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## News Releases

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FEBRUARY 8, 2011 EL PASO, TX

### **Federal jury convicts Gateway Hotel owner of smuggling, harboring illegal aliens**

PASO, Texas - The owner of the "Gateway Hotel" was convicted Friday of conspiring to smuggle and harbor undocumented aliens for financial gain, announced U. S. Attorney John E. Murphy. This investigation was conducted by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) Border Enforcement Security Task Force (BEST).

Song U. Chon, 55, president and owner of the Gateway Hotel; Alejandro Rico, 54, a desk clerk at the Gateway Hotel; and Manuel Cardoza, 47, were found guilty of conspiring and devising a plan to smuggle hundreds of illegal aliens into the United States from Mexico, Central and South America, Eastern Europe and Southwest Asia, and harbor them in El Paso using the Gateway Hotel and other locations. In addition, Song U. Chon was convicted of money laundering and three counts of making a false statement on an Internal Revenue Service, Corporate Income Tax return.

Jurors found that beginning in June 2003 and continuing to May 2009, the defendants supplied the smuggled aliens with shelter, food and clothing until their family or "sponsor" paid a fee, usually about \$2,000. Once the fee was paid, generally by Western Union and/or Money Gram, the defendants would then transport the illegal aliens to their final destination in the United States.

Jurors also found that Chon laundered the proceeds of the alien smuggling conspiracy to continue the alien smuggling scheme and to conceal the nature, source and ownership of the proceeds of the alien smuggling activity by skimming and hiding between \$300 and \$400 per day from the gross receipts. The jury additionally found that Chon willfully made false statements on the corporate income tax records for YCL, Inc., for the years 2005, 2006 and 2007 by understating the yearly gross receipts for the Gateway Hotel by an estimated \$250,000-\$300,000 per year.

Chon, Garcia-Rico, Cardoza and the YCL Corporation were the last of 25 defendants to be convicted in connection with this scheme. Sentencing for Chon, Garcia-Rico, Cardoza and the YCL Corporation has yet to be scheduled. A hearing regarding the criminal forfeiture of the Gateway Hotel is scheduled in March 2011.

Chon faces up to 20 years imprisonment on the money laundering charge and up to five years imprisonment on each of the three false statement charges. All defendants face up to 10 years in prison for conspiring to smuggle and harbor illegal aliens.

El Paso BEST members are: ICE, U.S. Customs and Border Protection's (CBP) Office of Border Patrol and Office of Field Operations; Drug Enforcement Administration (DEA); U.S. Department of State; Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); Transportation Security Administration (TSA); El Paso County Sheriff's Office; El Paso Police Department; and Texas Department of Public Safety.

Special Agents with the Internal Revenue Service - Criminal Investigation in El Paso investigated the money laundering and tax fraud offenses. Assistant U.S. Attorneys Juanita Fielden and Ken Kaplan, Western District of Texas, are prosecuting this case.

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