system to transfer large sums of money to the U.S.

The scheme took advantage of lower commission fees offered by Chinese laundering networks compared to traditional methods. This illicit activity also facilitated the purchase and transfer of goods and chemicals vital for drug manufacturing back to Mexico. Authorities have arrested at least 22 of the accused and seized substantial quantities of drugs, including cocaine, methamphetamine, and Ecstasy pills. The collaboration between U.S., Chinese, and Mexican law enforcement played a crucial role in apprehending fugitives and disrupting the operation.