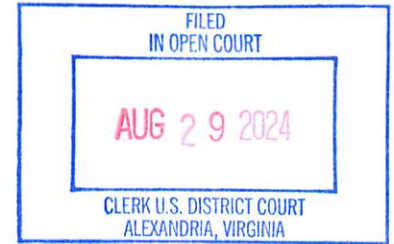


IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA

v.

LI PEI TAN,  
a/k/a "Peter Tan,"  
a/k/a "Lipei Tan,"  
a/k/a "Pei Tan,"  
a/k/a "Benny Tan,"  
a/k/a "Benny,"  
a/k/a "Ben Li,"  
a/k/a "Ben,"  
a/k/a "B,"  
a/k/a "Peter,"  
a/k/a "P,"

*Defendant.*

CRIMINAL NO. 1:24-CR-145

Count 1: Conspiracy to Commit Money  
Laundering  
(18 U.S.C. §1956(h))

Forfeiture Notice

INDICTMENT

August 2024 TERM – at Alexandria, Virginia

THE GRAND JURY CHARGES THAT:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

RELEVANT PORTIONS OF THE CONTROLLED SUBSTANCES ACT AND MONEY  
LAUNDERING STATUTES

1. Under the Controlled Substances Act ("CSA"), no person may, without authorization, knowingly or intentionally manufacture, distribute, or dispense or possess with the intent to manufacture, distribute, or dispense a controlled substance, or conspire or attempt to do the same. 21 U.S.C. §§ 841 and 846. There are five "schedules" of controlled substances. Substances are

“scheduled” based on their potential for abuse and recognized medical usage. 21 U.S.C. § 812, *et seq.*

2. It is unlawful to conduct or attempt to conduct a financial transaction affecting in any degree interstate or foreign commerce involving the proceeds of a “specified unlawful activity,” knowing that the property involved in the financial transaction represents some form of unlawful activity and knowing that the transaction was designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of specified unlawful activity, or to conspire to do the same. 18 U.S.C. §§ 1956(h) & (a)(1)(B)(i).

3. Violations of the CSA involving the felonious importation, receiving, buying, selling, or otherwise dealing in controlled substances are a “specified unlawful activity” for purposes of the prohibitions outlined in 18 U.S.C. §§ 1956(a). 18 U.S.C. §§ 1956(c)(7), 1961(1)(D).

THE ROLE OF PROFESSIONAL MONEY LAUNDERING ORGANIZATIONS IN  
INTERNATIONAL DRUG TRAFFICKING

4. The United States is one of the world’s largest and most lucrative markets in which to distribute illegal drugs.

5. Illegal drug distribution is a cash-intensive enterprise. International drug-trafficking organizations (“DTOs”) involved in distributing large quantities of controlled substances generate large amounts of cash, which they have difficulty moving, spending, and investing without being detected by law enforcement. Because the cash is proceeds of a “specified unlawful activity,” special care must be taken to transact the cash in a manner to avoid detection by law enforcement.

6. Many DTOs attempt to conceal the origin and the nature of drug proceeds through various money-laundering techniques, including techniques intended to move cash drug proceeds through the global financial system.

7. Professional money launderers are individuals, organizations, and networks that launder money in exchange for a fee or a commission. These professional money launderers provide the service of concealing the nature, source, location, ownership, control, origin, and/or destination of the funds to avoid detection, and sometimes also the transfer of funds across international borders.

8. Some professional money launderers operate as a group of loosely affiliated members while others operate as part of a money laundering organization (“MLO”).

9. DTOs often hire professional money launderers or MLOs to launder drug proceeds back to the DTO in a manner that conceals the nature, source, location, ownership, control, origin, and/or destination of the funds. A money laundering “contract” is an agreement to obtain proceeds of a specified unlawful activity, such as illegal drug distribution, in the United States and conduct financial transactions with that money so it, or its equivalent value, can be provided to the individuals and groups whose activities generated it. These professional money launderers and MLOs may earn a commission, a percentage of the money involved in the transaction, in return for their services.

