

JACKSON COUNTY

DRUG TASK FORCE



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WESTERN DISTRICT OF MISSOURI



JOHN F. WOOD

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FOR IMMEDIATE RELEASE

KC RESTAURANT OWNERS, OTHERS INDICTED \$2.3 MILLION COCAINE CONSPIRACY

KANSAS CITY, Mo. – John F. Wood, United States Attorney for the Western District of Missouri, announced today that the owners of a Kansas City, Mo., restaurant are among 15 co-defendants indicted by a federal grand jury for participating in a \$2.3 million dollar conspiracy to distribute large quantities of cocaine and a money laundering conspiracy to conceal drug-trafficking profits through the restaurant and through real estate transactions.

Fernando Chavez, also known as Mr. Magoo, Old Boy and Nando, 34, address unknown, a citizen of Mexico, **Jose Estrada**, also known as Enrique, Jose Estrada-Romero, KiKi, and QueQue, 42, a citizen of Mexico residing in Merriam, Kan., **Juan Delgado**, also known as Cachetes and Marana, 32, a citizen of Mexico residing in Kansas City, Mo., **Raymond Sparks**, 34, **Sylvia Delgado**, 28, **Cruz Santa-Anna**, also known as Nene, 26, **Carlos Hernandez!**, also known as Carlos Hernandez-Banuelos, 42, **Luis Morgan**, 39, **Ricardo Ruiz**, also known as The Rabbit and Conejo, 31, **Omar Villareal**, also known as Shaggy, 31, and **Julian Araiza**, 31, all of Kansas City, Mo., **Jose Canales**, 52, of Burleson, Texas, **Jose Ortega-Gallegos**, 37, of Juarez, Mexico, **JUD, LLC**, and **Santadelg Properties, LLC**, were charged in a 19-count indictment returned under seal on April 4, 2007. The indictment was unsealed and made public upon the arrest and initial court appearance of several co-defendants on Tuesday, April 10, 2007.

Juan and **Sylvia Delgado**, who are married, and **Ruiz**, are co-owners of Super Pollo restaurant, 3253 Independence Ave., Kansas City. They, along with **Estrada, Santa-Anna, Morgan, Villareal, Araiza** and **Canales** have been arrested. **Araiza** pleaded not guilty and was released on a \$10,000 unsecured bond. Detention hearings and arraignments for the other defendants is scheduled for today. JUD and Santadelg Propertiers are limited liability companies allegedly established by **Sylvia Delgado** to launder the proceeds of illegal drug trafficking.

Count One of the federal indictment alleges that each of the 13 individual co-defendants participated in a conspiracy to distribute five kilograms or more of cocaine from June 11, 2002, through April 1, 2007.

Counts Two through Four and Count Seven of the federal indictment allege four separate instances on Jan. 17, Feb. 13, April 24, and Sept. 14, 2006, in which **Juan Delgado** distributed an amount less than 500 grams of cocaine.

Count Five of the federal indictment alleges that **Chavez, Estrada, Santa-Anna** and **Hernandez**, aiding and abetting each other, possessed with intent to distribute five kilograms or more of cocaine on July 5, 2006.

Count Six of the federal indictment alleges that **Chavez, Estrada** and **Ortega-Gallegos**, aiding and abetting each other, possessed with intent to distribute five kilograms or more of cocaine on July 7, 2006.

Count Eight of the federal indictment alleges that **Sparks** and **Araiza**, aiding and abetting each other, possessed with intent to distribute an amount less than 500 grams of cocaine on March 8, 2007.

Count Nine of the federal indictment charges **Chavez, Estrada, Juan Delgado, Sparks, Sylvia Delgado, Canales, Santa-Anna, JUD** and **Santadelg Properties** with participating in a conspiracy to commit money laundering. According to the indictment, they conducted financial transactions involving the proceeds of the unlawful distribution of cocaine, with the intent to promote that unlawful activity and with the intent that the transactions would conceal the nature, location, source, ownership or control of the proceeds.

Counts Ten through Twelve of the federal indictment allege three separate instances of money laundering by **Sylvia Delgado**. According to the indictment, **Sylvia Delgado** made a series of deposits, from June 11 to June 25, 2002, into the bank account of Super Pollo that involved the proceeds of the unlawful distribution of cocaine.

Count Thirteen of the federal indictment charges **Juan Delgado** with money laundering. According to the indictment, **Juan Delgado** purchased real estate in Kansas City on Sept. 15, 2003, using the proceeds of the unlawful distribution of cocaine.

Count Fourteen of the federal indictment charges **Sylvia Delgado** with money laundering. According to the indictment, **Sylvia Delgado** conducted a financial transaction on May 24, 2004, that involved the proceeds of the distribution of cocaine when she withdrew \$28,961 to pay off a mortgage on real estate she purchased in Kansas City.

Count Fifteen of the federal indictment charges **Juan Delgado, Canales** and **JUD** with money laundering. According to the indictment, **Juan Delgado** purchased property in Benton County, Mo., from **Canales** for \$109,783 using the proceeds of the unlawful distribution of cocaine.

Count Sixteen of the federal indictment alleges that **Juan Delgado** and **Jose Canales** structured approximately \$40,000 in an attempt to avoid federal reporting requirements by purchasing 11 cashier's checks and money orders for use at the Oct. 5, 2005, closing on the Benton County property.

Count Seventeen of the federal indictment charges **Juan Delgado** and **Canales** with money laundering. According to the indictment, they aided and abetted each other between May 29 and 31, 2006, to deliver \$18,650, which involved the proceeds of the unlawful distribution of cocaine.

Count Eighteen of the federal indictment charges **Chavez, Estrada, Juan Delgado** and **Sparks** with money laundering. According to the indictment, they aided and abetted each other to transfer \$484,340, which involved the proceeds of the unlawful distribution of cocaine.

Count Nineteen of the federal indictment charges **Chavez, Juan and Sylvia Delgado, Santa-Anna** and **Santadelg Properties** with money laundering. According to the indictment, they aided and abetted each other in the transfer of real estate in Kansas City from **Santa-Anna** to **Santadelg Properties**, to reimburse **Chavez** for \$71,895 in illegal drug proceeds seized from **Santa-Anna** on July 5, 2006.

The federal indictment also includes a forfeiture allegation, which would require the defendants to forfeit to the government any property derived from the proceeds of the alleged violations, including a total of \$2,327,090 that was received in exchange for the distribution of cocaine -- including \$35,000 from the bank account of Super Pollo restaurant and \$684,200 seized during the course of the investigation. An additional \$169,000 was seized at the time of the arrests of **Sparks** and **Juan** and **Sylvia Delgado**. Also subject to forfeiture are several real estate properties, including 120 acres and a manufactured home in Benton County owned by **Juan** and **Sylvia Delgado** and **JUD**, two lots and a cabin in Camden County owned by **Juan Delgado**, a residential property in Kansas City owned by **Juan** and **Sylvia Delgado**, a residential property in Kansas City owned by **Juan Delgado**, a residential property in Kansas City owned by **Santadelg Properties**, a residential property in Kansas City owned by **Cruz** and

Santa-Anna, a residential property in Kansas City owned by **Juan** and **Sylvia Delgado**, **Santa-Anna** and **Chavez**, three residential properties in Kansas City owned by **Sparks**, and a residential property in Burleson, Texas, owned by **Canales**.

Wood cautioned that the charges contained in this indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

**This case is being prosecuted by
Assistant U.S. Attorney Jane Pansing Brown.**

**It was investigated by the
Drug Enforcement Administration
IRS-Criminal Investigation
Jackson County Drug Task Force
Kansas City, Mo., Police Department.**