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China's Global Aid to Cartels

China's presence in drug trafficking arenas has been increasing; they are heavily involved in global money laundering and chemical production specifically for drug manufacturing. China is deeply intertwined with Mexican drug cartels and criminal gangs, enhancing these transnational criminal organizations' (TCO) capabilities. A multitude of explosive-laden quadcopters was found abandoned in the southwestern Michoacán state of Mexico in July. They were filled with C4 and ball bearings.

Chinese criminal networks supply tons of drug-making chemicals and launder billions of dollars on an annual basis. This has a detrimental effect on not only the countries in which they operate, but the United States as well.

Derek Maltz, former head of the Drug Enforcement Administration's (DEA) Special Operations Division, believes that the Chinese are more dangerous, sophisticated, complex, and a far greater national security threat to America than the Mexican cartels. He emphasized that there really is no comparison.

Maltz said traditional money laundering organizations charged around 8 percent for laundering bulk cash, but Chinese networks overtook the industry by undercutting the competition and charging commissions as low as 1 percent, or even nothing at all.

"It's a brilliant business idea," Maltz said. "They set up very sophisticated, complex, trade-based money laundering schemes where hundreds of millions of dollars are picked up and used to buy consumer goods in China. And then the consumer goods are shipped ... all over ... Latin America. China's massive export industry has allowed hundreds of billions of dollars' worth of drug proceeds to be easily laundered on behalf of Mexican and Colombian drug trafficking organizations," the spokesperson said.

"Chinese nationals in the United States also operate a popular scheme, known as the Chinese Underground Banking System, which works not only to launder money for the cartels, but to help Chinese nationals living in the United States access massive amounts of cash, according to the DEA." The DEA identified other Chinese laundering channels: trade-based money-laundering (the over- or underpricing of goods, falsified bills of lading and customs declarations, and counterfeit import/export contracts); securities transactions (stocks, bonds, commodities, and precious metals); real estate transactions; casino-related transactions; and wire transfers via both formal and underground banking systems.

Maltz believes the Chinese Communist Party (CCP) is likely involved in both money laundering operations and drug-related chemical manufacturing. "I look at this as another avenue in China's global attack against their adversaries," he said. "What better way to hurt America than poison [its youth] and cause ... overdoses, [while] making billions of dollars?" Maltz views the CCP's actions as a form of chemical warfare against America because Chinese labs are producing these lethal chemicals.

These networks are extremely difficult to penetrate by human means, not to mention their use of encrypted communications and digital currency.

"During the 1990s, the geniuses in the Sinaloa cartel like 'Chapo' Guzman and others were aligning themselves with ... Chinese organized crime groups, and they were importing multi-ton shipments of chemicals from China right into Mexico—specifically to produce methamphetamine," Maltz said.

In 2007, Chinese national Zhenli Ye Gon was arrested and charged with drug offenses for his role in manufacturing methamphetamine in Mexico to be distributed in the United States. Zhenli was arrested in Maryland but lived in Mexico. He was discovered with at least \$205 million USD stacked in a room...and this is only one person.

"Chinese are also operating all over Panama and areas of Central America, as well as working on large cocaine shipments to Asia and other parts of the world," Maltz said.

"The Chinese and the Mexican cartels have a very lethal relationship right now," said Maltz. "Why isn't anybody in America talking about the level of overdose deaths from this poison every day?"

Many terrorist organizations have utilized a variety of tactics to advance their agenda. The cartels are using terroristic tactics while receiving aid and tacit approval from China—one of the largest economies in the world. It is well known that China and the cartels have an extreme disregard for any life and will use any avenue (by any means necessary) to further their agendas and increase their powers.

Sources

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