



News Releases

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El Paso, TX

El Paso hotel owner sentenced to 15 years in federal prison for smuggling and harboring illegal aliens, money laundering and income tax fraud
Forfeiture and restitution judgments total more than \$3.66 million

EL PASO, Texas – A downtown El Paso hotel owner was sentenced to 15 years in federal prison Oct. 21 for conspiracy to smuggle, transport and/or harbor illegal aliens, money laundering and tax fraud. The sentencing followed an investigation by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI).

Song U. Chon, 55, president of YCL Inc. and owner of the Gateway Hotel, was sentenced to 180 months in federal prison followed by three years of non-reporting supervised release. U.S. District Judge Frank Montalvo also ordered Chon to pay restitution to the government in the amount of \$481,812.32.

In addition, Judge Montalvo ordered that YCL Inc., doing business as "The Gateway Hotel," be placed on five years probation and pay a \$5,000 fine.

Montalvo also entered a preliminary order of forfeiture of The Gateway Hotel located at 104 S. Stanton St. in El Paso. He further entered money judgments of \$2,305,497 against Chon, and \$873,910 against YCL Inc.

According to the investigation by the ICE HSI-led Border Enforcement Security Task Force (BEST), the defendants harbored at least 5,000 smuggled aliens from 2003 to 2009 at the Gateway Hotel.

In February 2011, a federal jury convicted Chon, YCL Inc., and two others of conspiracy to smuggle and harbor illegal aliens for financial gain. Chon was also convicted of one count of money laundering and three counts of making a false statement on an Internal Revenue Service Form 1120-Corporate Tax Return.

Jurors found that beginning in June 2003 and continuing to May 2009, the defendants conspired and devised a plan to smuggle hundreds of illegal aliens into the United States from Mexico, Central America, South America, Eastern Europe and Southwest Asia. The defendants harbored the aliens in El Paso using the Gateway Hotel and other locations. The defendants supplied them

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 transported the illegal aliens to their final destination in the United States.

Jurors further found that Chon laundered the proceeds of the alien smuggling conspiracy by using illegal profits to promote the alien smuggling scheme. He concealed 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 also found that Chon, as the president of YCL Inc., willfully made false statements on the corporate income tax records for the years 2005, 2006 and 2007 by understating the yearly gross receipts for the Gateway Hotel by about \$250,000 to \$300,000 per year.

In all, 25 defendants were convicted and sentenced in connection with this scheme. Sentences ranged from five years probation to 15 years in federal prison.

BESTs are ICE-led task forces that operate nationwide, including on the U.S.-Mexico border. BESTs enforce a wide array of immigration and customs laws, including those related to securing the border. BESTs also combat transnational threats, such as alien, drug, weapons, currency and other contraband smuggling organizations, as well as criminal gangs.

El Paso BEST members include the following law enforcement agencies: ICE HSI; 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 (DPS). Special agents with the Internal Revenue Service's Criminal Investigation Division in El Paso investigated the money laundering and tax fraud offenses.

<http://www.ice.gov/news/releases/1110/111027elpaso.htm>