10. Traditionally, DTOs relied on shipments of bulk cash moving from the United States, where drugs were sold, back to the countries in which the DTOs operated, such Mexico. This method, however, involves risk of seizure by law enforcement and the need to move large quantities of paper currency. In addition, advancements by law enforcement agencies around the world have made the depositing of this cash into the international banking system more challenging. In light of these challenges, DTOs and MLOs developed other means of repatriating drug proceeds from the United States to the DTOs.

11. Two common money laundering methods employed by professional MLOs to repatriate illegal drug proceeds from the United States to foreign DTOs in Mexico and elsewhere are “mirror transfers” and “trade-based money laundering” (“TBML”).

12. A “mirror transfer” occurs when a financial transaction in one location, such as the exchange of a certain amount of cash, triggers a reverse financial transaction in another location. A “mirror transfer” can operate as an underground currency exchange, where, for example, U.S. currency is purchased using another country’s currency in a transaction overseas. This type of transfer allows value to be transferred between parties in different countries without the need for an international wire transfer.

13. TBML is a process of disguising criminal proceeds by various methods of moving value in trade transactions.

14. An increasing number of money laundering schemes involve money laundering transactions in the People’s Republic of China,<sup>1</sup> as recognized by the U.S. Department of the Treasury in a February 2022 National Money Laundering Risk Assessment.<sup>2</sup> This is, in part, because of the existence and scale of “underground banking” or the “black market foreign exchange” for the exchange of foreign currency among the Chinese expatriate community in the United States, as well as the demand for U.S. dollars and avoidance of capital flight restrictions that would otherwise limit money transfers out of China.

15. MLOs in the United States use “mirror transfers” or TBML to transfer value to China without the need for international wire transfers.

---

<sup>1</sup> References to China in this Indictment include Hong Kong.

<sup>2</sup> See Dept. of Treas., National Money Laundering Risk Assessment (Feb. 2022), at 22–23, <https://home.treasury.gov/system/files/136/2022-National-Money-Laundering-Risk-Assessment.pdf>

16. In a typical drug money laundering cycle involving China, once MLOs take custody of drug cash in the United States, a member of the MLO, a money “broker,” can release payment in local currency, such as pesos, to the DTO in a foreign country, typically in Mexico or elsewhere in Latin America, equivalent to the amount of drug cash that the MLO received in the United States minus a commission. After this initial “mirror transfer,” the MLO transfers the value of the U.S. currency collected on behalf of the DTO from the United States to China, either through the “purchase” of U.S. dollars in a “mirror transfer” or in the form of a shipment of goods in the case of TBML. When the value of the proceeds arrives in China, either in the form of Chinese currency, known as yuan or renminbi (“RMB”), or in the form of goods to be sold, the value is typically used to finance the purchase of goods in China that are shipped abroad and sold for profit. This profit is used to reimburse the MLO money broker who originally released payment to the DTO, completing the money laundering cycle.

COUNT ONE

*(Conspiracy to Launder Monetary Instruments)*

THE GRAND JURY FURTHER CHARGES THAT:

17. The factual allegations contained in paragraphs 1 through 16 are re-alleged and incorporated as if set forth in their entirety.

STATUTORY ALLEGATION

18. Beginning at least in and around April 2019 and continuing until at least on or about May 22, 2024, within the Eastern District of Virginia and elsewhere, the defendant, LI PEI TAN, did knowingly and intentionally combine, conspire, confederate, and agree with others, both known and unknown to the Grand Jury, to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit:

- a. to conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, the distribution of controlled substances, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

WAYS, MANNER, AND MEANS

19. It was part of the conspiracy that the defendant and his co-conspirators would perform various tasks and take on various roles in furtherance of the conspiracy.

20. It further was part of the conspiracy that the defendant and his co-conspirators would travel, or cause others to travel, to various locations throughout the United States, including to and through the Eastern District of Virginia, to collect, and cause the collection of, proceeds derived from drug trafficking.

21. It was further part of the conspiracy that the defendant and his co-conspirators would verify their authority to collect drug proceeds by presenting a verification code to individuals from whom they expected to collect drug proceeds. This verification code typically was derived from a serial number on a U.S. dollar bill or other U.S. currency.

