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Department of Justice Press Release

For Immediate Release
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United States Attorney's Office
Central District of California
Contact: (213) 894-2434

Southern California Man Sentenced to 25 Years in Prison for Convictions in Smuggling Schemes, Including Plot to Bring Surface-to-Air Missiles Into United States

LOS ANGELES—A Southern California man was sentenced this morning to 25 years in federal prison after being convicted on a series of federal charges related to schemes to smuggle many items into the United States, including surface-to-air missiles designed to shoot down aircraft.

Yi Qing Chen, 49, of Rosemead, California, received the 300-month sentence from United States District Judge Dale S. Fischer.

Last October, following a two-week trial, a federal jury convicted Chen of five felony counts—conspiracy to distribute methamphetamine and cocaine, distribution of cocaine, trafficking in counterfeit cigarettes (approximately 800,000 cases of cigarettes), trafficking in contraband cigarettes, and conspiracy to import missile systems designed to destroy aircraft.

During this morning's hearing, Judge Fischer said Chen "never saw a criminal scheme he didn't want a part of."

The evidence presented during the trial showed that Chen conspired to smuggle, among other things, Chinese-made QW-2 shoulder-fired missiles into the United States. The guilty verdict in the missile plot was the nation's first conviction at trial under an anti-terrorism statute that outlaws the importation of missile systems designed to destroy aircraft. Enacted in December 2004, the statute carries a mandatory minimum penalty of 25 years in federal prison.

"Mr. Chen was the first person in the nation to be indicted for plotting to smuggle anti-aircraft missiles into the United States after the 9/11 attacks," said United States Attorney André Birotte Jr. "The 25-year sentence imposed today appropriately reflects the severity of the threat this conspiracy posed to the security of the United States."

The case against Chen is the result of Operation Smoking Dragon, an FBI-led undercover investigation into smuggling operations in Southern California. Smoking Dragon and a related investigation in New Jersey led to the indictment of 87 individuals on charges related to international conspiracies to smuggle counterfeit United States currency, drugs and other contraband into the United States. Operation Smoking Dragon resulted in four indictments and nearly three dozen convictions in Los Angeles. Chen is the final defendant to be sentenced in relation to Operation Smoking Dragon.

"Today's sentencing of Mr. Chen is the result of eight years of investigative work by agents and prosecutors assigned to the Smoking Dragon case," said Steven Martinez, Assistant Director in Charge of the FBI in Los Angeles. "The defendant's willingness to smuggle surface-to-air missiles into this country or anywhere is a frightening concept because there can be no confusion as to the purpose of such contraband—nor to the potentially horrific consequences for innocent people."

In 2006, a man who conspired with Chen pleaded guilty in relation to various smuggling plots, including the scheme to bring the surface-to-air missiles into the United States (see: <http://www.justice.gov/usao/cac/pressroom/pr2006/044.html>). That co-defendant, Chao Tung Wu, died while pending sentencing and before Chen was brought to trial.

The evidence in the case showed that Chen and Wu met with an undercover FBI agent and agreed to arrange the importation of shoulder-fired QW-2 missiles, as well as launch and operation hardware for the missiles, from the People's Republic of China. The missiles were never delivered because Wu and Chen were arrested in 2005 before the deal was concluded.

"Recordings played during trial, of defendant [Chen] and Wu, included discussions that they had engaged in a wide range of criminal activity, including narcotics and counterfeit cigarette trafficking and shipping vehicles to China in containers where documents fraudulently identified their contents," prosecutors wrote in papers filed in court prior to today's sentencing. "It was undisputed that Wu never conducted any legitimate business during the relevant period of time."

In addition to the 25-year prison term, Judge Fischer ordered Chen to pay \$520,000 to Philip Morris for the counterfeit cigarettes he smuggled into the United States.

Operation Smoking Dragon was an investigation run by the Federal Bureau of Investigation, which received substantial assistance from the Bureau of Alcohol, Tobacco, Firearms, and Explosives and U.S. Immigration and Customs Enforcement. The United States Secret Service assisted in the investigation in relation to the smuggling of counterfeit \$100 bills called "Supernotes" that are believed to have been manufactured in North Korea.

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