22. It was further part of the conspiracy that the defendant and his co-conspirators would use encrypted communications platforms, including the “WeChat” and “WhatsApp” applications to discuss their money laundering activities.

23. It was further part of the conspiracy that the defendant and his co-conspirators would send and receive electronic messages over these encrypted communications platforms that contained serial numbers for U.S. currency to be used as a verification code for the collection of drug proceeds at a particular location.

24. It was further part of the conspiracy that the defendant and his co-conspirators would meet in various locations to engage in hand-to-hand transactions in United States currency derived from illegal drug sales.

25. It was further part of the conspiracy that the bulk cash derived from drug trafficking that the defendant and his co-conspirators collected in these transactions often was concealed in bags and packaged in bundles with rubber bands or, sometimes, heat-sealed.

26. It was further part of the conspiracy that the defendant and his co-conspirators would, at times, transport, or cause the transportation of, drug proceeds from one state to another so that members of the conspiracy could conduct transactions using the proceeds in a location far removed from the location where the drug proceeds were originally generated.

27. It was further part of the conspiracy that the defendant and his co-conspirators used bank accounts in the United States and China to deposit and conduct financial transactions with drug proceeds.

28. It was further part of the conspiracy that the defendant and his co-conspirators used businesses in the United States and abroad to conceal the nature, source, ownership, and control of the money they received.

29. It was further part of the conspiracy that the defendant and his co-conspirators used notes and ledgers to keep track of financial transactions conducted in furtherance of the conspiracy.

ACT IN FURTHERANCE OF THE CONSPIRACY

30. On or about March 3, 2024, in or near Charlotte, North Carolina, the defendant picked up approximately one hundred ninety-seven thousand seven hundred seventy dollars (\$197,770) representing drug proceeds from a co-conspirator. Law enforcement seized this currency during a subsequent traffic stop.

(All in violation of Title 18, United States Code, Section 1956(h)).

FORFEITURE NOTICE

THE GRAND JURY HEREBY FINDS probable cause that the property described in this NOTICE OF FORFEITURE is subject to forfeiture pursuant to the statutes described herein.

Pursuant to Fed. R. Crim. P. 32.2(a), the defendant is hereby notified that if convicted of the crime charged in Count One of this Indictment, he shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1) all property, real or personal, involved in the offense and any property traceable thereto.

The defendant is hereby notified, pursuant to Federal Rule of Criminal Procedure 32.2(a), that upon conviction of the offense alleged in the Information, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 924(d) and Title 28, United States Code, Section 2461(c), any firearms or ammunition used in or involved in the violation.

The property subject to forfeiture includes, but is not limited to, the following:

- a. The real property located at 3441 Andover Way, Buford, Georgia 30519;
- b. One hundred ninety-seven thousand seven hundred seventy dollars (\$197,770.00) seized from the defendant on or about March 3, 2024;
- c. Twenty-six thousand nine hundred ninety dollars (\$26,990) seized from the defendant on or about May 22, 2024;



- d. A Kimber EVO SP9 9mm caliber pistol bearing serial number B0005801, and any accompanying magazines and ammunition; and
- e. Assorted jewelry seized from the defendant's residence on or about May 22, 2024.

Pursuant to Title 21, United States Code, Section 853(p), the defendant shall forfeit substitute property, if, by any act or omission of the defendant, the property referenced above cannot be located upon the exercise of due diligence; has been transferred, sold to, or deposited with a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

(Pursuant to Title 18, United States Code, Section 982(a)(1); Title 18, United States Code, Section 924(d); Title 21, United States Code, Section 853; Title 28, United States Code, Section 2461(c); and Federal Rule of Criminal Procedure 32.2(a).)

A TRUE BILL

Pursuant to the E-Government Act,  
The original of this page has been filed  
under seal in the Clerk's Office

Foreperson

Jessica D. Aber  
United States Attorney  
Eastern District of Virginia

By:

  
Edgardo J. Rodriguez  
Assistant United States Attorney

Margaret A. Moeser  
Chief, Money Laundering and Asset Recovery Section  
U.S. Department of Justice, Criminal Division

By:

  
Mary K. Daly  
Trial Attorney